



Camino Nuevo Charter Academy

CNCA Regular Board Meeting

Date and Time

Tuesday January 17, 2023 at 4:00 PM PST

Location

Topic: CNCA Regular Board Meeting 01.17.22

Time: Jan 17, 2023 04:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://caminonuevo-org.zoom.us/j/95989267511?pwd=aERnTm1KVjVhV3pnQUt5aDZMQ0krQT09>

Meeting ID: 959 8926 7511

Passcode: aV2ADv

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+16699009128,,95989267511#,,,,*844703# US (San Jose)

+16694449171,,95989267511#,,,,*844703# US

Dial by your location

+1 669 900 9128 US (San Jose)

+1 669 444 9171 US

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+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

Meeting ID: 959 8926 7511

Passcode: 844703

Find your local number: <https://caminonuevo-org.zoom.us/u/adIMdPkY1>

In accordance with Mayor Garcetti's "Safer at Home" City Order ([Link](#)) and Governor Newsome's State Executive Order([Link](#)) CNCA will be holding Board Meetings via ZOOM video conference and telephone. No physical CNCA school locations will be open to the public.

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[ZOOM Link](#)

Members of the public who wish to address the Board regarding items on this agenda or who need special accommodations should contact Esperanza Bacilio in the Chief Executive Officer's office at 213-417-3400 ext. 1401 or esperanza.bacilio@pueblonuevo.org Brown Act regulations restrict the board from discussing and taking action on any subject presented that is not on the agenda. Speakers are limited to no more than 2 minutes each and it is up to the Board President's discretion to lower or increase that time. Speakers may also sign up in person the day of the meeting.

Agenda

	Purpose	Presenter	Time
I. Opening Items			4:00 PM
A. Record Attendance		Elena Lopez	1 m
B. Call the Meeting to Order		David Gidlow	1 m
II. Approve Minutes			4:02 PM
A. Approve 12-13-2022 CNCA Special Board Meeting Minutes	Approve Minutes	David Gidlow	1 m
B. Approve 11-15-2022 CNCA Regular Board Meeting Minutes	Approve Minutes	David Gidlow	1 m
III. Public Comment			4:04 PM
A. 2 - Minute limit per speaker			5 m

	Purpose	Presenter	Time
IV. Continuing Remote BOD Meetings			4:09 PM
A. Continuing Remote BOD Meetings	Vote	David Gidlow	1 m
<p>California's Ralph M. Brown Act has been amended to allow fully virtual board meetings during a state of emergency after the Governor signed Assembly Bill 361 into law on September 16, 2021 with some provisions. Since the guidance from local authorities regarding the safety precautions for COVID-19 is dynamic, the CNCA board must evaluate the need to meet virtually on a regular basis. At each meeting, the CNCA board will:</p> <ol style="list-style-type: none"> 1. Reconsider the circumstances of the state of emergency and 2. Determine if the state of emergency continues to directly impact the ability of the member to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing. 			
V. CAO Update			4:10 PM
A. Academic Data Update	Discuss	Rachel Hazlehurst	15 m
<p>The academic update will include midyear student achievement data, Special Education, and college application eligibility.</p>			
VI. Financials			4:25 PM
A. FY22-23 SACS First Interim Reports - CNCA#1, CNCA#2, CNCA#3, CNCA#4, CNHS#2	Vote	Sonia Oliva	7 m
B. November 2022 Financials	Discuss	Sonia Oliva	7 m
C. Review of the Restricted Multi-Year Revenue Tab	Discuss	Nancy Cabrel	3 m
D. Monthly Fiscal Meetings with Schools-Progress	Discuss	Nancy Cabrel	3 m
VII. CEO Update			4:45 PM
A. CEO Update	Discuss	Adriana Abich	10 m
VIII. Bond Refinancing and Resolutions			4:55 PM

	Purpose	Presenter	Time
A. Bond Refinancing and Resolutions	Vote	Adriana Abich	10 m
IX. Annual Brown Act Training			5:05 PM
A. Annual Brown Act Training	Discuss	John Lemmo	30 m
Required annual training on Brown Act for CNCA board members.			
X. Closed Session			5:35 PM
A. Public Employee Performance Evaluation CEO G.C. 54957(b)(1)	Discuss	David Gidlow	15 m
XI. Closing Items			5:50 PM
A. Adjourn Meeting	Vote		1 m

Coversheet

Approve 12-13-2022 CNCA Special Board Meeting Minutes

Section: II. Approve Minutes
Item: A. Approve 12-13-2022 CNCA Special Board Meeting Minutes
Purpose: Approve Minutes
Submitted by:
Related Material:
Minutes for CNCA Special Board Meeting on December 13, 2022

APPROVED



Camino Nuevo Charter Academy

Minutes

CNCA Special Board Meeting

Date and Time

Tuesday December 13, 2022 at 4:00 PM

Location

Topic: CNCA Special Board Meeting

Time: Dec 13, 2022 04:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

[https://caminonuevo-org.zoom.us/j/91233959460?](https://caminonuevo-org.zoom.us/j/91233959460?pwd=bGJIYm9SZk9FRzhQWnZpdVYxSnREQT09)

[pwd=bGJIYm9SZk9FRzhQWnZpdVYxSnREQT09](https://caminonuevo-org.zoom.us/j/91233959460?pwd=bGJIYm9SZk9FRzhQWnZpdVYxSnREQT09)

Meeting ID: 912 3395 9460

Passcode: 9T6Uby

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+16699009128,,91233959460#,,,,*122053# US (San Jose)

Dial by your location

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+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

Meeting ID: 912 3395 9460

Passcode: 122053

Find your local number: <https://caminonuevo-org.zoom.us/j/91233959460?pwd=bGJIYm9SZk9FRzhQWnZpdVYxSnREQT09>

Join by SIP

91233959460@zoomcrc.com

Join by H.323

162.255.37.11 (US West)

162.255.36.11 (US East)

115.114.131.7 (India Mumbai)
115.114.115.7 (India Hyderabad)
213.19.144.110 (Amsterdam Netherlands)
213.244.140.110 (Germany)
103.122.166.55 (Australia Sydney)
103.122.167.55 (Australia Melbourne)
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149.137.68.253 (Mexico)
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207.226.132.110 (Japan Tokyo)
149.137.24.110 (Japan Osaka)
Meeting ID: 912 3395 9460
Passcode: 122053

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[ZOOM Link](#)

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Directors Present

C. Garcia Alvarado (remote), C. Smet (remote), D. Gidlow (remote), E. Lopez (remote), J. Ortega (remote), L. Jennings (remote), T. Powers (remote)

Directors Absent

A. Jimenez Villareal, G. Flores

Guests Present

A. Abich (remote), Allison Munder (remote), Bianca Centeno (remote), Bonnie Tran (remote), Charles Miller (remote), Esperanza Bacilio (remote), J. Cohn (remote), Jessica Cuellar (remote), Juan Ramos (remote), K.C. Nyabinyere Jallah (remote), Karissa Inuganti (remote), Kenia Hernandez (remote), Laura Farrel (remote), Margarita Domingo (remote), Monzie Pasos (remote), N. Cabrel (remote), Nadia Orozco (remote), Nashia Williams (remote), Natasha Barriga (remote), R. Rodriguez (remote), Rachel Hazlehurst (remote), Rebecca Hernandez (remote), Sonia Oliva (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

D. Gidlow called a meeting of the board of directors of Camino Nuevo Charter Academy to order on Tuesday Dec 13, 2022 at 4:03 PM.

II. Public Comment

A. 2 - Minute limit per speaker

The following educators addressed the BOD meeting:
Hector Ortiz, Music Teacher, from Cisneros campus.
Laura Farrel, from Dalzell Lance campus and President of Camino Nuevo Teachers Association (CNTA).

III. Continuing Remote BOD Meetings

A. Continuing Remote BOD Meetings

L. Jennings made a motion to continue remote Board of Director meetings.
J. Ortega seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

E. Lopez	Aye
T. Powers	Aye
C. Garcia Alvarado	Aye
G. Flores	Absent
A. Jimenez Villareal	Absent
L. Jennings	Aye
C. Smet	Aye
D. Gidlow	Aye
J. Ortega	Aye

IV. Accept 2021-22 Audit

A. Accept 2021-22 Audit

J. Ortega made a motion to accept the 2021-22 fiscal year audit.
D. Gidlow seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

G. Flores	Absent
D. Gidlow	Aye
A. Jimenez Villareal	Absent
L. Jennings	Aye
J. Ortega	Aye
C. Smet	Aye
C. Garcia Alvarado	Aye
T. Powers	Aye
E. Lopez	Aye

V. Employee Wellness Time

A. Employee Wellness Time

C. Smet made a motion to provide wellness time for employees during the 2022-23 school year.

L. Jennings seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

G. Flores	Absent
C. Smet	Aye
T. Powers	Aye
A. Jimenez Villareal	Absent
J. Ortega	Aye
E. Lopez	Aye
D. Gidlow	Aye
L. Jennings	Aye
C. Garcia Alvarado	Aye

VI. Public Comment Procedures

A. Public Comment Procedures

David Gidlow, BOD President, addressed the board to refresh and review the Brown Act, relative to public comment procedures and policies.

VII. Cisneros Staffing Update

A. Cisneros Staffing Update

David Gidlow, BOD President, and Laura Farrel, CNTA President, addressed the Board to give an update on the staffing situation at Cisneros, as well as share procedures and policies on how bargaining agreements are conducted between CNCA and CNTA.

VIII. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 4:52 PM.

Respectfully Submitted,
E. Lopez

Coversheet

Approve 11-15-2022 CNCA Regular Board Meeting Minutes

Section: II. Approve Minutes
Item: B. Approve 11-15-2022 CNCA Regular Board Meeting Minutes
Purpose: Approve Minutes
Submitted by:
Related Material:
Minutes for CNCA Regular Board Meeting on November 15, 2022



APPROVED

Camino Nuevo Charter Academy

Minutes

CNCA Regular Board Meeting

Date and Time

Tuesday November 15, 2022 at 4:00 PM

Location

Topic: CNCA Regular Board Meeting 11/15/22

Time: Nov 15, 2022 04:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

[https://caminonuevo-org.zoom.us/j/94981028958?](https://caminonuevo-org.zoom.us/j/94981028958?pwd=U2lQMXPZEIIZG1oY2tjTIBtQkRkUT09)

[pwd=U2lQMXPZEIIZG1oY2tjTIBtQkRkUT09](https://caminonuevo-org.zoom.us/j/94981028958?pwd=U2lQMXPZEIIZG1oY2tjTIBtQkRkUT09)

Meeting ID: 949 8102 8958

Passcode: g3FVh8

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+16699009128,,94981028958#,,,,*258654# US (San Jose)

Dial by your location

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+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

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Meeting ID: 949 8102 8958

Passcode: 258654

Find your local number: <https://caminonuevo-org.zoom.us/j/ab0Hf5AsWq>

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Directors Present

C. Garcia Alvarado (remote), D. Gidlow (remote), E. Lopez (remote), G. Flores (remote), J. Ortega (remote), L. Jennings (remote), T. Powers (remote)

Directors Absent

A. Jimenez Villareal, C. Smet

Guests Present

Adriana Abrich (remote), Alicia Zenk (remote), Allison Munder (remote), Amber Skrumbis (remote), Bianca Centeno (remote), Cecilia Baza (remote), Charleen Mendoza (remote), Charles Miller (remote), Crissia DeLaCruz (remote), Crystal Day (remote), Esperanza Bacilio (remote), Hector Ortiz (remote), J. Cohn (remote), Jacqueline Gradilla (remote), Janay Battaglia (remote), Jessica Cohn (remote), Jessica Cuellar (remote), Juan Ramos (remote), Juliana Santos (remote), Justin Berry (remote), K.C. Nyabinyere Jallah (remote), Karla Hernandez (remote), Kenia Hernandez (remote), Laura Farrel (remote), Margarita Domingo (remote), Maria Luisa-Hernandez (remote), Maritza Castro (remote), Michelle Vazquez (remote), Nadia Orozco (remote), Nancy Cabrel (remote), Natasha Barriga (remote), R. Rodriguez (remote), Rachel Hazlehurst (remote), Rebecca Hernandez (remote), Sonia Oliva (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

D. Gidlow called a meeting of the board of directors of Camino Nuevo Charter Academy to order on Tuesday Nov 15, 2022 at 4:03 PM.

C. CEO Remarks

Adriana Abrich, CEO, shared health benefits offered to staff.

II. Approve Minutes

A. Approve 10-11-2022 CNCA Regular Board Meeting Minutes

L. Jennings made a motion to approve the minutes from the CNCA Regular Board Meeting on 10-11-22.

G. Flores seconded the motion.

The board **VOTED** to approve the motion.

Roll Call

G. Flores	Aye
L. Jennings	Aye
A. Jimenez Villareal	Absent
T. Powers	Aye
C. Garcia Alvarado	Abstain
D. Gidlow	Aye
C. Smet	Absent
J. Ortega	Aye
E. Lopez	Aye

III. Public Comment

A. 2 - Minute limit per speaker

The following educators made public comment

:

Charleen Mendoza, teacher at the Castellanos campus.

Crissia DeLaCruz, teacher at the Dalzell-Lance campus.

Hector Ortiz, teacher at the Cisneros campus.

Laura Farrel, teacher at the Dalzell-Lance campus and President of Camino Nuevo Teachers Association.

K.C. Nyabinyere Jallah, Resource specialist teacher at the Cisneros campus.

Jackie Gradilla, teacher at the Cisneros campus.

Juan Ramos, teacher at the Cisneros campus.

IV. Consent Agenda

A. 2022-23 LAUSD Compliance Monitoring Certifications: CNCA #1, CNCA #2, CNES #3, CNCA #4, CNHS #2

L. Jennings made a motion to approve the Consent Agenda.

C. Garcia Alvarado seconded the motion.

The board **VOTED** to approve the motion.

Roll Call

T. Powers	Aye
G. Flores	Aye
C. Garcia Alvarado	Aye
E. Lopez	Aye
J. Ortega	Aye
C. Smet	Absent
D. Gidlow	Aye
A. Jimenez Villareal	Absent
L. Jennings	Aye

V. Continuing Remote BOD Meetings

A. Continuing Remote BOD Meetings

D. Gidlow made a motion to Continue Remote BOD Meetings.

L. Jennings seconded the motion.

The board **VOTED** to approve the motion.

Roll Call

G. Flores	Aye
A. Jimenez Villareal	Absent
J. Ortega	Aye
C. Garcia Alvarado	Aye
L. Jennings	Aye
D. Gidlow	Aye
E. Lopez	Aye
C. Smet	Absent
T. Powers	Aye

VI. Williams Resolution

A. Public Hearing for Sufficiency of Instructional Materials

J. Ortega made a motion to approve the Williams Resolution.
C. Garcia Alvarado seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

D. Gidlow	Aye
E. Lopez	Aye
G. Flores	Aye
C. Smet	Absent
J. Ortega	Aye
A. Jimenez Villareal	Absent
L. Jennings	Aye
T. Powers	Aye
C. Garcia Alvarado	Aye

VII. Request to Modify Graduation Requirements for 2022-2023 School Year

A. Request to Modify Graduation Requirements for 2022-2023 School Year

L. Jennings made a motion to approve modified graduation requirement for the 2022-2023 academic year.
D. Gidlow seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

G. Flores	Aye
L. Jennings	Aye
T. Powers	Aye
D. Gidlow	Aye
A. Jimenez Villareal	Absent
J. Ortega	Aye
E. Lopez	Aye
C. Smet	Absent
C. Garcia Alvarado	Aye

VIII. Enrollment Update

A. Enrollment Update

Crystal Day, Director of Strategic Enrollment, shared current enrollment data at CNCA and strategic plans to increase enrollment.

IX. Financials

A. September 2022 Financials

Sonia Oliva, VP of EXEd, and Nancy Cabrel, Director of Finance and Business, shared current financials based on enrollment and attendance.

X. Finance Committee Update

A. Finance Committee Update

Gil Flores, Treasurer of the BOD and Chairperson of the Finance Committee, shared strategic practices to increase enrollment in collaboration with principals.

XI. Audit Committee Update

A. Audit Committee Update

David Gidlow, Board of Directors President, shared the audit committee will review the CNCA audit on Dec 6, and will convene a special BOD meeting on Dec 13 to approve acceptance in order to meet the LAUSD submission deadline of Dec 15.

XII. CAO Update

A. Update on Special Education

Rachel Hazlehurst, CAO, shared SPED updates around the IEP reports and service records.

XIII. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:25 PM.

Respectfully Submitted,

E. Lopez

L. Jennings made a motion to adjourn meeting.

J. Ortega seconded the motion.

The board **VOTED** to approve the motion.

Roll Call

E. Lopez	Aye
C. Smet	Absent
G. Flores	Aye
J. Ortega	Aye
D. Gidlow	Aye
L. Jennings	Aye
C. Garcia Alvarado	Aye
T. Powers	Aye
A. Jimenez Villareal	Absent

Coversheet

Academic Data Update

Section: V. CAO Update
Item: A. Academic Data Update
Purpose: Discuss
Submitted by:
Related Material: CAO Update January 2023.pdf



CAO Update

CNCA BOARD OF DIRECTORS MEETING

JANUARY 17, 2023

Big Idea

Our midyear iReady results demonstrate **growth since BOY**, but at a *lower rate than at this time last year*.

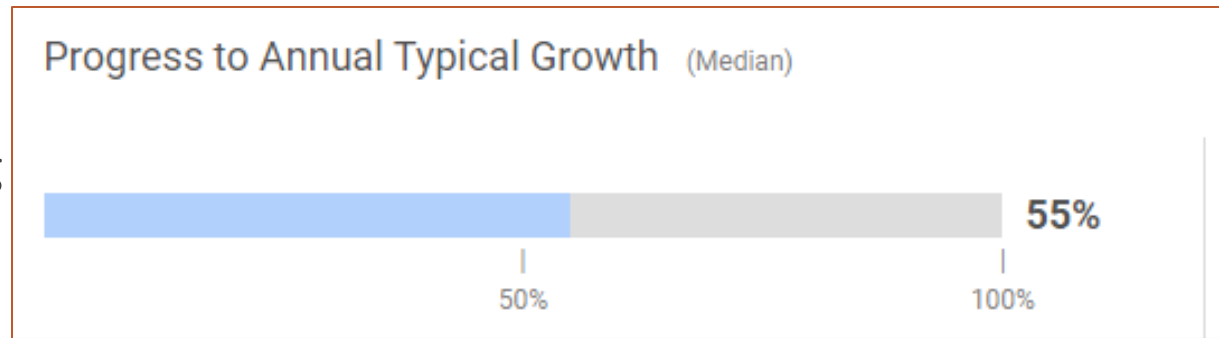
Many students *continue to perform below grade level*, which underscores the student learning crisis that educators continue to face in the aftermath of COVID-19 school disruptions.



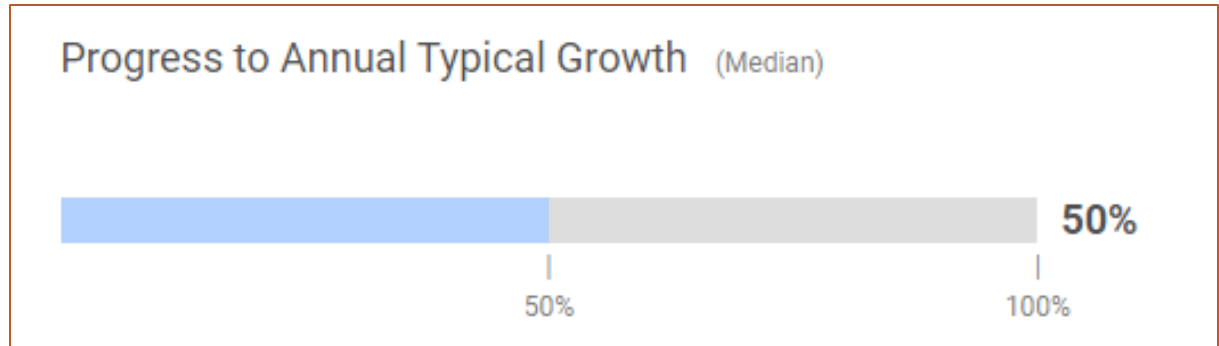
Overall Placement: Fall to Winter

iReady Growth Data (K-8 Only)

English Reading



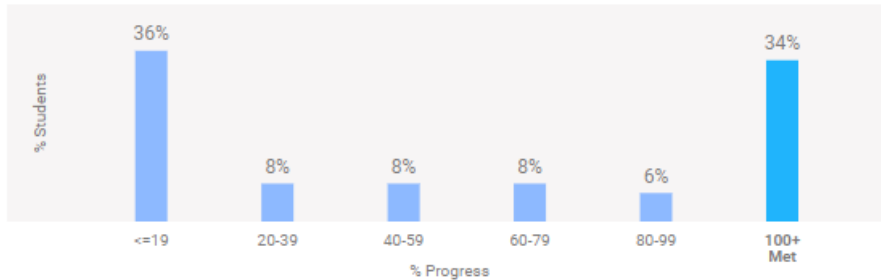
Math



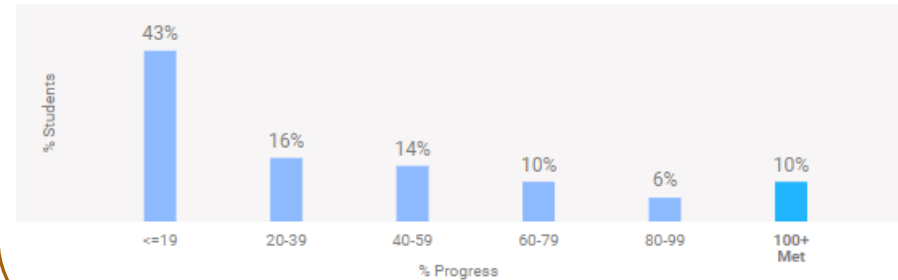
Reading Growth: Zoomed In

With the vast majority of our students reading below grade level in English, we actually need them to hit their “Stretch Growth” goals.

Distribution of Progress to Annual
Typical Growth



Distribution of Progress to Annual
Stretch Growth®



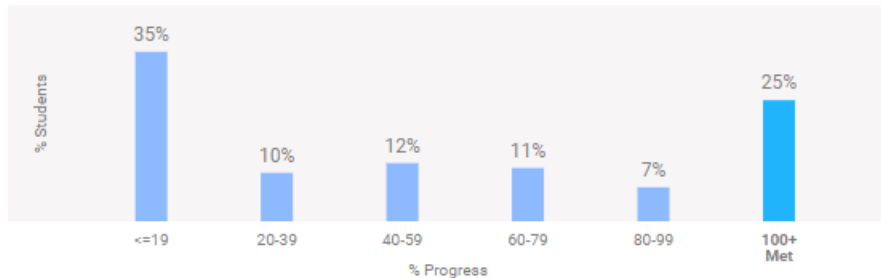
Reading Growth: By School

School <input type="text" value="School"/>	Annual Typical Growth ⓘ		Annual Stretch Growth® ⓘ		% Students with Improved Placement
	Progress (Median) ⌵	% Met ⌵	Progress (Median) ⌵	% Met ⌵	
Camino Nuevo Charter Academy-Burlington	87%	45%	42%	13%	47%
Camino Nuevo Jane B. Eisner MS	67%	45%	24%	12%	40%
Camino Nuevo Charter Academy #2-KAYNE SIART	50%	33%	26%	11%	37%
Camino Nuevo Elementary School #3-Castellanos	41%	22%	24%	5%	25%
Camino Nuevo Charter Academy #4-Cisneros	32%	27%	17%	9%	30%

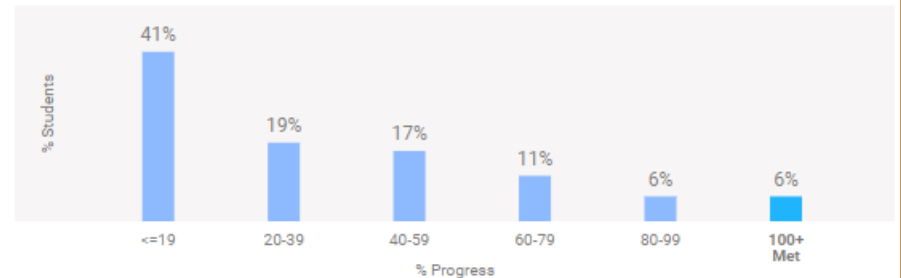
Math Growth: Zoomed In

We also want the majority of our students to meet their “stretch growth” goal in math in order to get caught up to grade level more quickly.











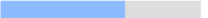
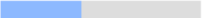
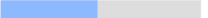
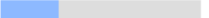
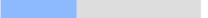
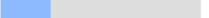
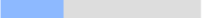
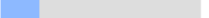
Distribution of Progress to Annual
Typical Growth



Distribution of Progress to Annual
Stretch Growth®

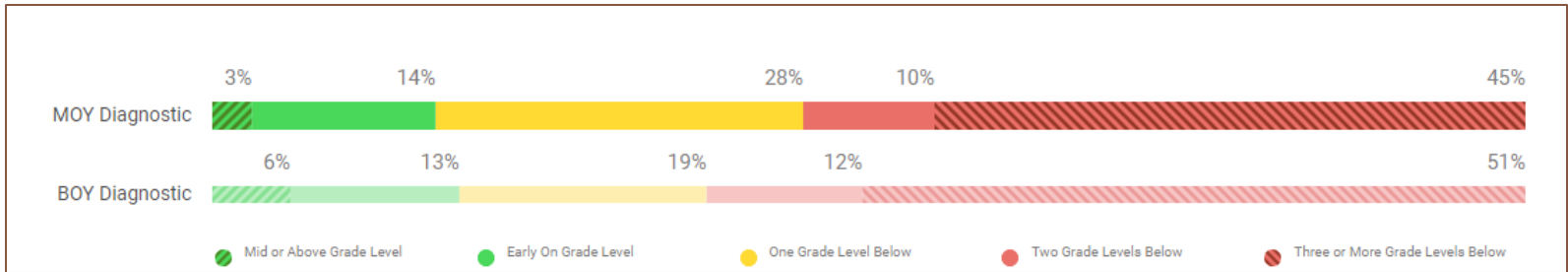


Math Growth: By School

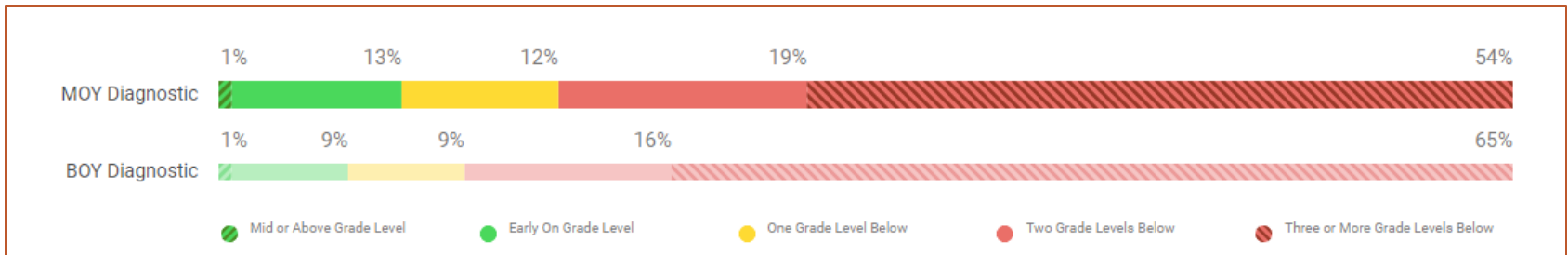
School <input style="width: 150px;" type="text" value="School"/>  	Annual Typical Growth 		Annual Stretch Growth® 		% Students with Improved Placement
	Progress (Median) 	% Met 	Progress (Median) 	% Met 	
Camino Nuevo Jane B. Eisner MS	 62%	34%	 26%	7%	47%
Camino Nuevo Charter Academy-Burlington	 62%	30%	 40%	8%	41%
Camino Nuevo Charter Academy #2-KAYNE SIART	 48%	27%	 29%	5%	36%
Camino Nuevo Elementary School #3-Castellanos	 38%	16%	 25%	4%	28%
Camino Nuevo Charter Academy #4-Cisneros	 31%	20%	 19%	6%	30%

High School Placement Levels

Reading



Math



Our Strategy

Intellectual Engagement:

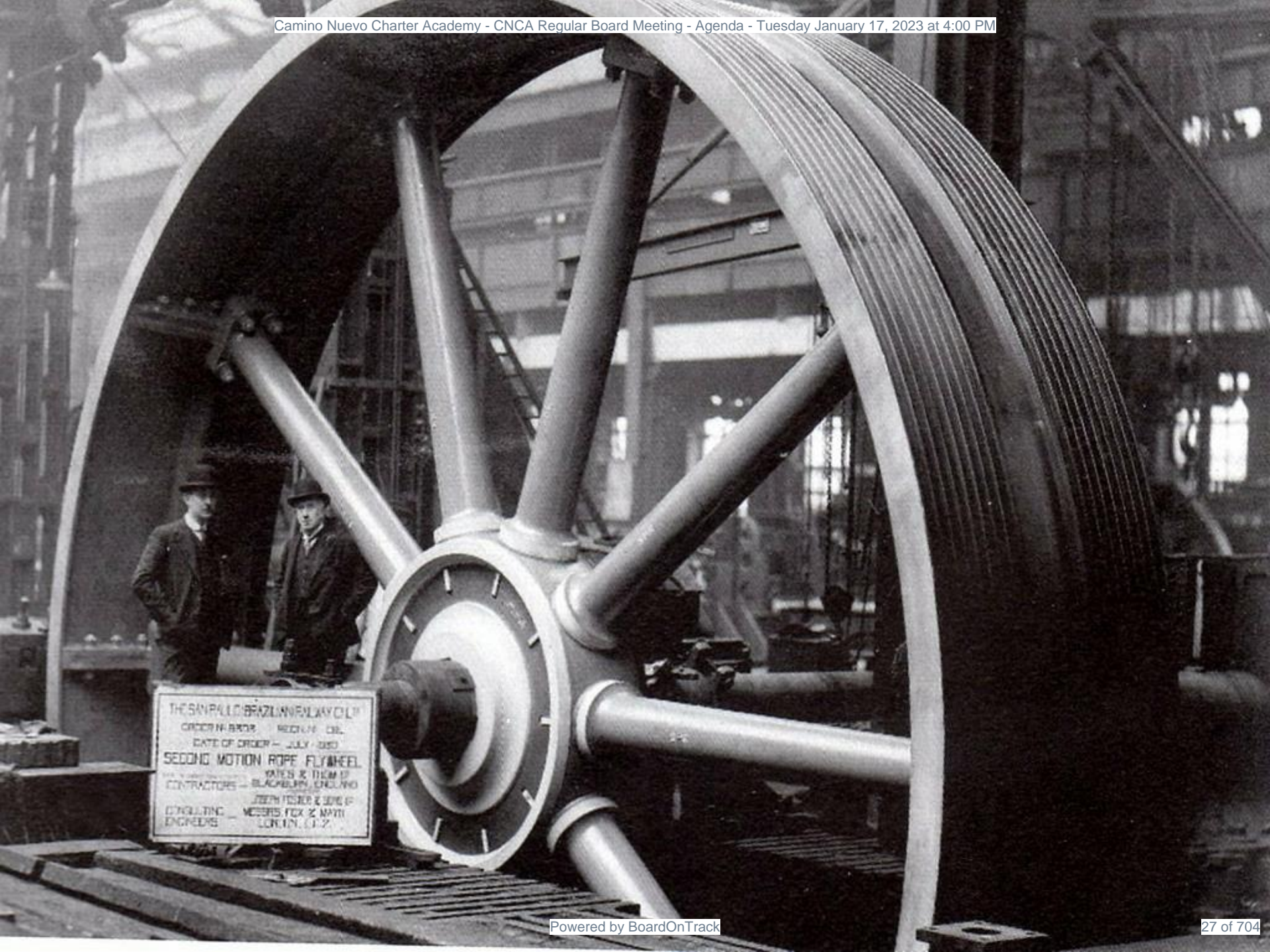
- Prioritize active learning through discussion and making thinking visible

Data-Driven Decision Making:

- Shift from engagement meetings to student data/work analysis

Tier 2 Intervention:

- Increase professional learning for intervention teachers & incentivize attendance for intervention students



THE SAN PAULO BRAZILIAN RAILWAY CO. LTD.
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DATE OF ORDER - JULY 1910
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Special Education

Big Idea

The Special Education Team has **addressed 85-90% of compliance concerns**, while remaining **on track** with current year's IEP program requirements (services and assessment).

Current Status

School	Overdue IEPs	Service Tracking
Burlington	3	Not a concern; bulk of overdue minutes have been waived by parent/guardian
Kayne Siart	4	Nominal concern; small number of overdue minutes to be tracked and will be addressed by 2.1.23
Castellanos/Eisner	2	Need to prioritize service tracking for Eisner RSP, where both teachers transitioned out in late fall
Cisneros	0	Not a concern; small number of overdue Counseling minutes
Dalzell Lance	1	Need to prioritize RSP service tracking

Current Strategy

- Monthly compliance competition
 - Celebration for schools with the fewest out-of-compliance IEPs and highest percent of services in Tier 1
- Three-date letter to trigger IEPs with hard-to-reach families
- Focus on both the long-term and medium-term
 - Division of responsibilities by role to ensure that IEP processes are planned well in advance
- Diversifying our partners to ensure adequate assessment and service coverage

College Eligibility

College Eligibility

Eligibility for 4-Year Colleges and Universities

**Number of students eligible to apply
to a 4-year university (CSU/UC)**

**87/106
(82%)**

**Number of students ineligible to apply
to a 4-year university (CSU/UC)**

**19/106
(18%)**

Data Analysis

BREAKDOWN:

# of Students	Identified Concern
5	DISTANCE LEARNING (DL)
4	TRANSFER/DL
3	TRANSFER
6	HISTORICAL DEFICIENCY/DL
1	CHRONIC ABSENTEEISM

TRENDS:

- 58% of the students struggled significantly during distance learning and failed most of their classes during this time
- 37% of the students transferred to DAL during their sophomore or junior year and displayed historically deficient grades
- 21% of students required additional support (RSP services, ELD support, etc.)

What supports are in place for our students?

➤ At-Risk Parent Meetings

- Facilitated by college counselors
- Offer tutoring, mental health counseling, resources, additional supports, etc.

➤ Referrals

- Tutoring
- SST's
- COST
- Summer School
- Options for Youth

Next Steps

- Continued vision and goal setting
- Continued collaboration with our Senior Leadership Team and College Counselors
- Continued analysis and alignment of our program, services, and supports

Questions



Coversheet

FY22-23 SACS First Interim Reports - CNCA#1, CNCA#2, CNCA#3, CNCA#4, CNHS#2

Section: VI. Financials
Item: A. FY22-23 SACS First Interim Reports - CNCA#1, CNCA#2,
CNCA#3, CNCA#4, CNHS#2
Purpose: Vote
Submitted by:
Related Material: CNCA#1 - FY22-23 - 1st Interim - Form 62.pdf
CNCA#2 - FY22-23 - 1st Interim - Form 62.pdf
CNCA#3 - FY22-23 - 1st Interim - Form 62.pdf
CNCA#4 - FY22-23 - 1st Interim - Form 62.pdf
CNHS#2 - FY22-23 - 1st Interim - Form 62.pdf

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	7,518,504.12	7,518,504.12	1,979,192.00	7,752,925.24	234,421.12	3.1%
2) Federal Revenue		8100-8299	2,211,098.80	2,211,098.80	664,507.23	2,213,976.47	2,877.67	0.1%
3) Other State Revenue		8300-8599	923,402.40	923,402.40	1,022,622.97	1,142,126.12	218,723.72	23.7%
4) Other Local Revenue		8600-8799	471,343.39	471,343.39	223,935.29	626,356.62	155,013.23	32.9%
5) TOTAL, REVENUES			11,124,348.71	11,124,348.71	3,890,257.49	11,735,384.45		
B. EXPENSES								
1) Certificated Salaries		1000-1999	2,961,678.03	2,961,678.03	852,360.02	3,002,622.39	(40,944.36)	-1.4%
2) Classified Salaries		2000-2999	1,670,348.17	1,670,348.17	490,883.25	1,703,652.56	(33,304.39)	-2.0%
3) Employee Benefits		3000-3999	1,636,099.01	1,636,099.01	479,743.95	1,667,907.66	(31,808.65)	-1.9%
4) Books and Supplies		4000-4999	606,239.19	606,239.19	249,813.72	775,337.26	(169,098.07)	-27.9%
5) Services and Other Operating Expenses		5000-5999	3,980,383.54	3,980,383.54	874,839.50	4,271,841.51	(291,457.97)	-7.3%
6) Depreciation and Amortization		6000-6999	169,016.47	169,016.47	53,763.17	175,875.67	(6,859.20)	-4.1%
7) Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499		0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENSES			11,023,764.41	11,023,764.41	3,001,403.61	11,597,237.05		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			100,584.30	100,584.30	888,853.88	138,147.40		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	-100.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		
E. NET INCREASE (DECREASE) IN NET POSITION (C + D4)			100,584.30	100,584.30	888,853.88	138,147.40		
F. NET POSITION								
1) Beginning Net Position								
a) As of July 1 - Unaudited		9791	5,304,465.29	5,304,465.29		5,324,860.03	20,394.74	0.4%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			5,304,465.29	5,304,465.29		5,324,860.03		
d) Other Restatements		9795	(64,395.10)	(64,395.10)		42,756.22	107,151.32	-166.4%
e) Adjusted Beginning Net Position (F1c + F1d)			5,240,070.19	5,240,070.19		5,367,616.25		
2) Ending Net Position, June 30 (E + F1e)			5,340,654.49	5,340,654.49		5,505,763.65		
Components of Ending Net Position								
a) Net Investment in Capital Assets		9796	1,333,356.05	1,333,356.05		1,578,832.21		
b) Restricted Net Position		9797	0.00	0.00		61,409.10		
c) Unrestricted Net Position		9790	4,007,298.44	4,007,298.44		3,865,522.34		
LCFF SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	4,412,116.59	4,412,116.59	1,095,130.00	4,740,616.78	328,500.19	7.4%

Camino Nuevo Charter Academy
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647336117667
Form 621
D8169MPSZF(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Education Protection Account State Aid - Current Year		8012	1,362,631.56	1,362,631.56	340,336.00	1,228,650.52	(133,981.04)	-9.8%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF Transfers								
Unrestricted LCFF Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other LCFF Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	1,743,755.97	1,743,755.97	543,726.00	1,783,657.94	39,901.97	2.3%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			7,518,504.12	7,518,504.12	1,979,192.00	7,752,925.24	234,421.12	3.1%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8220	337,887.97	337,887.97	0.00	391,993.64	54,105.67	16.0%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	156,376.54	156,376.54	41,986.00	137,733.29	(18,643.25)	-11.9%
Title I, Part A, Basic	3010	8290	299,542.00	299,542.00	0.00	311,078.00	11,536.00	3.9%
Title I, Part D, Local Delinquent Programs	3025	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title II, Part A, Supporting Effective Instruction	4035	8290	29,418.00	29,418.00	0.00	31,879.00	2,461.00	8.4%
Title III, Part A, Immigrant Student Program	4201	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, English Learner Program	4203	8290	47,361.60	47,361.60	0.00	47,361.60	0.00	0.0%
Public Charter Schools Grant Program (PCSGP)	4610	8290	0.00	0.00	0.00	0.00	0.00	0.0%
	3040, 3060, 3061, 3150, 3155, 3180, 3182, 4037, 4124, 4126, 4127, 4128, 5630	8290	24,324.00	24,324.00	0.00	23,521.00	(803.00)	-3.3%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	1,316,188.69	1,316,188.69	622,521.23	1,270,409.94	(45,778.75)	-3.5%
TOTAL, FEDERAL REVENUE			2,211,098.80	2,211,098.80	664,507.23	2,213,976.47	2,877.67	0.1%
OTHER STATE REVENUE								
Other State Apportionments								
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	25,143.87	25,143.87	0.00	90,037.62	64,893.75	258.1%
Mandated Costs Reimbursements		8550	8,664.03	8,664.03	0.00	9,232.39	568.36	6.6%
Lottery - Unrestricted and Instructional Materials		8560	128,496.24	128,496.24	19,071.81	152,381.94	23,885.70	18.6%

Camino Nuevo Charter Academy
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647336117667
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 D8169MPSZF(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
After School Education and Safety (ASES)	6010	8590	203,482.84	203,482.84	0.00	203,482.84	0.00	0.0%
Charter School Facility Grant	6030	8590	447,134.69	447,134.69	0.00	447,134.69	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6690, 6695	8590	0.00	0.00	0.00	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Specialized Secondary	7370	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	110,480.73	110,480.73	1,003,551.16	239,856.64	129,375.91	117.1%
TOTAL, OTHER STATE REVENUE			923,402.40	923,402.40	1,022,622.97	1,142,126.12	218,723.72	23.7%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	8,400.00	8,400.00	1,235.21	9,113.09	713.09	8.5%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Child Development Parent Fees		8673	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	442,742.81	442,742.81	167,986.00	551,068.30	108,325.49	24.5%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	20,200.58	20,200.58	54,714.08	66,175.23	45,974.65	227.6%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			471,343.39	471,343.39	223,935.29	626,356.62	155,013.23	32.9%
TOTAL, REVENUES			11,124,348.71	11,124,348.71	3,890,257.49	11,735,384.45		
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	2,263,529.70	2,263,529.70	589,207.47	2,185,981.61	77,548.09	3.4%
Certificated Pupil Support Salaries		1200	187,322.17	187,322.17	78,607.15	259,125.04	(71,802.87)	-38.3%
Certificated Supervisors' and Administrators' Salaries		1300	510,826.16	510,826.16	184,545.40	557,515.74	(46,689.58)	-9.1%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%

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Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
TOTAL, CERTIFICATED SALARIES			2,961,678.03	2,961,678.03	852,360.02	3,002,622.39	(40,944.36)	-1.4%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	866,398.00	866,398.00	261,015.32	901,452.36	(35,054.36)	-4.0%
Classified Support Salaries		2200	177,414.75	177,414.75	64,470.40	203,642.90	(26,228.15)	-14.8%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	0.00	0.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	221,322.58	221,322.58	61,569.40	220,142.74	1,179.84	0.5%
Other Classified Salaries		2900	405,212.84	405,212.84	103,828.13	378,414.56	26,798.28	6.6%
TOTAL, CLASSIFIED SALARIES			1,670,348.17	1,670,348.17	490,883.25	1,703,652.56	(33,304.39)	-2.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	565,680.51	565,680.51	158,820.70	569,520.82	(3,840.31)	-0.7%
PERS		3201-3202	423,767.32	423,767.32	132,560.53	440,240.10	(16,472.78)	-3.9%
OASDI/Medicare/Alternative Health and Welfare Benefits		3301-3302	170,725.97	170,725.97	51,264.13	175,219.81	(4,493.84)	-2.6%
Health and Welfare Benefits		3401-3402	404,093.68	404,093.68	114,767.81	400,868.58	3,225.10	0.8%
Unemployment Insurance		3501-3502	23,160.13	23,160.13	6,659.76	23,474.93	(314.80)	-1.4%
Workers' Compensation		3601-3602	48,671.40	48,671.40	25,700.64	58,583.42	(9,912.02)	-20.4%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	(10,029.62)	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			1,636,099.01	1,636,099.01	479,743.95	1,667,907.66	(31,808.65)	-1.9%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	10,567.44	10,567.44	61,657.79	65,645.91	(55,078.47)	-521.2%
Books and Other Reference Materials		4200	1,000.00	1,000.00	265.43	1,000.00	0.00	0.0%
Materials and Supplies		4300	117,244.87	117,244.87	65,943.93	132,781.88	(15,537.01)	-13.3%
Noncapitalized Equipment		4400	69,950.00	69,950.00	10,221.56	71,950.00	(2,000.00)	-2.9%
Food		4700	407,476.88	407,476.88	111,725.01	503,959.47	(96,482.59)	-23.7%
TOTAL, BOOKS AND SUPPLIES			606,239.19	606,239.19	249,813.72	775,337.26	(169,098.07)	-27.9%
SERVICES AND OTHER OPERATING EXPENSES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	14,000.00	14,000.00	135.17	14,000.00	0.00	0.0%
Dues and Memberships		5300	10,860.82	10,860.82	9,758.14	10,823.32	37.50	0.3%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	396,807.49	396,807.49	160,748.91	478,060.71	(81,253.22)	-20.5%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	893,233.92	893,233.92	283,271.49	911,233.92	(18,000.00)	-2.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	2,633,738.59	2,633,738.59	404,688.11	2,793,148.84	(159,410.25)	-6.1%
Communications		5900	31,742.72	31,742.72	16,237.68	64,574.72	(32,832.00)	-103.4%
TOTAL, SERVICES AND OTHER OPERATING EXPENSES			3,980,383.54	3,980,383.54	874,839.50	4,271,841.51	(291,457.97)	-7.3%
DEPRECIATION AND AMORTIZATION								
Depreciation Expense		6900	169,016.47	169,016.47	53,763.17	175,875.67	(6,859.20)	-4.1%
Amortization Expense—Lease Assets		6910	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, DEPRECIATION AND AMORTIZATION			169,016.47	169,016.47	53,763.17	175,875.67	(6,859.20)	-4.1%

Camino Nuevo Charter Academy
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647336117667
 Form 621
 D8169MPSZF(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments								
Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers Out								
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENSES			11,023,764.41	11,023,764.41	3,001,403.61	11,597,237.05		
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	-100.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	-100.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.00	0.00		

Camino Nuevo Charter Academy
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Restricted Detail

19647336117667
 Form 621
 D8169MPSZF(2022-23)

Resource	Description	2022-23 Projected Totals
5310	Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students)	61,409.10
Total, Restricted Net Position		61,409.10

Camino Nuevo Charter Academy #2
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647330122861
 Form 621
 D817MHBP4(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	8,464,003.21	8,464,003.21	2,272,086.00	8,038,716.70	(425,286.51)	-5.0%
2) Federal Revenue		8100-8299	1,487,528.72	1,487,528.72	500,842.35	2,092,697.18	605,168.46	40.7%
3) Other State Revenue		8300-8599	598,013.65	598,013.65	1,033,886.31	884,048.50	286,034.85	47.8%
4) Other Local Revenue		8600-8799	591,003.23	591,003.23	211,289.61	678,143.53	87,140.30	14.7%
5) TOTAL, REVENUES			11,140,548.81	11,140,548.81	4,018,104.27	11,693,605.91		
B. EXPENSES								
1) Certificated Salaries		1000-1999	3,607,663.86	3,607,663.86	916,354.34	3,408,216.07	199,447.79	5.5%
2) Classified Salaries		2000-2999	1,266,401.45	1,266,401.45	384,330.50	1,415,751.60	(149,350.15)	-11.8%
3) Employee Benefits		3000-3999	1,666,655.13	1,666,655.13	446,749.47	1,699,731.76	(33,076.63)	-2.0%
4) Books and Supplies		4000-4999	494,099.75	494,099.75	258,791.77	754,889.52	(260,789.77)	-52.8%
5) Services and Other Operating Expenses		5000-5999	3,175,993.46	3,175,993.46	938,506.84	3,536,064.42	(360,070.96)	-11.3%
6) Depreciation and Amortization		6000-6999	660,625.63	660,625.63	211,280.36	666,291.67	(5,666.04)	-0.9%
7) Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499		202,768.16	202,768.16	102,370.71	202,768.16	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENSES			11,074,207.44	11,074,207.44	3,258,383.99	11,683,713.20		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			66,341.37	66,341.37	759,720.28	9,892.71		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	-100.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		
E. NET INCREASE (DECREASE) IN NET POSITION (C + D4)			66,341.37	66,341.37	759,720.28	9,892.71		
F. NET POSITION								
1) Beginning Net Position								
a) As of July 1 - Unaudited		9791	27,287,961.02	27,287,961.02		27,191,277.80	(96,683.22)	-0.4%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			27,287,961.02	27,287,961.02		27,191,277.80		
d) Other Restatements		9795	(76,520.08)	(76,520.08)		164,142.89	240,662.97	-314.5%
e) Adjusted Beginning Net Position (F1c + F1d)			27,211,440.94	27,211,440.94		27,355,420.69		
2) Ending Net Position, June 30 (E + F1e)			27,277,782.31	27,277,782.31		27,365,313.40		
Components of Ending Net Position								
a) Net Investment in Capital Assets		9796	25,125,458.21	25,125,458.21		25,281,027.14		
b) Restricted Net Position		9797	0.00	0.00		0.00		
c) Unrestricted Net Position		9790	2,152,324.10	2,152,324.10		2,084,286.26		
LCFF SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	4,886,323.87	4,886,323.87	1,240,226.00	4,838,840.48	(47,483.39)	-1.0%

Camino Nuevo Charter Academy #2
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330122861
Form 621
D817MHBP4(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Education Protection Account State Aid - Current Year		8012	1,572,072.23	1,572,072.23	397,984.00	1,307,529.34	(264,542.89)	-16.8%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF Transfers								
Unrestricted LCFF Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other LCFF Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	2,005,607.11	2,005,607.11	633,876.00	1,892,346.88	(113,260.23)	-5.6%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			8,464,003.21	8,464,003.21	2,272,086.00	8,038,716.70	(425,286.51)	-5.0%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8220	194,143.93	194,143.93	0.00	454,307.93	260,164.00	134.0%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	179,858.83	179,858.83	48,948.00	146,126.20	(33,732.63)	-18.8%
Title I, Part A, Basic	3010	8290	281,238.00	281,238.00	0.00	281,231.00	(7.00)	0.0%
Title I, Part D, Local Delinquent Programs	3025	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title II, Part A, Supporting Effective Instruction	4035	8290	28,969.76	28,969.76	0.00	31,422.00	2,452.24	8.5%
Title III, Part A, Immigrant Student Program	4201	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, English Learner Program	4203	8290	31,345.60	31,345.60	0.00	31,345.60	0.00	0.0%
Public Charter Schools Grant Program (PCSGP)	4610	8290	0.00	0.00	0.00	0.00	0.00	0.0%
	3040, 3060, 3061, 3150, 3155, 3180, 3182, 4037, 4124, 4126, 4127, 4128, 5630	8290	18,065.52	18,065.52	0.00	21,193.00	3,127.48	17.3%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	753,907.08	753,907.08	451,894.35	1,127,071.45	373,164.37	49.5%
TOTAL, FEDERAL REVENUE			1,487,528.72	1,487,528.72	500,842.35	2,092,697.18	605,168.46	40.7%
OTHER STATE REVENUE								
Other State Apportionments								
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	12,865.20	12,865.20	0.00	91,548.38	78,683.18	611.6%
Mandated Costs Reimbursements		8550	10,119.65	10,119.65	0.00	10,783.50	663.85	6.6%
Lottery - Unrestricted and Instructional Materials		8560	147,791.88	147,791.88	32,407.54	174,368.17	26,576.29	18.0%

Camino Nuevo Charter Academy #2
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647330122861
 Form 621
 D817MHBE4(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
After School Education and Safety (ASES)	6010	8590	203,482.84	203,482.84	0.00	203,482.84	0.00	0.0%
Charter School Facility Grant	6030	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6690, 6695	8590	0.00	0.00	0.00	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Specialized Secondary	7370	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	223,754.08	223,754.08	1,001,478.77	403,865.61	180,111.53	80.5%
TOTAL, OTHER STATE REVENUE			598,013.65	598,013.65	1,033,886.31	884,048.50	286,034.85	47.8%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	7,000.00	7,000.00	1,197.29	9,843.29	2,843.29	40.6%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Child Development Parent Fees		8673	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	509,227.29	509,227.29	195,839.00	584,648.18	75,420.89	14.8%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	74,775.94	74,775.94	14,253.32	83,652.06	8,876.12	11.9%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			591,003.23	591,003.23	211,289.61	678,143.53	87,140.30	14.7%
TOTAL, REVENUES			11,140,548.81	11,140,548.81	4,018,104.27	11,693,605.91		
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	2,786,165.85	2,786,165.85	676,932.97	2,636,642.40	149,523.45	5.4%
Certificated Pupil Support Salaries		1200	298,721.01	298,721.01	56,371.11	200,502.76	98,218.25	32.9%
Certificated Supervisors' and Administrators' Salaries		1300	522,777.00	522,777.00	183,050.26	571,070.91	(48,293.91)	-9.2%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%

Camino Nuevo Charter Academy #2
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330122861
Form 621
D817MHBP4(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
TOTAL, CERTIFICATED SALARIES			3,607,663.86	3,607,663.86	916,354.34	3,408,216.07	199,447.79	5.5%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	556,278.49	556,278.49	146,123.38	611,692.05	(55,413.56)	-10.0%
Classified Support Salaries		2200	142,353.75	142,353.75	32,740.36	132,745.73	9,608.02	6.7%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	27,297.04	81,891.05	(81,891.05)	New
Clerical, Technical and Office Salaries		2400	225,512.08	225,512.08	68,546.46	221,642.56	3,869.52	1.7%
Other Classified Salaries		2900	342,257.13	342,257.13	109,623.26	367,780.21	(25,523.08)	-7.5%
TOTAL, CLASSIFIED SALARIES			1,266,401.45	1,266,401.45	384,330.50	1,415,751.60	(149,350.15)	-11.8%
EMPLOYEE BENEFITS								
STRS		3101-3102	689,063.79	689,063.79	179,606.64	655,552.22	33,511.57	4.9%
PERS		3201-3202	321,286.06	321,286.06	93,589.57	355,261.10	(33,975.04)	-10.6%
OASDI/Medicare/Alternative		3301-3302	149,190.84	149,190.84	41,528.80	156,564.52	(7,373.68)	-4.9%
Health and Welfare Benefits		3401-3402	431,976.78	431,976.78	105,441.44	446,672.72	(14,695.94)	-3.4%
Unemployment Insurance		3501-3502	24,370.34	24,370.34	6,420.14	24,036.57	333.77	1.4%
Workers' Compensation		3601-3602	50,767.32	50,767.32	27,043.60	61,644.63	(10,877.31)	-21.4%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	(6,880.72)	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			1,666,655.13	1,666,655.13	446,749.47	1,699,731.76	(33,076.63)	-2.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	39,993.00	39,993.00	48,837.38	62,075.62	(22,082.62)	-55.2%
Books and Other Reference Materials		4200	10,050.00	10,050.00	1,168.75	10,050.00	0.00	0.0%
Materials and Supplies		4300	152,599.59	152,599.59	88,023.18	141,224.75	11,374.84	7.5%
Noncapitalized Equipment		4400	22,010.00	22,010.00	20,059.56	29,120.00	(7,110.00)	-32.3%
Food		4700	269,447.16	269,447.16	100,702.90	512,419.15	(242,971.99)	-90.2%
TOTAL, BOOKS AND SUPPLIES			494,099.75	494,099.75	258,791.77	754,889.52	(260,789.77)	-52.8%
SERVICES AND OTHER OPERATING EXPENSES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	24,450.00	24,450.00	191.25	24,450.00	0.00	0.0%
Dues and Memberships		5300	13,517.04	13,517.04	11,997.84	13,192.04	325.00	2.4%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	289,636.84	289,636.84	124,531.07	318,353.64	(28,716.80)	-9.9%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	119,059.61	119,059.61	63,626.97	128,659.61	(9,600.00)	-8.1%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	2,692,218.05	2,692,218.05	721,045.05	2,976,363.11	(284,145.06)	-10.6%
Communications		5900	37,111.92	37,111.92	17,114.66	75,046.02	(37,934.10)	-102.2%
TOTAL, SERVICES AND OTHER OPERATING EXPENSES			3,175,993.46	3,175,993.46	938,506.84	3,536,064.42	(360,070.96)	-11.3%
DEPRECIATION AND AMORTIZATION								
Depreciation Expense		6900	660,625.63	660,625.63	211,280.36	666,291.67	(5,666.04)	-0.9%
Amortization Expense—Lease Assets		6910	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, DEPRECIATION AND AMORTIZATION			660,625.63	660,625.63	211,280.36	666,291.67	(5,666.04)	-0.9%

Camino Nuevo Charter Academy #2
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647330122861
 Form 621
 D817MHBEF4(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments								
Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers Out								
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	202,768.16	202,768.16	102,370.71	202,768.16	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			202,768.16	202,768.16	102,370.71	202,768.16	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENSES			11,074,207.44	11,074,207.44	3,258,383.99	11,683,713.20		
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	-100.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	-100.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.00	0.00		

Camino Nuevo Charter Academy #2
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Restricted Detail

19647330122861
 Form 621
 D817MHBEP4(2022-23)

Resource	Description	2022-23 Projected Totals
Total, Restricted Net Position		0.00

Camino Nuevo Elementary #3
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647330122564
 Form 621
 D81BC9J1F6(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	8,968,923.13	8,968,923.13	2,303,931.00	9,210,411.36	241,488.23	2.7%
2) Federal Revenue		8100-8299	1,625,676.37	1,625,676.37	329,799.44	1,602,649.55	(23,026.82)	-1.4%
3) Other State Revenue		8300-8599	720,544.03	720,544.03	1,235,712.79	1,690,165.57	969,621.54	134.6%
4) Other Local Revenue		8600-8799	599,716.11	599,716.11	243,967.59	739,646.29	139,930.18	23.3%
5) TOTAL, REVENUES			11,914,859.64	11,914,859.64	4,113,410.82	13,242,872.77		
B. EXPENSES								
1) Certificated Salaries		1000-1999	3,760,662.06	3,760,662.06	1,014,959.05	3,716,380.85	44,281.21	1.2%
2) Classified Salaries		2000-2999	1,579,583.78	1,579,583.78	490,440.72	1,723,074.21	(143,490.43)	-9.1%
3) Employee Benefits		3000-3999	1,845,096.98	1,845,096.98	520,770.83	1,909,179.41	(64,082.43)	-3.5%
4) Books and Supplies		4000-4999	656,505.66	656,505.66	386,117.53	886,563.52	(230,057.86)	-35.0%
5) Services and Other Operating Expenses		5000-5999	3,713,771.48	3,713,771.48	923,202.95	4,316,008.44	(602,236.96)	-16.2%
6) Depreciation and Amortization		6000-6999	213,977.75	213,977.75	50,587.34	211,717.28	2,260.47	1.1%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299,7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENSES			11,769,597.71	11,769,597.71	3,386,078.42	12,762,923.71		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			145,261.93	145,261.93	727,332.40	479,949.06		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		
E. NET INCREASE (DECREASE) IN NET POSITION (C + D4)			145,261.93	145,261.93	727,332.40	479,949.06		
F. NET POSITION								
1) Beginning Net Position								
a) As of July 1 - Unaudited		9791	5,655,763.27	5,655,763.27		5,710,025.76	54,262.49	1.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			5,655,763.27	5,655,763.27		5,710,025.76		
d) Other Restatements		9795	81,364.50	81,364.50		58,431.38	(22,933.12)	-28.2%
e) Adjusted Beginning Net Position (F1c + F1d)			5,737,127.77	5,737,127.77		5,768,457.14		
2) Ending Net Position, June 30 (E + F1e)			5,882,389.70	5,882,389.70		6,248,406.20		
Components of Ending Net Position								
a) Net Investment in Capital Assets		9796	1,015,257.03	1,015,257.03		960,133.93		
b) Restricted Net Position		9797	0.00	0.00		0.00		
c) Unrestricted Net Position		9790	4,867,132.67	4,867,132.67		5,288,272.27		
LCFF SOURCES								
Principal Apportionment								

Camino Nuevo Elementary #3
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330122564
Form 621
D81BC9J1F6(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
State Aid - Current Year		8011	5,223,806.29	5,223,806.29	1,268,790.00	5,594,518.70	370,712.41	7.1%
Education Protection Account State Aid - Current Year		8012	1,638,797.75	1,638,797.75	397,430.00	1,471,036.46	(167,761.29)	-10.2%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF Transfers								
Unrestricted LCFF Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other LCFF Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	2,106,319.09	2,106,319.09	637,711.00	2,144,856.20	38,537.11	1.8%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			8,968,923.13	8,968,923.13	2,303,931.00	9,210,411.36	241,488.23	2.7%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8220	293,500.59	293,500.59	0.00	345,188.68	51,688.09	17.6%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	188,890.48	188,890.48	49,244.00	165,624.86	(23,265.62)	-12.3%
Title I, Part A, Basic	3010	8290	353,264.00	353,264.00	0.00	353,255.00	(9.00)	0.0%
Title I, Part D, Local Delinquent Programs	3025	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title II, Part A, Supporting Effective Instruction	4035	8290	36,413.72	36,413.72	0.00	38,970.00	2,556.28	7.0%
Title III, Part A, Immigrant Student Program	4201	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, English Learner Program	4203	8290	42,328.00	42,328.00	0.00	42,328.00	0.00	0.0%
Public Charter Schools Grant Program (PCSGP)	4610	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Other NCLB / Every Student Succeeds Act	3040, 3060, 3061, 3150, 3155, 3180, 3182, 4037, 4124, 4126, 4127, 4128, 5630	8290	26,636.86	26,636.86	0.00	26,621.00	(15.86)	-0.1%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	684,642.72	684,642.72	280,555.44	630,662.01	(53,980.71)	-7.9%
TOTAL, FEDERAL REVENUE			1,625,676.37	1,625,676.37	329,799.44	1,602,649.55	(23,026.82)	-1.4%
OTHER STATE REVENUE								
Other State Apportionments								
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	20,537.03	20,537.03	0.00	74,376.89	53,839.86	262.2%
Mandated Costs Reimbursements		8550	10,088.50	10,088.50	0.00	10,750.31	661.81	6.6%

Camino Nuevo Elementary #3
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330122564
Form 621
D81BC9J1F6(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Lottery - Unrestricted and Instructional Materials		8560	155,213.28	155,213.28	43,305.16	204,206.83	48,993.55	31.6%
After School Education and Safety (ASES)	6010	8590	203,482.84	203,482.84	0.00	203,482.84	0.00	0.0%
Charter School Facility Grant	6030	8590	131,356.80	131,356.80	0.00	131,356.80	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6690, 6695	8590	0.00	0.00	0.00	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Specialized Secondary	7370	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	199,865.58	199,865.58	1,192,407.63	1,065,991.90	866,126.32	433.4%
TOTAL, OTHER STATE REVENUE			720,544.03	720,544.03	1,235,712.79	1,690,165.57	969,621.54	134.6%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	10,286.90	10,286.90	1,517.14	12,346.33	2,059.43	20.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Child Development Parent Fees		8673	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	534,798.25	534,798.25	197,023.00	662,661.95	127,863.70	23.9%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	54,630.96	54,630.96	45,427.45	64,638.01	10,007.05	18.3%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			599,716.11	599,716.11	243,967.59	739,646.29	139,930.18	23.3%
TOTAL, REVENUES			11,914,859.64	11,914,859.64	4,113,410.82	13,242,872.77		
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	2,705,618.71	2,705,618.71	705,218.46	2,723,387.70	(17,768.99)	-0.7%
Certificated Pupil Support Salaries		1200	272,353.90	272,353.90	59,206.12	208,132.55	64,221.35	23.6%
Certificated Supervisors' and Administrators' Salaries		1300	782,689.45	782,689.45	250,534.47	784,860.60	(2,171.15)	-0.3%

Camino Nuevo Elementary #3
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330122564
Form 621
D81BC9J1F6(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			3,760,662.06	3,760,662.06	1,014,959.05	3,716,380.85	44,281.21	1.2%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	550,910.50	550,910.50	141,624.47	598,926.94	(48,016.44)	-8.7%
Classified Support Salaries		2200	184,363.88	184,363.88	57,510.48	189,354.64	(4,990.76)	-2.7%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	25,319.44	78,652.77	(78,652.77)	New
Clerical, Technical and Office Salaries		2400	368,986.11	368,986.11	117,338.41	369,914.76	(928.65)	-0.3%
Other Classified Salaries		2900	475,323.29	475,323.29	148,647.92	486,225.10	(10,901.81)	-2.3%
TOTAL, CLASSIFIED SALARIES			1,579,583.78	1,579,583.78	490,440.72	1,723,074.21	(143,490.43)	-9.1%
EMPLOYEE BENEFITS								
STRS		3101-3102	718,286.44	718,286.44	202,535.36	718,506.94	(220.50)	0.0%
PERS		3201-3202	400,740.39	400,740.39	112,221.34	424,940.46	(24,200.07)	-6.0%
OASDI/Medicare/Alternative		3301-3302	175,367.76	175,367.76	49,373.72	182,840.79	(7,473.03)	-4.3%
Health and Welfare Benefits		3401-3402	463,443.95	463,443.95	125,758.80	488,228.75	(24,784.80)	-5.3%
Unemployment Insurance		3501-3502	26,701.23	26,701.23	7,451.57	27,121.86	(420.63)	-1.6%
Workers' Compensation		3601-3602	60,557.21	60,557.21	29,630.17	67,540.61	(6,983.40)	-11.5%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	(6,200.13)	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			1,845,096.98	1,845,096.98	520,770.83	1,909,179.41	(64,082.43)	-3.5%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	11,971.58	11,971.58	149,291.27	154,375.83	(142,404.25)	-1,189.5%
Books and Other Reference Materials		4200	3,700.00	3,700.00	6,541.45	7,200.00	(3,500.00)	-94.6%
Materials and Supplies		4300	168,510.83	168,510.83	121,202.84	201,454.15	(32,943.32)	-19.5%
Noncapitalized Equipment		4400	83,871.00	83,871.00	54,633.17	84,671.00	(800.00)	-1.0%
Food		4700	388,452.25	388,452.25	54,448.80	438,862.54	(50,410.29)	-13.0%
TOTAL, BOOKS AND SUPPLIES			656,505.66	656,505.66	386,117.53	886,563.52	(230,057.86)	-35.0%
SERVICES AND OTHER OPERATING EXPENSES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	4,194.00	4,194.00	51.50	5,194.00	(1,000.00)	-23.8%
Dues and Memberships		5300	12,614.07	12,614.07	10,786.08	14,089.07	(1,475.00)	-11.7%
Insurance		5400-5450	27,500.00	27,500.00	13,660.35	27,500.00	0.00	0.0%
Operations and Housekeeping Services		5500	379,609.10	379,609.10	87,460.18	391,609.10	(12,000.00)	-3.2%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	362,130.48	362,130.48	68,907.89	411,330.48	(49,200.00)	-13.6%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	2,873,205.03	2,873,205.03	720,728.83	3,348,517.07	(475,312.04)	-16.5%
Communications		5900	54,518.80	54,518.80	21,608.12	117,768.72	(63,249.92)	-116.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENSES			3,713,771.48	3,713,771.48	923,202.95	4,316,008.44	(602,236.96)	-16.2%
DEPRECIATION AND AMORTIZATION								
Depreciation Expense		6900	213,977.75	213,977.75	50,587.34	211,717.28	2,260.47	1.1%
Amortization Expense—Lease Assets		6910	0.00	0.00	0.00	0.00	0.00	0.0%

Camino Nuevo Elementary #3
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647330122564
 Form 621
 D81BC9J1F6(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
TOTAL, DEPRECIATION AND AMORTIZATION			213,977.75	213,977.75	50,587.34	211,717.28	2,260.47	1.1%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments								
Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers Out								
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENSES			11,769,597.71	11,769,597.71	3,386,078.42	12,762,923.71		
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES								

Camino Nuevo Elementary #3
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647330122564
 Form 621
 D81BC9J1F6(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
(a - b + c - d + e)			0.00	0.00	0.00	0.00		

Camino Nuevo Elementary #3
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Restricted Detail

19647330122564
 Form 621
 D81BC9J1F6(2022-23)

Resource	Description	2022-23 Projected Totals
Total, Restricted Net Position		0.00

Camino Nuevo Charter Academy #4
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330124826
Form 621
D811KZERC8(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	7,109,847.83	7,109,847.83	2,017,326.00	6,635,581.28	(474,266.55)	-6.7%
2) Federal Revenue		8100-8299	1,529,899.50	1,529,899.50	45,685.28	1,769,187.28	239,287.78	15.6%
3) Other State Revenue		8300-8599	839,155.34	839,155.34	724,368.70	1,067,257.78	228,102.44	27.2%
4) Other Local Revenue		8600-8799	474,629.67	474,629.67	216,310.50	543,153.39	68,523.72	14.4%
5) TOTAL, REVENUES			9,953,532.34	9,953,532.34	3,003,690.48	10,015,179.73		
B. EXPENSES								
1) Certificated Salaries		1000-1999	3,167,778.29	3,167,778.29	903,626.32	3,223,127.18	(55,348.89)	-1.7%
2) Classified Salaries		2000-2999	1,420,732.57	1,420,732.57	375,910.90	1,408,492.17	12,240.40	0.9%
3) Employee Benefits		3000-3999	1,542,278.56	1,542,278.56	429,511.34	1,554,653.55	(12,374.99)	-0.8%
4) Books and Supplies		4000-4999	490,452.89	490,452.89	174,267.78	555,935.11	(65,482.22)	-13.4%
5) Services and Other Operating Expenses		5000-5999	3,142,496.58	3,142,496.58	693,868.16	3,272,409.50	(129,912.92)	-4.1%
6) Depreciation and Amortization		6000-6999	163,432.83	163,432.83	47,450.96	153,905.05	9,527.78	5.8%
7) Other Outgo (excluding Transfers of Indirect Costs)	7100-7299,7400-7499		0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENSES			9,927,171.72	9,927,171.72	2,624,635.46	10,168,522.56		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			26,360.62	26,360.62	379,055.02	(153,342.83)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	-100.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		
E. NET INCREASE (DECREASE) IN NET POSITION (C + D4)			26,360.62	26,360.62	379,055.02	(153,342.83)		
F. NET POSITION								
1) Beginning Net Position								
a) As of July 1 - Unaudited		9791	3,069,601.96	3,069,601.96		3,163,556.84	93,954.88	3.1%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			3,069,601.96	3,069,601.96		3,163,556.84		
d) Other Restatements		9795	1,420.42	1,420.42		2,129.08	708.66	49.9%
e) Adjusted Beginning Net Position (F1c + F1d)			3,071,022.38	3,071,022.38		3,165,685.92		
2) Ending Net Position, June 30 (E + F1e)			3,097,383.00	3,097,383.00		3,012,343.09		
Components of Ending Net Position								
a) Net Investment in Capital Assets		9796	910,091.39	910,091.39		947,505.18		
b) Restricted Net Position		9797	0.00	0.00		0.00		
c) Unrestricted Net Position		9790	2,187,291.61	2,187,291.61		2,064,837.91		
LCFF SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	4,099,184.33	4,099,184.33	1,101,454.00	3,993,893.85	(105,290.48)	-2.6%

Camino Nuevo Charter Academy #4
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330124826
Form 621
D811KZERC8(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Education Protection Account State Aid - Current Year		8012	1,321,579.75	1,321,579.75	352,856.00	1,078,290.10	(243,289.65)	-18.4%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF Transfers								
Unrestricted LCFF Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other LCFF Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	1,689,083.75	1,689,083.75	563,016.00	1,563,397.33	(125,686.42)	-7.4%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			7,109,847.83	7,109,847.83	2,017,326.00	6,635,581.28	(474,266.55)	-6.7%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8220	242,012.18	242,012.18	0.00	255,710.30	13,698.12	5.7%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	151,473.65	151,473.65	43,476.00	120,724.86	(30,748.79)	-20.3%
Title I, Part A, Basic	3010	8290	260,948.60	260,948.60	0.00	260,942.00	(6.60)	0.0%
Title I, Part D, Local Delinquent Programs	3025	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title II, Part A, Supporting Effective Instruction	4035	8290	26,467.29	26,467.29	0.00	28,738.60	2,271.31	8.6%
Title III, Part A, Immigrant Student Program	4201	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, English Learner Program	4203	8290	25,053.60	25,053.60	0.00	25,053.60	0.00	0.0%
Public Charter Schools Grant Program (PCSGP)	4610	8290	0.00	0.00	0.00	0.00	0.00	0.0%
	3040, 3060, 3061, 3150, 3155, 3180, 3182, 4037, 4124, 4126, 4127, 4128, 5630	8290	17,907.15	17,907.15	0.00	21,568.80	3,661.65	20.4%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	806,037.03	806,037.03	2,209.28	1,056,449.12	250,412.09	31.1%
TOTAL, FEDERAL REVENUE			1,529,899.50	1,529,899.50	45,685.28	1,769,187.28	239,287.78	15.6%
OTHER STATE REVENUE								
Other State Apportionments								
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	17,841.37	17,841.37	0.00	58,408.84	40,567.47	227.4%
Mandated Costs Reimbursements		8550	297,161.32	297,161.32	0.00	9,607.79	(287,553.53)	-96.8%
Lottery - Unrestricted and Instructional Materials		8560	124,467.48	124,467.48	32,516.06	149,662.79	25,195.31	20.2%
After School Education and Safety (ASES)	6010	8590	203,482.84	203,482.84	0.00	203,482.84	0.00	0.0%

Camino Nuevo Charter Academy #4
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330124826
Form 621
D811KZERC8(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Charter School Facility Grant	6030	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6690, 6695	8590	0.00	0.00	0.00	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Specialized Secondary	7370	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	196,202.33	196,202.33	691,852.64	646,095.52	449,893.19	229.3%
TOTAL, OTHER STATE REVENUE			839,155.34	839,155.34	724,368.70	1,067,257.78	228,102.44	27.2%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	7,000.00	7,000.00	1,120.05	9,048.10	2,048.10	29.3%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Child Development Parent Fees		8673	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	428,861.44	428,861.44	173,946.00	483,017.89	54,156.45	12.6%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	38,768.23	38,768.23	41,244.45	51,087.40	12,319.17	31.8%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			474,629.67	474,629.67	216,310.50	543,153.39	68,523.72	14.4%
TOTAL, REVENUES			9,953,532.34	9,953,532.34	3,003,690.48	10,015,179.73		
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	2,464,832.42	2,464,832.42	648,775.90	2,463,873.95	958.47	0.0%
Certificated Pupil Support Salaries		1200	181,449.03	181,449.03	47,461.08	168,845.99	12,603.04	6.9%
Certificated Supervisors' and Administrators' Salaries		1300	521,496.84	521,496.84	207,389.34	590,407.24	(68,910.40)	-13.2%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			3,167,778.29	3,167,778.29	903,626.32	3,223,127.18	(55,348.89)	-1.7%

Camino Nuevo Charter Academy #4
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330124826
Form 621
D811KZERC8(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	704,248.00	704,248.00	159,334.11	686,580.11	17,667.89	2.5%
Classified Support Salaries		2200	117,273.75	117,273.75	29,112.73	111,041.24	6,232.51	5.3%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	0.00	0.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	207,370.62	207,370.62	65,505.31	205,786.30	1,584.32	0.8%
Other Classified Salaries		2900	391,840.20	391,840.20	121,958.75	405,084.52	(13,244.32)	-3.4%
TOTAL, CLASSIFIED SALARIES			1,420,732.57	1,420,732.57	375,910.90	1,408,492.17	12,240.40	0.9%
EMPLOYEE BENEFITS								
STRS		3101-3102	605,045.65	605,045.65	169,510.40	612,535.05	(7,489.40)	-1.2%
PERS		3201-3202	360,439.85	360,439.85	95,320.58	357,286.45	3,153.40	0.9%
OASDI/Medicare/Alternative Health and Welfare Benefits		3301-3302	154,618.83	154,618.83	41,770.36	154,395.58	223.25	0.1%
Unemployment Insurance		3401-3402	348,773.10	348,773.10	101,088.92	349,333.04	(559.94)	-0.2%
Workers' Compensation		3501-3502	22,942.56	22,942.56	6,309.99	23,070.41	(127.85)	-0.6%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	(9,948.09)	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			1,542,278.56	1,542,278.56	429,511.34	1,554,653.55	(12,374.99)	-0.8%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	22,095.28	22,095.28	53,230.00	63,471.28	(41,376.00)	-187.3%
Books and Other Reference Materials		4200	4,000.00	4,000.00	288.53	4,000.00	0.00	0.0%
Materials and Supplies		4300	130,793.27	130,793.27	56,913.50	126,842.19	3,951.08	3.0%
Noncapitalized Equipment		4400	30,274.00	30,274.00	15,981.03	30,274.00	0.00	0.0%
Food		4700	303,290.34	303,290.34	47,854.72	331,347.64	(28,057.30)	-9.3%
TOTAL, BOOKS AND SUPPLIES			490,452.89	490,452.89	174,267.78	555,935.11	(65,482.22)	-13.4%
SERVICES AND OTHER OPERATING EXPENSES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	4,000.00	4,000.00	11.94	4,000.00	0.00	0.0%
Dues and Memberships		5300	9,037.84	9,037.84	10,352.45	11,099.94	(2,062.10)	-22.8%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	411,052.31	411,052.31	79,336.44	412,253.71	(1,201.40)	-0.3%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	90,044.94	90,044.94	18,479.33	90,044.94	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	2,601,209.49	2,601,209.49	570,882.46	2,676,702.07	(75,492.58)	-2.9%
Communications		5900	27,152.00	27,152.00	14,805.54	78,308.84	(51,156.84)	-188.4%
TOTAL, SERVICES AND OTHER OPERATING EXPENSES			3,142,496.58	3,142,496.58	693,868.16	3,272,409.50	(129,912.92)	-4.1%
DEPRECIATION AND AMORTIZATION								
Depreciation Expense		6900	163,432.83	163,432.83	47,450.96	153,905.05	9,527.78	5.8%
Amortization Expense—Lease Assets		6910	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, DEPRECIATION AND AMORTIZATION			163,432.83	163,432.83	47,450.96	153,905.05	9,527.78	5.8%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								

Camino Nuevo Charter Academy #4
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Expenditures by Object

19647330124826
 Form 621
 D811KZERC8(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments								
Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers Out								
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENSES			9,927,171.72	9,927,171.72	2,624,635.46	10,168,522.56		
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	-100.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	-100.0%
TOTAL, OTHER FINANCING SOURCES/USES								
(a - b + c - d + e)			0.00	0.00	0.00	0.00		

Camino Nuevo Charter Academy #4
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Restricted Detail

19647330124826
 Form 621
 D811KZERC8(2022-23)

Resource	Description	2022-23 Projected Totals
Total, Restricted Net Position		0.00

Camino Nuevo High #2
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330127910
Form 621
D813C8B3TA(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	7,239,075.92	7,239,075.92	1,993,396.00	6,912,725.01	(326,350.91)	-4.5%
2) Federal Revenue		8100-8299	1,205,397.01	1,205,397.01	495,555.64	1,511,058.47	305,661.46	25.4%
3) Other State Revenue		8300-8599	809,308.06	809,308.06	682,163.07	787,603.97	(21,704.09)	-2.7%
4) Other Local Revenue		8600-8799	413,291.34	413,291.34	155,061.50	479,632.33	66,340.99	16.1%
5) TOTAL, REVENUES			9,667,072.33	9,667,072.33	3,326,176.21	9,691,019.78		
B. EXPENSES								
1) Certificated Salaries		1000-1999	3,273,266.62	3,273,266.62	872,142.09	3,178,370.39	94,896.23	2.9%
2) Classified Salaries		2000-2999	1,003,150.90	1,003,150.90	294,710.94	1,059,678.17	(56,527.27)	-5.6%
3) Employee Benefits		3000-3999	1,434,042.64	1,434,042.64	399,135.43	1,424,515.04	9,527.60	0.7%
4) Books and Supplies		4000-4999	475,296.34	475,296.34	108,863.45	502,316.92	(27,020.58)	-5.7%
5) Services and Other Operating Expenses		5000-5999	3,250,365.66	3,250,365.66	774,693.21	3,347,952.35	(97,586.69)	-3.0%
6) Depreciation and Amortization		6000-6999	179,869.53	179,869.53	59,492.02	175,608.81	4,260.72	2.4%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299,7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENSES			9,615,991.69	9,615,991.69	2,509,037.14	9,688,441.68		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			51,080.64	51,080.64	817,139.07	2,578.10		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	-100.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		
E. NET INCREASE (DECREASE) IN NET POSITION (C + D4)			51,080.64	51,080.64	817,139.07	2,578.10		
F. NET POSITION								
1) Beginning Net Position								
a) As of July 1 - Unaudited		9791	3,883,232.04	3,883,232.04		3,813,672.96	(69,559.08)	-1.8%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			3,883,232.04	3,883,232.04		3,813,672.96		
d) Other Restatements		9795	(87,044.35)	(87,044.35)		51,463.96	138,508.31	-159.1%
e) Adjusted Beginning Net Position (F1c + F1d)			3,796,187.69	3,796,187.69		3,865,136.92		
2) Ending Net Position, June 30 (E + F1e)			3,847,268.33	3,847,268.33		3,867,715.02		
Components of Ending Net Position								
a) Net Investment in Capital Assets		9796	1,213,271.75	1,213,271.75		1,219,721.72		
b) Restricted Net Position		9797	0.00	0.00		17,434.93		
c) Unrestricted Net Position		9790	2,633,996.58	2,633,996.58		2,630,558.37		
LCFF SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	5,682,825.49	5,682,825.49	1,505,138.00	5,439,189.60	(243,635.89)	-4.3%

Camino Nuevo High #2
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330127910
Form 621
D813C8B3TA(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Education Protection Account State Aid - Current Year		8012	94,488.00	94,488.00	21,661.00	87,506.00	(6,982.00)	-7.4%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF Transfers								
Unrestricted LCFF Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other LCFF Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	1,461,762.43	1,461,762.43	466,597.00	1,386,029.41	(75,733.02)	-5.2%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			7,239,075.92	7,239,075.92	1,993,396.00	6,912,725.01	(326,350.91)	-4.5%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8220	159,194.09	159,194.09	0.00	178,721.87	19,527.78	12.3%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	131,087.93	131,087.93	36,031.00	107,028.59	(24,059.34)	-18.4%
Title I, Part A, Basic	3010	8290	198,346.00	198,346.00	0.00	199,510.00	1,164.00	0.6%
Title I, Part D, Local Delinquent Programs	3025	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title II, Part A, Supporting Effective Instruction	4035	8290	20,512.46	20,512.46	0.00	22,265.00	1,752.54	8.5%
Title III, Part A, Immigrant Student Program	4201	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, English Learner Program	4203	8290	12,355.20	12,355.20	0.00	13,510.80	1,155.60	9.4%
Public Charter Schools Grant Program (PCSGP)	4610	8290	0.00	0.00	0.00	0.00	0.00	0.0%
	3040, 3060, 3061, 3150, 3155, 3180, 3182, 4037, 4124, 4126, 4127, 4128, 5630	8290	14,320.26	14,320.26	0.00	15,193.00	872.74	6.1%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	669,581.07	669,581.07	459,524.64	974,829.21	305,248.14	45.6%
TOTAL, FEDERAL REVENUE			1,205,397.01	1,205,397.01	495,555.64	1,511,058.47	305,661.46	25.4%
OTHER STATE REVENUE								
Other State Apportionments								
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	11,037.17	11,037.17	0.00	37,999.46	26,962.29	244.3%
Mandated Costs Reimbursements		8550	21,183.55	21,183.55	0.00	22,573.19	1,389.64	6.6%
Lottery - Unrestricted and Instructional Materials		8560	107,716.32	107,716.32	6,492.76	111,038.20	3,321.88	3.1%
After School Education and Safety (ASES)	6010	8590	0.00	0.00	0.00	0.00	0.00	0.0%

Camino Nuevo High #2
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330127910
Form 621
D813C8B3TA(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Charter School Facility Grant	6030	8590	323,015.23	323,015.23	0.00	323,015.23	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6690, 6695	8590	0.00	0.00	0.00	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Specialized Secondary	7370	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	346,355.79	346,355.79	675,670.31	292,977.89	(53,377.90)	-15.4%
TOTAL, OTHER STATE REVENUE			809,308.06	809,308.06	682,163.07	787,603.97	(21,704.09)	-2.7%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	9,800.00	9,800.00	1,027.83	9,082.54	(717.46)	-7.3%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Child Development Parent Fees		8673	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	371,144.14	371,144.14	144,157.00	428,219.36	57,075.22	15.4%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	32,347.20	32,347.20	9,876.67	42,330.43	9,983.23	30.9%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			413,291.34	413,291.34	155,061.50	479,632.33	66,340.99	16.1%
TOTAL, REVENUES			9,667,072.33	9,667,072.33	3,326,176.21	9,691,019.78		
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	2,375,839.48	2,375,839.48	636,861.42	2,380,274.41	(4,434.93)	-0.2%
Certificated Pupil Support Salaries		1200	156,044.93	156,044.93	41,082.33	145,472.52	10,572.41	6.8%
Certificated Supervisors' and Administrators' Salaries		1300	741,382.21	741,382.21	194,198.34	652,623.46	88,758.75	12.0%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			3,273,266.62	3,273,266.62	872,142.09	3,178,370.39	94,896.23	2.9%

Camino Nuevo High #2
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330127910
Form 621
D813C8B3TA(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	307,815.00	307,815.00	63,122.15	340,783.39	(32,968.39)	-10.7%
Classified Support Salaries		2200	98,005.50	98,005.50	27,586.25	95,807.63	2,197.87	2.2%
Classified Supervisors' and Administrators' Salaries		2300	57,420.00	57,420.00	10,253.46	48,201.46	9,218.54	16.1%
Clerical, Technical and Office Salaries		2400	226,777.15	226,777.15	76,108.13	246,551.40	(19,774.25)	-8.7%
Other Classified Salaries		2900	313,133.25	313,133.25	117,640.95	328,334.29	(15,201.04)	-4.9%
TOTAL, CLASSIFIED SALARIES			1,003,150.90	1,003,150.90	294,710.94	1,059,678.17	(56,527.27)	-5.6%
EMPLOYEE BENEFITS								
STRS		3101-3102	625,193.92	625,193.92	168,740.12	609,229.71	15,964.21	2.6%
PERS		3201-3202	254,499.38	254,499.38	73,509.83	267,582.03	(13,082.65)	-5.1%
OASDI/Medicare/Alternative		3301-3302	124,203.41	124,203.41	36,387.87	128,348.19	(4,144.78)	-3.3%
Health and Welfare Benefits		3401-3402	355,902.12	355,902.12	101,814.55	343,930.70	11,971.42	3.4%
Unemployment Insurance		3501-3502	21,382.09	21,382.09	5,982.50	21,338.49	43.60	0.2%
Workers' Compensation		3601-3602	52,861.72	52,861.72	23,727.57	54,085.92	(1,224.20)	-2.3%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	(11,027.01)	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			1,434,042.64	1,434,042.64	399,135.43	1,424,515.04	9,527.60	0.7%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	20,200.00	20,200.00	3,576.00	20,776.00	(576.00)	-2.9%
Books and Other Reference Materials		4200	13,000.00	13,000.00	314.83	13,000.00	0.00	0.0%
Materials and Supplies		4300	183,013.78	183,013.78	74,577.04	196,727.78	(13,714.00)	-7.5%
Noncapitalized Equipment		4400	54,099.00	54,099.00	4,533.42	65,635.99	(11,536.99)	-21.3%
Food		4700	204,983.56	204,983.56	25,862.16	206,177.15	(1,193.59)	-0.6%
TOTAL, BOOKS AND SUPPLIES			475,296.34	475,296.34	108,863.45	502,316.92	(27,020.58)	-5.7%
SERVICES AND OTHER OPERATING EXPENSES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	19,520.00	19,520.00	11.88	19,020.00	500.00	2.6%
Dues and Memberships		5300	18,310.40	18,310.40	14,738.32	18,035.40	275.00	1.5%
Insurance		5400-5450	3,998.00	3,998.00	2,119.00	2,119.00	1,879.00	47.0%
Operations and Housekeeping Services		5500	370,200.19	370,200.19	115,079.54	370,200.19	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	710,159.04	710,159.04	264,594.73	708,159.04	2,000.00	0.3%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and								
Operating Expenditures		5800	2,082,774.03	2,082,774.03	363,711.44	2,157,368.10	(74,594.07)	-3.6%
Communications		5900	45,404.00	45,404.00	14,438.30	73,050.62	(27,646.62)	-60.9%
TOTAL, SERVICES AND OTHER OPERATING EXPENSES			3,250,365.66	3,250,365.66	774,693.21	3,347,952.35	(97,586.69)	-3.0%
DEPRECIATION AND AMORTIZATION								
Depreciation Expense		6900	179,869.53	179,869.53	59,492.02	175,608.81	4,260.72	2.4%
Amortization Expense—Lease Assets		6910	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, DEPRECIATION AND AMORTIZATION			179,869.53	179,869.53	59,492.02	175,608.81	4,260.72	2.4%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								

Camino Nuevo High #2
Los Angeles Unified
Los Angeles County

2022-23 First Interim
Charter Schools Enterprise Fund
Expenditures by Object

19647330127910
Form 621
D813C8B3TA(2022-23)

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments								
Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers Out								
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENSES			9,615,991.69	9,615,991.69	2,509,037.14	9,688,441.68		
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	-100.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	-100.0%
TOTAL, OTHER FINANCING SOURCES/USES								
(a - b + c - d + e)			0.00	0.00	0.00	0.00		

Camino Nuevo High #2
 Los Angeles Unified
 Los Angeles County

2022-23 First Interim
 Charter Schools Enterprise Fund
 Restricted Detail

19647330127910
 Form 621
 D813C8B3TA(2022-23)

Resource	Description	2022-23 Projected Totals
5310	Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students)	17,434.93
Total, Restricted Net Position		17,434.93

Coversheet

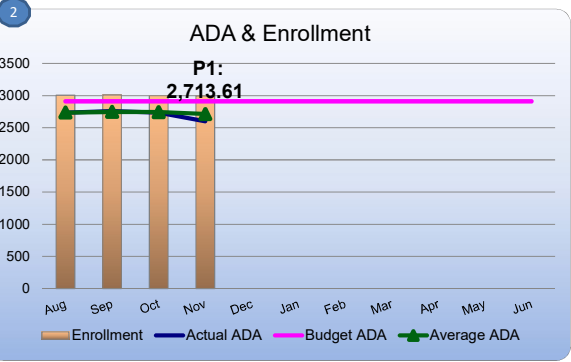
November 2022 Financials

Section: VI. Financials
Item: B. November 2022 Financials
Purpose: Discuss
Submitted by:
Related Material: 11.22 - CNCA Consolidated - Financial Packet.pdf

Camino Nuevo Charter Academy - Financial Dashboard (November 2022)

1 Key Performance Indicators

ADA vs. Budget ● Cash on Hand ●
 Net Income / (Loss) ● Year-End Cash ●



KEY POINTS

Enrollment as of Month 4 was under budget by 113 students, 13 lower than prior month. ADA % through Month 4 was 90.3% which is trending lower than the budgeted 93%. CNCA is projected to have a P2 ADA rate of 91%.

Net income is projected to be at \$166K.

Cash remains strong across all entities and is projected to be at \$16.5MM as of 06/30/2023. This represents a 30.2% cash reserve.

3 Average Daily Attendance Analysis

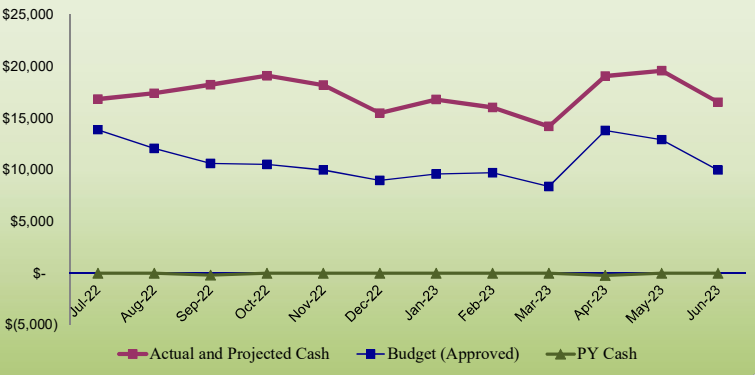
Category	Actual through Month 4	Forecasted P2	Budgeted P2	Better/ (Worse)	Prior Month Forecast	Prior Year P2
Enrollment	2,995	3,017	3,130	(113)	3,030	4,942
ADA %	90.3%	91.0%	93.0%	-2.0%	91.4%	90.4%
Average ADA	2,713.60	2,720.70	2,910.90	(190.20)	2,768.53	4,468.34

4 LCFF Supplemental & Concentration Grant Factors

Category	Budget	Forecast	Variance	Prior Year
Unduplicated Pupil %	93.7%	93.6%	0.0%	93.6%
3-Year Average %	94.0%	94.0%	0.0%	95.1%
District UPP C. Grant Cap	85.6%	85.6%	0.0%	85.6%

INCOME STATEMENT	Forecast	VS. Budget		VS. Last Month		FY 22-23 YTD			Historical	
	As of 11/30/22	FY 22-23 Budget	Variance B/(W)	Prior Month FC	Variance B/(W)	Actual YTD	Budget YTD	Variance B/(W)	FY 21-22	FY 20-21
Local Control Funding Formula	37,886,610	39,300,354	(1,413,744)	38,550,360	(663,750)	13,231,634	12,909,576	322,058	35,808,573	33,411,308
Federal Revenue	9,236,003	8,059,600	1,176,403	9,189,569	46,434	1,850,002	427,523	1,422,479	10,868,693	8,544,443
State Revenue	5,852,825	3,890,423	1,962,402	5,437,409	415,416	7,732,865	1,136,958	6,595,907	4,097,827	2,578,594
Other Local Revenue	3,099,912	2,400,289	699,623	3,016,687	83,225	1,382,090	902,089	480,001	2,971,632	2,587,536
Grants/Fundraising	184,743	149,695	35,048	184,039	704	113,814	77,085	36,730	390,444	263,396
TOTAL REVENUE	56,260,093	53,800,362	2,459,731	56,378,063	(117,970)	24,310,405	15,453,230	8,857,175	54,137,169	47,385,276
<i>Total per ADA</i>	20,679	18,482	2,196	20,722	(43)				12,116	15,936
<i>w/o Grants/Fundraising</i>	20,611	18,431	2,180	20,654	(44)				12,028	15,847
Certificated Salaries	16,332,337	16,771,049	438,712	16,528,717	196,380	5,949,339	6,229,960	280,621	16,070,067	12,866,595
Classified Salaries	7,362,227	6,940,217	(422,010)	7,310,649	(51,578)	2,653,787	2,650,403	(3,383)	6,291,816	3,627,635
Benefits	8,212,147	8,124,172	(87,975)	8,255,987	43,840	2,920,803	3,355,518	434,715	6,650,987	4,779,613
Student Supplies	3,705,694	2,722,594	(983,101)	3,475,042	(230,652)	1,539,078	1,238,237	(300,841)	4,615,770	5,238,611
Operating Expenses	18,931,018	17,263,011	(1,668,007)	18,744,276	(186,741)	6,858,117	7,244,703	386,586	19,409,944	13,715,921
Other	1,550,408	1,589,690	39,282	1,586,167	35,758	632,234	657,531	25,297	1,420,923	1,299,959
TOTAL EXPENSES	56,093,832	53,410,733	(2,683,099)	55,900,838	(192,994)	20,553,358	21,376,352	822,994	54,459,506	41,528,335
<i>Total per ADA</i>	20,617	18,349	(2,269)	20,546	71				12,188	13,966
NET INCOME / (LOSS)	166,261	389,629	(223,368)	477,225	(310,964)	3,757,047	(5,923,122)	9,680,170	(322,337)	5,856,942
OPERATING INCOME	1,513,901	1,776,551	(262,650)	1,860,623	(346,722)	4,286,911	(5,367,962)	9,654,873	888,003	6,938,656
EBITDA	1,716,669	1,979,319	(262,650)	2,063,391	(346,722)	4,389,282	(5,265,591)	9,654,873	1,098,586	7,156,901

6 Cash Balance (in \$1,000's)



Year-End Cash Balance		
Projected	Budget	Variance
16,548,681	9,984,735	6,563,945

7 Balance Sheet

Balance Sheet	6/30/2022	10/31/2022	11/30/2022	6/30/2023 FC
Assets				
Cash, Operating	16,938,485	19,102,387	18,202,062	16,548,681
Cash, Restricted	0	0	0	0
Accounts Receivable	7,215,297	4,047,040	3,773,739	8,423,933
Due From Others	178,871	425,741	444,427	182,543
Other Assets	264,447	18,599	21,580	290,733
Net Fixed Assets	39,675,160	39,590,234	39,541,232	39,246,565
Total Assets	64,272,260	63,184,002	61,983,040	64,692,455
Liabilities				
A/P & Payroll	2,361,220	1,971,182	1,938,187	2,828,355
Due to Others	2,132,638	2,009,220	656,306	33,224
Deferred Revenue	4,090,883	141,305	141,305	6,373,720
Other Liabilities	0	0	0	0
Total Debt	10,237,071	10,039,745	10,039,745	9,840,445
Total Liabilities	18,821,811	14,161,452	12,775,543	19,075,745
Equity				
Beginning Fund Bal.	45,772,786	45,450,449	45,450,449	45,450,449
Net Income/(Loss)	(322,337)	3,572,101	3,757,048	166,261
Total Equity	45,450,449	49,022,549	49,207,496	45,616,710
Total Liabilities & Equity	64,272,260	63,184,002	61,983,039	64,692,455
Available Line of Credit				
Days Cash on Hand	116	128	121	110
Cash Reserve %	31.8%	35.0%	33.2%	30.2%



Camino Nuevo Charter Academy
Consolidated Budget Summary
 Prepared by ExED. For use by ExED and ExED clients only. © 2021 ExED

	CNCA - Burlington		CNCA#2 - Kayne Siart		CNCA#3 - Castellanos		CNCA#3 - Eisner		CNCA#3 - Consolidated		CNCA#4 - Cisneros		CNHS#2 - Dalzell Lance		Central Administration		Camino Nuevo - Consolidated	
	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast
Enrollment	606	603	697	671	462	466	270	267	732	733	587	524	508	486	-	-	3,130	3,017
ADA	563.58	561.04	648.21	593.20	429.66	414.78	251.10	243.42	680.76	658.20	545.91	473.32	472.44	434.94	-	-	2,910.90	2,720.70
ADA %	93%	93%	93%	89%	93%	89%	93%	91%	93%	90%	93%	89%	93%	93%	-	-	93%	91%
UPP	96%	96%	91%	91%	98%	98%	93%	93%	96%	95%	92%	92%	94%	94%	0%	0%	81%	81%
Income																		
8011-8098 - Local Control Funding Formula Sources																		
8011 Local Control Funding Formula	4,412,117	4,723,444	4,886,324	4,802,908	3,406,938	3,536,589	1,816,868	1,896,945	5,223,806	5,433,533	4,099,184	3,827,093	5,682,825	5,406,992	-	-	24,304,257	24,193,971
8012 Education Protection Account	1,362,632	1,224,264	1,572,072	1,298,424	1,034,323	901,172	604,475	528,867	1,638,798	1,430,039	1,321,580	1,034,155	94,488	86,988	-	-	5,989,569	5,073,870
8019 Local Control Funding Formula - Prior Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8096 In Lieu of Property Taxes	1,743,756	1,777,291	2,005,607	1,879,169	1,329,398	1,313,961	776,921	771,118	2,106,319	2,085,079	1,689,084	1,499,407	1,461,762	1,377,825	-	-	9,006,528	8,618,769
8098 In Lieu of Property Taxes, Prior Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 8011-8098 - Local Control Funding Formula Sources	7,518,504	7,724,999	8,464,003	7,980,501	5,770,659	5,751,721	3,198,264	3,196,929	8,968,923	8,948,651	7,109,848	6,360,655	7,239,076	6,871,804	-	-	39,300,354	37,886,610
8100-8299 - Federal Revenue																		
8181 Special Education - Federal (IDEA)	156,377	137,242	179,859	145,109	119,218	101,463	69,673	59,545	188,890	161,009	151,474	115,784	131,088	106,395	-	-	807,687	665,538
8221 Child Nutrition - Federal	337,888	550,818	194,144	336,892	203,735	350,240	89,765	90,147	293,501	440,387	242,012	286,370	159,194	147,492	-	-	1,226,739	1,761,958
8223 CACFP Supper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8291 Title I	299,542	311,078	281,238	281,231	225,453	220,608	127,811	132,647	353,264	353,255	260,949	260,942	198,346	199,510	-	-	1,393,339	1,406,016
8292 Title II	29,418	31,879	28,970	31,422	23,591	24,337	12,822	14,633	36,414	38,970	26,467	28,739	20,512	22,265	-	-	141,781	153,275
8294 Title III	47,362	47,362	31,346	31,346	31,002	31,002	11,326	11,326	42,328	42,328	25,054	25,054	12,355	13,511	-	-	158,444	159,600
8295 Title IV, SSAE	24,324	23,521	18,066	21,193	16,685	16,625	9,952	9,996	26,637	26,621	17,907	21,569	14,320	15,193	-	-	101,254	108,097
8296 Title IV, PCSGP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8297 Facilities Incentive Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8299 All Other Federal Revenue	1,316,189	1,284,896	753,907	1,160,342	321,209	259,221	363,433	319,127	684,643	578,348	806,037	951,788	669,581	1,006,147	-	-	4,230,357	4,981,520
Total 8100-8299 - Other Federal Income	2,211,099	2,386,795	1,487,529	2,007,534	940,894	1,003,496	684,783	637,422	1,625,676	1,640,918	1,529,899	1,690,244	1,205,397	1,510,513	-	-	8,059,600	9,236,003
8300-8599 - Other State Revenue																		
8520 Child Nutrition - State	25,144	116,390	12,865	89,981	14,227	70,321	6,310	23,713	20,537	94,035	17,841	83,070	11,037	34,766	-	-	87,425	418,242
8550 Mandate Block Grant	8,664	9,258	10,120	10,793	6,268	3,820	4,006	10,089	10,859	297,161	297,161	9,587	21,184	22,085	-	-	347,217	62,582
8561 State Lottery - Non Prop 20	91,864	95,367	105,658	101,298	70,035	70,511	40,929	41,385	110,964	111,896	88,983	80,169	77,008	74,661	-	-	474,477	463,389
8562 State Lottery - Prop 20	36,633	37,586	42,134	39,923	27,928	27,790	16,322	16,310	44,249	44,100	35,484	31,596	30,709	29,425	-	-	189,209	182,630
8560 Lottery Revenue	128,496	132,952	147,792	141,221	97,962	98,300	57,251	57,695	155,213	155,996	124,467	111,764	107,716	104,086	-	-	663,685	646,019
8587 State Grant Pass-Through	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8591 SB740	447,135	447,135	-	-	-	-	131,357	147,756	131,357	147,756	-	-	323,015	323,015	-	-	901,507	917,906
8592 State Mental Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8593 After School Education & Safety	203,483	203,483	203,483	203,483	203,483	203,483	-	-	203,483	203,483	203,483	203,483	-	-	-	-	813,931	813,931
8594 Supplemental Categorical Block Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8595 Expanded Learning Opportunity Program	59,272	88,949	126,737	178,326	59,272	138,626	-	27,539	59,272	166,165	113,404	201,881	-	-	-	-	358,685	635,321
8599 State Revenue - Other	51,209	145,296	97,017	276,769	90,192	671,049	50,401	294,384	140,594	965,434	82,798	685,440	346,356	285,884	-	-	717,973	2,358,824
Total 8300-8599 - Other State Income	923,402	1,143,463	598,014	900,573	471,405	1,188,633	249,139	555,094	720,544	1,743,727	839,155	1,295,225	809,308	769,837	-	-	3,890,423	5,852,825
8600-8799 - Other Local Revenue																		
8631 Sale of Equipment & Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8634 Food Service Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8650 Leases & Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8660 Interest & Dividend Income	8,400	9,113	7,000	9,843	6,787	7,879	3,500	4,467	10,287	12,346	7,000	9,048	9,800	9,083	-	-	42,487	49,433
8662 Net Increase (Decrease) in Fair Value of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8681 Intra-Agency Fee Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8682 Childcare & Enrichment Program Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8689 All Other Fees & Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8692 Grants	10,000	38,405	60,000	60,000	22,670	22,670	12,857	12,857	35,527	35,527	29,168	29,168	15,000	15,000	-	-	149,695	178,100
8694 In Kind Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8695 Contributions & Events	-	434	-	24	-	721	-	701	-	1,422	-	3,531	-	18	-	-	-	5,430
8696 Other Fundraising	-	4	-	4	-	3	-	2	-	4	-	3	-	1,198	-	-	-	1,213
8697 E-Rate	10,201	10,201	14,776	14,776	9,504	9,504	9,600	9,600	19,104	19,104	9,600	9,600	17,347	17,347	-	-	71,028	71,028
8698 SELPA Grants	-	18,474	-	46,658	-	18,627	-	10,888	-	29,515	-	23,119	-	11,651	-	-	-	129,417
8699 All Other Local Revenue	-	58	-	206	-	-	-	-	-	-	-	1,282	-	410	-	-	-	1,956
8792 Transfers of Apportionments - Special Education	442,743	549,101	509,227	580,577	337,537	405,953	197,262	238,240	534,798	644,194	428,861	463,248	371,144	425,684	-	-	2,286,774	2,662,804

	CNCA - Burlington		CNCA#2 - Kayne Siart		CNCA#3 - Castellanos		CNCA#3 - Eisner		CNCA#3 - Consolidated		CNCA#4 - Cisneros		CNHS#2 - Dalzell Lance		Central Administration		Camino Nuevo - Consolidated	
	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast
5311 Dues & Memberships	10,861	10,823	13,517	13,192	6,648	8,123	5,966	5,929	12,614	14,052	9,038	11,100	18,310	19,585	-	-	64,340	68,752
5451 General Insurance	-	-	-	-	-	-	27,500	27,500	27,500	27,500	-	-	3,998	2,119	-	-	31,498	29,619
5511 Utilities	142,002	142,002	114,960	114,960	115,800	115,800	54,276	75,060	170,076	190,860	167,816	167,816	108,303	108,303	-	-	703,158	723,942
5521 Security Services	58,431	116,361	560	560	500	500	500	500	1,000	1,000	657	657	93,761	93,761	-	-	154,409	212,340
5531 Housekeeping Services	137,478	160,800	117,667	146,384	112,970	112,970	-	17,500	112,970	130,470	150,810	152,011	98,076	98,076	-	-	617,001	687,741
5599 Other Facility Operations & Utilities	58,897	58,897	56,450	56,450	70,184	70,184	25,378	25,378	95,563	95,563	91,769	91,769	70,059	70,059	-	-	372,738	372,738
5611 School Rent - Private Facility	745,224	745,224	-	-	-	-	218,928	246,261	218,928	246,261	-	-	551,584	551,584	-	-	1,515,736	1,543,069
5613 School Rent - Prop 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5619 Other Facility Rentals	14,000	14,000	14,200	14,200	3,924	3,924	8,292	17,492	12,216	21,416	2,140	2,140	23,892	21,892	-	-	66,448	73,648
5621 Equipment Lease	44,009	62,009	26,459	26,459	36,371	36,371	19,641	19,641	56,012	56,012	27,705	27,705	59,683	59,683	-	-	213,869	231,869
5631 Vendor Repairs	90,000	90,000	78,400	88,000	49,975	49,975	78,400	59,975	71,208	131,183	60,200	67,678	75,000	75,000	-	-	378,575	451,861
5812 Field Trips & Pupil Transportation	23,400	29,100	27,200	7,600	21,330	21,390	17,400	17,400	38,730	38,790	-	746	69,300	64,500	-	-	158,630	140,736
5821 Legal	3,000	3,000	-	654	-	712	-	712	-	1,424	19,000	19,000	-	6,601	-	-	22,000	30,680
5823 Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5831 Advertisement & Recruitment	5,000	9,800	7,500	14,646	7,500	7,500	12,500	12,500	20,000	20,000	7,500	7,500	5,000	5,000	-	-	45,000	56,946
5841 Contracted Substitute Teachers	-	34,010	7,500	97,500	-	68,200	3,480	63,858	3,480	132,058	15,660	70,901	8,240	73,745	-	-	34,880	408,214
5842 Special Education Services	427,274	467,325	450,352	549,985	231,500	325,540	145,375	261,106	376,875	586,646	273,750	444,160	265,200	289,325	-	-	1,793,451	2,337,441
5843 Non Public School	-	-	-	80,000	-	-	-	-	-	-	166,547	166,547	-	-	-	-	166,547	246,547
5844 After School Services	203,483	203,483	203,483	203,483	203,483	203,483	-	-	203,483	203,483	-	203,483	-	-	-	-	813,931	813,931
5849 Other Student Instructional Services	344,852	344,852	239,423	290,443	178,664	178,664	106,250	106,250	284,913	284,913	330,081	330,081	287,143	291,143	-	-	1,486,413	1,541,433
5852 PD Consultants & Tuition	60,222	72,445	53,015	58,127	46,895	78,094	29,383	29,383	76,277	107,477	61,596	61,596	1,563	8,663	-	-	252,673	308,309
5854 Nursing & Medical (Non-IEP)	4,100	4,100	6,000	3,500	6,000	3,500	2,500	6,000	6,000	6,000	6,658	2,000	2,000	2,000	-	-	24,758	24,758
5859 All Other Consultants & Services	106,909	136,509	145,700	192,115	123,944	286,617	51,096	45,653	175,041	332,271	154,459	168,481	134,063	137,813	-	-	716,172	967,188
5861 Non Instructional Software	87,809	87,799	109,220	109,142	75,183	75,183	46,269	46,258	121,452	121,441	90,873	90,558	90,785	90,477	-	-	500,140	499,418
5865 Fundraising Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5871 District Oversight Fees	75,185	77,250	84,640	79,805	57,707	57,517	31,983	31,969	89,689	89,487	71,098	63,607	72,391	68,718	-	-	393,004	378,866
5872 Special Education Fees (SELPA)	119,824	137,269	137,817	145,137	91,351	101,483	53,387	59,557	144,738	161,040	116,067	115,806	100,446	106,416	-	-	618,892	665,668
5881 Intra-Agency Fees	1,156,944	1,233,711	1,205,885	1,181,983	843,428	873,329	468,383	478,174	1,311,811	1,351,504	1,065,422	955,949	1,030,274	994,020	-	-	5,770,336	5,717,167
5895 Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5898 Uncategorized Expense	-	262	-	3,163	-	-	-	-	886	-	886	927	-	1,708	-	-	-	6,946
5899 All Other Expenses	15,736	15,736	14,482	14,482	13,080	13,080	7,636	7,636	20,716	20,716	19,015	19,015	16,369	16,369	-	-	86,318	86,318
5911 Office Phone	16,632	16,632	9,492	9,492	9,060	9,060	8,820	8,820	17,880	17,880	9,552	9,552	17,040	17,040	-	-	70,596	70,596
5913 Mobile Phone	1,560	1,560	2,400	2,400	6,000	6,000	2,280	2,280	8,280	8,280	3,600	3,600	1,680	1,680	-	-	17,520	17,520
5921 Internet	12,751	12,751	18,470	18,470	11,880	11,880	12,000	12,000	23,880	23,880	12,000	12,000	21,684	21,684	-	-	88,785	88,785
5923 Website Hosting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5931 Postage & Shipping	800	1,077	6,750	6,750	3,500	3,500	500	1,044	4,000	4,544	2,000	2,000	5,000	5,000	-	-	18,550	19,370
5999 Other Communications	-	4,986	-	13,665	479	4,214	-	2,308	479	6,522	-	12,336	-	4,430	-	-	479	41,938
Total 5000 - Operating Services	3,980,384	4,307,775	3,175,993	3,569,698	2,326,752	2,738,691	1,387,020	1,700,060	3,713,771	4,438,751	3,142,497	3,289,378	3,250,366	3,325,416	-	-	17,263,011	18,931,018
6000 - Capital Outlay																		
6901 Depreciation Expense	169,016	175,399	660,626	647,793	123,799	124,264	90,179	68,215	213,978	192,479	163,433	154,080	179,870	177,890	-	-	1,386,922	1,347,640
6903 Amortization Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6999 Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 6000 - Capital Outlay	169,016	175,399	660,626	647,793	123,799	124,264	90,179	68,215	213,978	192,479	163,433	154,080	179,870	177,890	-	-	1,386,922	1,347,640
7000 - Other Outgo																		
7438 Interest Expense	-	-	202,768	202,768	-	-	-	-	-	-	-	-	-	-	-	-	202,768	202,768
Total 7000 - Other Outgo	-	-	202,768	202,768	-	-	-	-	-	-	-	-	-	-	-	-	202,768	202,768
TOTAL EXPENSE	11,023,764	11,746,193	11,074,207	11,639,715	7,452,600	8,374,150	4,316,997	4,617,219	11,769,598	12,991,369	9,927,172	10,074,220	9,615,992	9,642,335	-	-	53,410,733	56,093,832
NET INCOME	100,584	171,002	66,341	2,032	106,855	69,864	38,407	66,756	145,262	136,620	26,361	(148,765)	51,081	5,371	-	-	389,629	166,261
Operating Income	269,601	346,401	726,967	649,825	230,653	194,128	128,586	134,971	359,240	329,098	189,793	5,315	230,950	183,261	-	-	1,776,551	1,513,901
EBITDA	269,601	346,401	929,735	852,594	230,653	194,128	128,586	134,971	359,240	329,098	189,793	5,315	230,950	183,261	-	-	1,979,319	1,716,669
Beginning Cash Balance	3,203,369	4,046,300	1,003,765	1,848,178	1,405,498	2,590,265	1,899,293	2,345,185	3,304,791	4,935,450	1,375,952	2,053,100	2,015,839	2,857,892	88,701	1,197,565	10,992,417	16,938,485
Cash Flow from Operating Activities																		
Net Income	100,584	171,002	66,341	2,032	106,855	69,864	38,407	66,756	145,262	136,620	26,361	(148,765)	51,081	5,371	-	-	389,629	166,261
Change in Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Accounts Receivable	1,433,076	1,462,811	2,235,700	1,669,823	1,732,206	995,713	937,358	646,964	2,669,564	1,642,677	1,845,004	1,355,253	864,653	1,084,733	-	-	9,047,997	7,215,297

	CNCA - Burlington		CNCA#2 - Kayne Siart		CNCA#3 - Castellanos		CNCA#3 - Eisner		CNCA#3 - Consolidated		CNCA#4 - Cisneros		CNHS#2 - Dalzell Lance		Central Administration		Camino Nuevo - Consolidated	
	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast	2022-23 Budget Approved	2022-23 Forecast
Current Year Accounts Receivable	(2,057,165)	(2,231,133)	(1,469,622)	(1,886,751)	(1,048,451)	(1,191,048)	(710,192)	(644,241)	(1,758,643)	(1,835,289)	(1,283,280)	(1,319,501)	(1,343,448)	(1,151,259)	-	-	(7,912,158)	(8,423,933)
Change in Due from	-	(1,656)	-	-	-	20	-	-	-	20	-	(113)	-	(1,740)	-	(183)	-	(3,672)
Change in Accounts Payable	(7,786)	(11,153)	(7,043)	(13,111)	(9,350)	(15,804)	(742)	1,924	(10,092)	(13,881)	(10,473)	(14,895)	(4,888)	(7,986)	(6,249)	(2,969)	(46,531)	(63,994)
Change in Due to	(377,591)	(91,290)	(719,273)	(192,100)	(279,222)	(81,640)	(150,962)	(44,688)	(430,184)	(126,328)	(469,269)	(168,683)	(50,034)	(347,181)	-	(1,173,831)	(2,046,351)	(2,099,413)
Change in Accrued Vacation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Payroll Liabilities	-	118,010	-	100,242	-	75,910	-	30,873	-	106,783	-	94,194	-	61,577	-	50,325	-	531,130
Change in Prepaid Expenditures	(60,839)	(5,123)	(16,285)	(1,154)	(40,051)	(2,432)	(40,529)	(1,023)	(80,580)	(3,455)	(13,524)	(563)	(62,260)	(3,277)	(3,576)	(11,715)	(237,064)	(25,286)
Change in Deposits	-	(1,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,000)
Change in Deferred Revenue	-	357,882	-	873,515	-	174,224	-	134,804	-	309,027	-	345,688	-	396,725	-	-	-	2,282,837
Change in Other Long Term Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Other Long Term Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	169,016	175,399	660,626	647,793	123,799	124,264	90,179	68,215	213,978	192,479	163,433	154,080	179,870	177,890	-	-	1,386,922	1,347,640
Cash Flow from Investing Activities																		
Capital Expenditures	(138,000)	(222,012)	(286,500)	(270,943)	(327,500)	(46,178)	(129,000)	(37,588)	(456,500)	(83,766)	(262,500)	(223,148)	(50,000)	(119,175)	-	-	(1,193,500)	(919,045)
Cash Flow from Financing Activities																		
Source - Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use - Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Source - Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use - Loans	-	-	(396,625)	(396,625)	-	-	-	-	-	-	-	-	-	-	-	-	(396,625)	(396,625)
Ending Cash Balance	2,264,664	3,768,038	1,071,084	2,380,899	1,663,784	2,693,157	1,933,812	2,567,180	3,597,596	5,260,337	1,371,704	2,126,647	1,600,812	2,953,569	78,876	59,191	9,984,735	16,548,681



Camino Nuevo Charter Academy Financial Analysis November 2022

Net Income

Camino Nuevo Charter Academy is projected to achieve a net income of \$166K in FY22-23 compared to \$390K in the board approved budget. Reasons for this negative \$223K variance are explained below in the Income Statement section of this analysis.

Balance Sheet

As of November 30, 2022, the school's cash balance was \$18.20M. By June 30, 2023, the school's cash balance is projected to be \$16.55M, which represents a 30% reserve.

As of November 30, 2022, the Accounts Receivable balance was \$3.77M, down from \$4.05M in the previous month, due to the receipt of revenue earned in FY21-22.

As of November 30, 2022, the Accounts Payable balance, including payroll liabilities, totaled \$1.94M, compared to \$1.97M in the prior month.

As of November 30, 2022, CNCA had a debt balance of \$10.04M compared to \$10.04M in the prior month. An additional \$199K will be paid this fiscal year.

Income Statement

Revenue

Total revenue for FY22-23 is projected to be \$56.26M, which is \$2.46M or 4.6% over budgeted revenue of \$53.80M.

LCFF Sources: There is a \$6.10M increase in Local Control Funding Sources. This is due to the final state budget reflecting a 13.26% COLA instead of the 6.86% budgeted. Increase in funds is offset by reduced enrollment and ADA percentage.

Object Code 8181: There is a \$142K decrease in Special Education (IDEA) funds due to reduced rates and reduced ADA.

Object Code 8221: There is a \$535K increase in Federal nutrition funds based on projected participation rates. This is offset by increased nutrition costs (Object 4711).

Object Code 8299: There is a \$751K increase in Other Federal revenue due to additional ESSER funds being used.

Object Code 8520: There is a \$331K increase in State nutrition funds based on projected participation rates. This is offset by increased nutrition costs (Object 4711).

Object Code 8550: There is a \$285K decrease in Mandate Block grant funds. This is due to Cisneros' budget being board approved with one-time discretionary grant funds that were not approved by the State as discretionary.

This report will discuss revenue and expenditure variances from the Board-approved budget that are above \$75,000 and 10%.



Object Code 8595: There is a \$277K increase in Expanded Learning Opportunity Program funds due to additional expenses being added to the budget for the program.

Object Code 8599: There is a \$1.64M increase in Other State revenue due to Hold Harmless funds received for CNCA#2, CNCA#3, and CNCA#4.

Object Code 8698: There is a \$129K increase in SELPA grants revenue due to allocations received across all charters.

Object Code 8792: There is a \$376K increase in State Special Education revenue based on increased rates.

Object Code 8999: There is a \$185K increase in Prior Year Revenues largely due to final FY21-22 Lottery rates.

Expenses

Total expenses for FY22-23 are projected to be \$56.09M, which is \$2.68M or 5.0% over budgeted expenditures of \$53.41M.

Object Code 1175: Teacher Stipend expense is \$140K over budget due to payments for the summer school program.

Object Code 1215: Psychologist salary expense is \$132K under budget based on staffing changes and one position being transferred to Object 1299.

Object Code 2300: Classified Administrator salary expense is \$151K over budget due to sites adding SPED Compliance coordinators.

Object Code 4111: Core Curricula materials expense is \$305K over budget largely due to curricula materials purchased for the after school program. This is funded with ELOP funds.

Object Code 4390: Other supplies expense is \$86K over budget largely due to supplies being purchased for the after school program. This is funded with ELOP funds.

Object Code 4411: Non Capitalized Equipment expense is \$111K over budget largely due to supplies being purchased for the after school program. This is funded with ELOP funds.

Object Code 4711: Nutrition program expense is \$488K over budget due to increased projected participation. This is offset by increased revenue as noted above.

Object Code 5841: Substitute teacher expense is \$373K over budget.

Object Code 5842: Special Education service expense is \$544K over budget due to SPED substitute staff being obtained to cover vacancies or staff being absent. In addition, sites are experiencing additional costs for student assessments and other SPED-related services.

Object Code 5843: Non Public School expense is \$80K over budget due to Kayne Siart needing this service for one of their students.

Object Code 5859: All other consultant expense is \$251K over budget due to classified staff support being obtained from consultants to cover vacancies or staff being absent.

This report will discuss revenue and expenditure variances from the Board-approved budget that are above \$75,000 and 10%.



ADA

Budgeted P2 ADA is 2910.90 based on enrollment of 3130 and a 93.0% attendance rate.

Forecast P2 ADA is 2720.70 based on enrollment of 3017 and a 91.0% attendance rate.

Actual ADA through Month 4 is 2713.60 with ending enrollment of 2995 and a 90.3% attendance rate.

In Month 4, ADA was 2601.86 with an 86.8% attendance rate.

This report will discuss revenue and expenditure variances from the Board-approved budget that are above \$75,000 and 10%.



Financial Analysis

Net Income

is projected to achieve a net income of in FY compared to in the board approved budget. Reasons for this variance are explained below in the Income Statement section of this analysis.

Balance Sheet

As of , the school's cash balance was . By , the school's cash balance is projected to be , which represents a reserve.

As of , the Accounts Receivable balance was , down from in the previous month, due to the receipt of revenue earned in FY.

As of , the Accounts Payable balance, including payroll liabilities, totaled , compared to in the prior month.

As of , had a debt balance of compared to in the prior month. An additional will be paid this fiscal year.

Income Statement

Revenue

Total revenue for FY is projected to be , which is or budgeted revenue of .

LCFF Sources: There is a in Local Control Funding Sources. This is due to the final state budget reflecting a 13.26% COLA instead of the 6.86% budgeted. Increase in funds is offset by reduced enrollment and ADA percentage.

Object Code 8181: There is a in Special Education (IDEA) funds due to reduced rates and reduced ADA.

Object Code 8221: There is a in Federal nutrition funds based on projected participation rates. This is offset by increased nutrition costs (Object 4711).

Object Code 8299: There is a in Other Federal revenue due to additional ESSER funds being used.

Object Code 8520: There is a in State nutrition funds based on projected participation rates. This is offset by increased nutrition costs (Object 4711).

Object Code 8550: There is a in Mandate Block grant funds. This is due to Cisneros' budget being board approved with one-time discretionary grant funds that were not approved by the State as discretionary.

Object Code 8595: There is a in Expanded Learning Opportunity Program funds due to additional expenses being added to the budget for the program.

Object Code 8599: There is a in Other State revenue due to Hold Harmless funds received for CNCA#2, CNCA#3, and CNCA#4.

This report will discuss revenue and expenditure variances from the Board-approved budget that are above and 10%.



Object Code 8698: There is a in SELPA grants revenue due to allocations received across all charters.

Object Code 8792: There is a in State Special Education revenue based on increased rates.

Object Code 8999: There is a in Prior Year Revenues largely due to final FY21-22 Lottery rates.

Expenses

Total expenses for FY are projected to be , which is or budgeted expenditures of .

Object Code 1175: Teacher Stipend expense is budget due to payments for the summer school program.

Object Code 1215: Psychologist salary expense is budget based on staffing changes and one position being transferred to Object 1299.

Object Code 2300: Classified Administrator salary expense is budget due to sites adding SPED Compliance coordinators.

Object Code 4111: Core Curricula materials expense is budget largely due to curricula materials purchased for the after school program. This is funded with ELOP funds.

Object Code 4390: Other supplies expense is budget largely due to supplies being purchased for the after school program. This is funded with ELOP funds.

Object Code 4411: Non Capitalized Equipment expense is budget largely due to supplies being purchased for the after school program. This is funded with ELOP funds.

Object Code 4711: Nutrition program expense is budget due to increased projected participation. This is offset by increased revenue as noted above.

Object Code 5841: Substitute teacher expense is budget.

Object Code 5842: Special Education service expense is budget due to SPED substitute staff being obtained to cover vacancies or staff being absent. In addition, sites are experiencing additional costs for student assessments and other SPED-related services.

Object Code 5843: Non Public School expense is budget due to Kayne Siart needing this service for one of their students.

Object Code 5859: All other consultant expense is budget due to classified staff support being obtained from consultants to cover vacancies or staff being absent.

ADA

Budgeted P2 ADA is based on enrollment of and a attendance rate.

Forecast P2 ADA is based on enrollment of and a attendance rate.

Actual ADA through Month is with ending enrollment of and a attendance rate.

In Month , ADA was with a attendance rate.

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Camino Nuevo Charter Academy
 2022-23 Cash Flow Forecast
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Actuals as of 11/30/2022

	# of months remaining in FY		P-2													Actuals as of		FORECAST									
	12		11		10		9		8		7		6		5		4		3		2		1		11/30/2022		
	2022-23	2022-23	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Accrual	Jul-22 - Jun-23	Better / (Worse)	% Better / (Worse)									
8699 All Other Local Revenue	-	264	-	-	-	1,298	621	-	-	-	-	-	-	-	37	1,956	1,956	100%									
8792 Transfers of Apportionments - Special Education	2,286,774	2,662,804	155,109	310,219	206,811	206,812	206,811	207,045	207,045	385,337	192,669	192,669	192,669	192,669	6,939	2,662,804	376,030	16%									
Total 8600-8799 - Other Income-Local	2,549,984	3,091,045	264,254	313,599	224,828	196,401	311,547	227,965	216,697	394,989	202,321	202,321	204,125	221,349	118,983	3,099,380	549,396	22%									
Prior Year Adjustments																											
8999 Other Prior Year Adjustment	-	185,275	-	-	133,793	51,481	-	-	-	-	-	-	-	-	-	185,275	185,275	100%									
Total Prior Year Adjustments	-	185,275	-	-	133,793	51,481	-	-	-	-	-	-	-	-	-	185,275	185,275	100%									
TOTAL INCOME	53,800,362	56,252,123	5,989,808	3,293,867	5,208,557	3,859,408	5,958,766	3,361,289	5,120,261	4,329,204	3,484,464	8,904,650	3,486,268	1,105,247	2,158,304	56,260,093	2,459,731	5%									
Expense																											
1000 - Certificated Salaries																											
1110 Teachers' Salaries	11,758,566	11,522,376	(0)	979,828	991,853	1,008,426	1,003,160	1,032,531	1,045,040	1,043,253	1,046,988	1,032,692	1,045,201	1,027,331	8,935	11,265,237	493,329	4%									
1120 Teachers' Hourly	52,640	-	-	-	-	-	3,036	-	-	-	-	-	-	-	-	3,036	49,605	94%									
1170 Teachers' Salaries - Substitute	311,380	392,214	9,455	28,129	29,439	19,077	35,547	23,533	37,260	35,299	45,105	29,416	43,144	23,533	9,805	368,743	(57,363)	-18%									
1175 Teachers' Salaries - Stipend/Extra Duty	473,400	500,400	124,250	39,346	15,188	12,006	10,068	178,592	5,898	5,740	6,530	5,266	6,372	203,445	790	613,490	(140,090)	-30%									
1211 Certificated Pupil Support - Librarians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
1213 Certificated Pupil Support - Guidance & Counseling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
1215 Certificated Pupil Support - Psychologist	389,290	289,342	21,476	17,522	16,436	16,436	16,436	24,112	24,112	24,112	24,112	24,112	24,112	24,112	-	257,089	132,201	34%									
1299 Certificated Pupil Support - Other	706,601	749,489	53,055	50,454	56,151	51,199	51,807	63,131	63,131	62,194	63,600	62,194	63,600	63,131	2,344	705,990	611	0%									
1300 Certificated Supervisors' & Administrators' Salaries	3,079,172	3,200,780	241,669	272,123	247,183	258,742	269,843	257,502	257,502	257,502	257,502	257,502	265,846	275,836	-	3,118,754	(39,582)	-1%									
1900 Other Certificated Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
Total 1000 - Certificated Salaries	16,771,049	16,654,602	449,905	1,387,402	1,356,249	1,365,886	1,389,897	1,579,401	1,432,943	1,428,100	1,443,837	1,411,181	1,448,275	1,617,387	21,875	16,332,337	438,712	3%									
2000 - Classified Salaries																											
2111 Instructional Aide & Other Salaries	2,650,258	3,006,646	33,385	192,276	223,447	211,018	212,315	192,369	285,585	270,554	345,708	225,462	330,677	193,119	75,154	2,791,068	(140,810)	-5%									
2121 After School Staff Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
2131 Classified Teacher Salaries	335,392	384,272	5,464	29,964	39,325	36,341	47,360	23,056	36,506	34,584	44,191	28,820	42,270	23,056	9,607	400,545	(65,153)	-19%									
2200 Classified Support Salaries	719,412	761,796	42,469	62,149	54,824	51,978	58,463	62,189	65,171	60,159	69,169	58,880	68,743	62,189	13,597	729,982	(10,570)	-1%									
2300 Classified Supervisors' & Administrators' Salaries	57,420	217,223	6,824	22,563	15,827	17,656	18,169	18,155	18,155	17,731	18,367	17,731	18,367	18,155	1,060	208,759	(151,339)	-264%									
2400 Classified Office Staff Salaries	1,249,969	1,251,757	81,356	105,867	100,059	101,785	105,183	105,221	105,221	99,317	108,173	99,317	108,173	105,221	14,761	1,239,656	10,313	1%									
2900 Other Classified Salaries	1,927,767	1,967,535	51,558	183,363	193,245	173,533	176,200	143,754	177,237	167,573	198,811	194,028	143,754	36,118	-	1,992,218	(64,451)	-3%									
Total 2000 - Classified Salaries	6,940,217	7,589,229	221,057	596,183	626,726	592,311	617,511	544,744	687,875	649,918	784,420	583,433	762,258	545,494	150,298	7,362,227	(422,010)	-6%									
3000 - Employee Benefits																											
3111 STRS - State Teachers Retirement System	3,203,270	3,181,029	92,629	264,623	259,617	262,344	265,964	301,666	273,692	272,767	275,773	269,536	276,620	308,921	4,178	3,128,329	74,941	2%									
3212 PERS - Public Employee Retirement System	1,760,733	1,925,387	67,709	141,394	152,417	145,682	152,565	138,202	174,514	164,884	199,007	148,017	193,385	138,392	38,131	1,854,298	(93,565)	-5%									
3213 PARS - Public Agency Retirement System	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
3311 OASDI - Social Security	430,293	470,532	16,646	35,340	37,628	35,521	37,268	33,774	42,648	40,295	48,634	36,173	47,260	33,821	9,318	454,327	(24,034)	-6%									
3331 MED - Medicare	343,813	351,536	11,205	28,191	28,080	27,714	28,323	30,800	30,752	30,131	32,310	28,922	32,053	31,362	2,497	342,338	1,476	0%									
3401 H&W - Health & Welfare	2,004,190	2,014,963	302,426	(44,378)	133,068	157,755	127,002	223,181	223,181	223,181	223,181	223,181	223,181	223,181	-	2,014,963	(10,773)	-1%									
3501 SUI - State Unemployment Insurance	118,556	121,219	3,864	9,726	9,678	9,556	9,767	10,621	10,604	10,390	11,141	9,973	11,053	10,814	861	118,048	509	0%									
3601 Workers' Compensation Insurance	263,316	269,960	-	83,468	-	48,093	24,003	24,047	24,047	24,047	24,047	24,047	24,047	-	-	299,844	(36,528)	-14%									
3751 OPEB, Active Employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
3901 Other Retirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
3902 Other Benefits	-	-	-	-	-	(44,086)	-	44,086	-	-	-	-	-	-	-	-	-	-									
Total 3000 - Employee Benefits	8,124,172	8,334,626	494,480	518,364	620,488	642,579	644,892	806,376	779,438	765,696	814,093	739,849	807,599	523,310	54,984	8,212,147	(87,975)	-1%									
4000 - Supplies																											
4111 Core Curricula Materials	104,827	409,945	24,135	108,788	119,607	64,063	31,836	8,788	8,788	8,788	8,788	8,788	8,788	8,788	-	409,945	(305,117)	-291%									
4211 Books & Other Reference Materials	31,750	36,884	-	6,986	220	1,372	12,872	2,205	2,205	2,205	2,205	2,205	2,205	2,205	-	36,884	(5,134)	-16%									
4311 Student Materials	394,648	363,013	79,255	23,090	52,263	49,298	41,588	1,472	19,341	19,341	19,341	19,341	19,341	19,341	-	363,013	31,635	8%									
4351 Office Supplies	64,800	79,624	3,647	8,253	4,257	9,328	10,500	6,234	6,234	6,234	6,234	6,234	6,234	6,234	-	79,624	(14,824)	-23%									
4371 Custodial Supplies	78,000	82,032	6,721	14,126	9,096	11,968	16,285	3,405	3,405	3,405	3,405	3,405	3,405	3,405	-	82,032	(4,032)	-5%									
4391 Food (Non Nutrition Program)	72,692	119,329	1,253	20,035	1,912	37,869	36,561	4,275	2,904	2,904	2,904	2,904	2,904	2,904	-	119,329	(46,637)	-64%									
4392 Uniforms	17,800	49,893	-	575	12,812	26,150	5,667	670	670	670	670	670	670	670	-	49,893	(32,093)	-180%									
4393 PE & Sports Equipment	21,000	23,473	1,097	973	1,592	771	3,435	2,229	2,229	2,229	2,229	2,229	2,229	2,229	-	23,473	(2,473)	-12%									
4395 Before & After School Program Supplies	-	4,329	-	-	2,556	1,773	-	0	0	0	0	0	0	0	-	4,329	(4,329)	100%									
4399 All Other Supplies	103,222	104,095	4,411	7,821	1,250	12,508	11,371	9,533	9,533	9,533	9,533	9,533	9,533	9,533	-	104,095	(873)	-1%									
4390 Other Supplies	214,714	301,119	120,520	190,646	205,566	215,100	170,114	38,812	55,310	55,310	55,310	55,310	55,310	55,310	-	301,119	(86,405)	-40%									
4411 Non Capitalized Equipment	260,204	371,152	11,561	12,676	27,413	53,778	53,090	30,376	30,376	30,376	30,376	30,376	30,376	30,376	-	371,152	(110,948)	-43%									
4711 Nutrition Program Food & Supplies	1,573,650	2,061,926	40,397	-	193,721	106,476	138,019	296,865	135,416																		

Camino Nuevo Charter Academy
2022-23 Cash Flow Forecast
Prepared by EXED. For use by EXED and EXED clients only. © 2022 EXED

Actuals as of 11/30/2022

	# of months remaining in FY		State Schedule:													District Schedule:				FORECAST		Budget Variance					
	12	11	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-1	P-1	P-1	P-1	P-1	P-1	Jul-22	Jun-23	Accrual	Jul-22 - Jun-23	Better / (Worse)	% Better / (Worse)	
	12	11	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-1	P-1	P-1	P-1	P-1	P-1	Jul-22	Jun-23	Accrual	Jul-22 - Jun-23	Better / (Worse)	% Better / (Worse)	
2022-23	2022-23	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
Budget	Trend	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Accrual	Jul-22	Jun-23	Accrual	Jul-22	Jun-23	Accrual	Jul-22	Jun-23	Accrual	Jul-22 - Jun-23	Better / (Worse)	% Better / (Worse)	
5211 Travel & Conferences	66,164	66,664	-	-	350	52	6,599	8,523	8,523	8,523	8,523	8,523	8,523	-	66,664	66,664	-	66,664	66,664	-	66,664	66,664	-	66,664	(500)	-1%	
5311 Dues & Memberships	64,340	68,752	54,927	120	530	2,056	5,833	755	755	755	755	755	755	-	68,752	68,752	-	68,752	68,752	-	68,752	68,752	-	68,752	(4,412)	-7%	
5451 General Insurance	31,498	29,619	13,660	-	-	2,119	-	-	-	-	-	-	-	-	29,619	29,619	-	29,619	29,619	-	29,619	29,619	-	29,619	1,879	6%	
5511 Utilities	703,158	723,942	24,476	26,683	30,617	71,463	51,859	64,855	64,855	64,855	64,855	64,855	64,855	64,855	723,942	723,942	-	723,942	723,942	-	723,942	723,942	-	723,942	(20,784)	-3%	
5521 Security Services	154,409	212,340	12,384	10,504	5,493	18,669	6,985	22,615	22,615	22,615	22,615	22,615	22,615	-	212,340	212,340	-	212,340	212,340	-	212,340	212,340	-	212,340	(57,931)	-38%	
5531 Housekeeping Services	617,001	687,741	55,908	101,195	74,758	49,180	71,943	47,822	47,822	47,822	47,822	47,822	47,822	-	687,741	687,741	-	687,741	687,741	-	687,741	687,741	-	687,741	(70,741)	-11%	
5599 Other Facility Operations & Utilities	372,738	372,738	17,224	12,321	37,174	19,108	23,592	37,617	37,617	37,617	37,617	37,617	37,617	-	372,738	372,738	-	372,738	372,738	-	372,738	372,738	-	372,738	(0)	-	
5611 School Rent - Private Facility	1,515,736	1,543,069	176,529	88,396	87,756	88,202	197,393	150,799	150,799	150,799	150,799	150,799	150,799	-	1,543,069	1,543,069	-	1,543,069	1,543,069	-	1,543,069	1,543,069	-	1,543,069	(27,333)	-2%	
5613 School Rent - Prop 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5619 Other Facility Rentals	66,448	73,648	-	6,437	2,285	32,835	(234)	4,618	4,618	4,618	4,618	4,618	4,618	-	73,648	73,648	-	73,648	73,648	-	73,648	73,648	-	73,648	(7,200)	-11%	
5621 Equipment Lease	213,869	231,869	25,293	11,038	9,318	10,071	16,845	22,758	22,758	22,758	22,758	22,758	22,758	-	231,869	231,869	-	231,869	231,869	-	231,869	231,869	-	231,869	(18,000)	-8%	
5631 Vendor Repairs	378,575	451,861	30,497	31,308	50,893	48,022	38,450	36,099	36,099	36,099	36,099	36,099	36,099	-	451,861	451,861	-	451,861	451,861	-	451,861	451,861	-	451,861	(73,286)	-19%	
5812 Field Trips & Pupil Transportation	158,630	140,736	317	10,315	3,069	13,585	6,252	15,314	15,314	15,314	15,314	15,314	15,314	-	140,736	140,736	-	140,736	140,736	-	140,736	140,736	-	140,736	17,894	11%	
5821 Legal	22,000	22,000	434	1,989	4,392	6,562	2,424	1,860	1,860	1,860	1,860	1,860	1,860	1,860	22,000	22,000	1,860	22,000	22,000	1,860	22,000	22,000	1,860	22,000	(8,680)	-39%	
5823 Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5831 Advertisement & Recruitment	45,000	56,946	-	3,927	-	1,927	7,893	6,171	6,171	6,171	6,171	6,171	6,171	-	56,946	56,946	-	56,946	56,946	-	56,946	56,946	-	56,946	(11,946)	-27%	
5841 Contracted Substitute Teachers	34,880	408,214	897	49,372	92,461	101,648	96,530	12,256	7,864	7,864	7,864	7,864	7,864	7,864	408,214	408,214	7,864	408,214	408,214	7,864	408,214	408,214	7,864	408,214	(373,334)	-1070%	
5842 Special Education Services	1,793,451	2,337,441	23,671	39,864	311,442	241,035	311,912	172,980	176,648	176,648	176,648	176,648	176,648	176,648	2,337,441	2,337,441	176,648	2,337,441	2,337,441	176,648	2,337,441	2,337,441	176,648	2,337,441	(543,990)	-30%	
5843 Non Public School	166,547	246,547	-	-	934	1,126	2,674	34,545	34,545	34,545	34,545	34,545	34,545	-	246,547	246,547	-	246,547	246,547	-	246,547	246,547	-	246,547	(80,000)	-48%	
5844 After School Services	813,931	813,931	-	77,323	77,323	-	77,323	83,137	83,137	83,137	83,137	83,137	83,137	-	813,931	813,931	-	813,931	813,931	-	813,931	813,931	-	813,931	0	0%	
5849 Other Student Instructional Services	1,486,413	1,541,433	-	8,500	359,970	40,700	93,329	148,419	148,419	148,419	148,419	148,419	148,419	-	1,541,433	1,541,433	-	1,541,433	1,541,433	-	1,541,433	1,541,433	-	1,541,433	(55,020)	-4%	
5852 Professional Development	252,673	308,309	27,588	12,894	28,008	173,941	478	9,343	9,343	9,343	9,343	9,343	9,343	-	308,309	308,309	-	308,309	308,309	-	308,309	308,309	-	308,309	(55,636)	-22%	
5854 Nursing & Medical (Non-IEP)	24,758	24,758	-	-	3,000	-	3,108	3,108	3,108	3,108	3,108	3,108	3,108	-	24,758	24,758	-	24,758	24,758	-	24,758	24,758	-	24,758	0	-	
5859 All Other Consultants & Services	716,172	967,188	21,119	24,957	129,350	150,535	81,526	79,957	79,957	79,957	79,957	79,957	79,957	-	967,188	967,188	-	967,188	967,188	-	967,188	967,188	-	967,188	(251,017)	-35%	
5861 Non Instructional Software	500,140	499,418	257,028	61,255	4,170	53,920	32,877	12,881	12,881	12,881	12,881	12,881	12,881	-	499,418	499,418	-	499,418	499,418	-	499,418	499,418	-	499,418	722	0%	
5865 Fundraising Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5871 District Oversight Fees	393,004	378,866	19,393	38,789	25,858	25,860	25,858	34,730	34,730	34,730	34,730	34,730	34,730	-	378,866	378,866	-	378,866	378,866	-	378,866	378,866	-	378,866	14,137	4%	
5872 Special Education Fees (SELPA)	618,892	665,668	38,776	77,554	51,704	51,696	51,704	53,253	53,253	53,253	53,253	53,253	53,253	-	665,668	665,668	-	665,668	665,668	-	665,668	665,668	-	665,668	(46,776)	-8%	
5881 Intra-Agency Fees	5,770,336	5,717,167	-	-	-	-	1,442,584	610,655	610,655	610,655	610,655	610,655	610,655	-	5,717,167	5,717,167	-	5,717,167	5,717,167	-	5,717,167	5,717,167	-	5,717,167	53,169	1%	
5895 Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5898 Uncategorized Expense	-	-	-	1,751	-	919	4,277	-	-	-	-	-	-	-	6,946	6,946	-	6,946	6,946	-	6,946	6,946	-	6,946	(6,946)	100%	
5899 All Other Expenses	86,318	86,318	404	1,231	2,517	24,056	5,567	7,506	7,506	7,506	7,506	7,506	7,506	-	86,318	86,318	-	86,318	86,318	-	86,318	86,318	-	86,318	0	-	
5911 Office Phone	70,596	70,596	4,433	5,638	6,803	5,758	5,327	6,803	6,803	6,803	6,803	6,803	6,803	-	70,596	70,596	-	70,596	70,596	-	70,596	70,596	-	70,596	0	-	
5913 Mobile Phone	17,520	17,520	711	-	1,086	-	1,230	2,070	2,070	2,070	2,070	2,070	2,070	-	17,520	17,520	-	17,520	17,520	-	17,520	17,520	-	17,520	0	-	
5921 Internet	88,785	88,785	6,545	-	-	(6,360)	13,503	10,728	10,728	10,728	10,728	10,728	10,728	-	88,785	88,785	-	88,785	88,785	-	88,785	88,785	-	88,785	0	-	
5923 Website Hosting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5931 Postage & Shipping	18,550	18,550	-	1,816	360	5,531	1,599	1,438	1,438	1,438	1,438	1,438	1,438	-	19,370	19,370	-	19,370	19,370	-	19,370	19,370	-	19,370	(820)	-4%	
5999 Other Communications	479	12,514	186	253	238	56,191	(31,126)	2,314	2,314	2,314	2,314	2,314	2,314	-	41,938	41,938	-	41,938	41,938	-	41,938	41,938	-	41,938	(41,459)	-8659%	
Total 5000 - Operating Services	17,263,011	18,885,148	812,400	705,431	1,396,874	1,290,406	2,653,006	1,705,931	1,705,207	1,747,862	1,699,908	1,699,908															

Camino Nuevo Charter Academy
 2022-23 Cash Flow Forecast
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		Actuals as of 11/30/2022																																			
		# of months remaining in FY																																			
		12		11		10		9		8		7		6		5		4		3		2		1													
State Schedule:		P-2		P-2		P-2		P-2		P-2		P-2		P-2		P-1		P-1		P-1		P-1															
District Schedule:		P-2		P-2		P-2		P-2		P-2		P-2		P-1		P-1		P-1		P-1		P-1															
		2022-23		2022-23		ACTUAL		ACTUAL		ACTUAL		ACTUAL		ACTUAL												FORECAST		Budget Variance									
		Budget		Trend		Jul-22		Aug-22		Sep-22		Oct-22		Nov-22		Dec-22		Jan-23		Feb-23		Mar-23		Apr-23		May-23		Jun-23		Accrual		Jul-22 - Jun-23		Better / (Worse) % Better / (Worse)			
Current Year Accounts Receivable		(8,423,933)																																			
Change in Due from																																					
Change in Accounts Payable		(63,994)																																			
Change in Due to		(2,099,413)																																			
Change in Accrued Vacation																																					
Change in Payroll Liabilities		531,130																																			
Change in Prepaid Expenditures		(25,286)																																			
Change in Deposits		(1,000)																																			
Change in Deferred Revenue		2,282,837																																			
Change in Other Long Term Assets																																					
Change in Other Long Term Liabilities																																					
Depreciation Expense		1,347,640																																			
Cash Flow from Investing Activities																																					
Capital Expenditures		(919,045)																																			
Cash Flow from Financing Activities																																					
Source - Sale of Receivables																																					
Use - Sale of Receivables																																					
Source - Loans																																					
Use - Loans																																					
Ending Cash Balance		14,783,163																																			
						16,852,191		17,426,405		18,243,160		19,102,387		18,202,062		15,499,276		16,806,467		16,043,915		14,197,616		19,073,925		19,592,842		16,548,681		16,548,681		16,548,681					

Coversheet

Review of the Restricted Multi-Year Revenue Tab

Section: VI. Financials
Item: C. Review of the Restricted Multi-Year Revenue Tab
Purpose: Discuss
Submitted by:
Related Material: 11.22 - Restricted Multi-Year Funds.pdf

Camino Nuevo Charter Academy - Burlington

Restricted Multi-Year Revenue

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Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
ESSER - 3210	9/30/2022	\$ 263,466.00	\$ -	\$ 262,830.03	\$ 635.97				Prepare and response to Covid-19	Prepare and response to Covid-20	CDE Link: ESSER I Allowable Uses	\$ 0.00
GEER - 3215	9/30/2022	\$ 30,821.00	\$ -	\$ -	\$ 30,821.00	\$ -			Support Academic Achievement, Learning Loss, Sanitation, Mental Health, Technology, Summer Learning, Supplemental Afterschool Programs, Activities focused on unique needs low-income, Disability, etc...	Spent in Mental Health	CDE Link: GEER Allowable Use	\$ -
ESSER II - 3212	9/30/2023	\$ 1,043,269.00	\$ -	\$ 124,414.75	\$ 337,550.56	\$ 210,318.86	\$ -		Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER II Allowable Uses	\$ 370,984.83
ESSER III - 3213	9/30/2024	\$ 1,875,772.00	\$ -	\$ -	\$ 310,295.17	\$ 736,469.89	\$ 526,762.51	\$ 115,125.70	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 187,065.81
ESSER III - 3214 (Learning Loss)	9/30/2024	\$ 468,943.00	\$ -	\$ -	\$ 129,496.00	\$ 338,107.18	\$ -	\$ -	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 1,339.82
AB 86 - IPI Grant - 7422	9/30/2024	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -			N/A	N/A
AB 86 - ELO Grant - 7425	9/30/2024	\$ 380,686.00	\$ -	\$ -	\$ 319,580.99	\$ 61,105.01	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: Intervention teachers and TAs	CDE Link: ELO Allowable Uses	\$ (0.00)
AB 86 - ELO Grant - 7426 (Paraprofessionals)	9/30/2024	\$ 42,298.00	\$ -	\$ -	\$ 42,298.00	\$ -	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: TAs	CDE Link: ELO Allowable Uses	\$ -
Educator Effectiveness - 6266	6/30/2026	\$ 134,681.00			\$ 47,878.01	\$ 42,005.45	\$ 42,787.93	\$ -	Coaching & Mentoring Staff, programs to improve instruction in literacy across all subjects, supports for English learners, ethnic studies, see expanded list in link*	Per Plan: Teaching Well, Ethnic Studies, and Intervention Coord.	CDE Link: Educator Effectiveness Allowable Use of Funds	\$ 2,009.61
TK Planning Grant - 6053	6/30/2025	\$ 62,186.00			\$ 20,000.00	\$ 42,186.00	\$ -	\$ -	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	CDE Link: TK Planning Grant Use of Funds	\$ (15,814.00)
A-G Grants (Access/Success & Learning Loss Mitigation) - 7412/7413	6/30/2026	\$ -				\$ -	\$ -	\$ -	Credit Recovery, PD oppourtunities to improve A-G Completion Rate, tutoring programs, Pupil Supports, expanding access to coursework, AP & Internation BA fees for unduplicated pupils, new and expanded partnerships with other secondary & Post-Secondary edu instutions.	Plan based	CDE Link: A-G Grants Allowable Use	\$ -

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Arts & Music Block Grant*	6/30/2026	\$ 335,767.67				\$ -	\$ -	\$ -	Inst. Materials, PD for improving school climate, digital literacy, PE, and learning through play. Standards-aligned PD and materials. Book Collections. COVID-19 supplies	Pending	CDE Link: Art & Music Block Grant Summary CDE FAQ Link Expenditures	\$ 335,767.67
Learning Recovery Block Grant*	6/30/2028	\$ 1,185,264.82				\$ -	\$ -	\$ -	Increase or stabilize the amount of instructional time provided to students, provide learning supports to students, and address other barriers to learning, like providing mental health services or counseling	Pending	https://www.cde.ca.gov/fg/fo/profile.asp?id=5702&reclD=5702 https://www.cde.ca.gov/FG/aa/ca/learningrecrefaq.asp	\$ 1,185,264.82
Literacy Coaches and Reading Specialist Funding	6/30/2027	\$ 610,634.00				\$ -	\$ -	\$ -	Develop school literacy programs Employ and train literacy coaches and reading and literacy specialists Develop and implement interventions for students in need of targeted literacy support Expenditures for school literacy programs may include: Developing a school literacy plan that includes goals and actions to improve literacy acquisition for pupils in preschool, if applicable, and kindergarten or any of grades 1 to 3, inclusive. The plan shall identify metrics to measure progress toward the goals and actions. Hiring at least one literacy coach or reading and literacy specialist per school to support educators and pupils in improving literacy instruction and pupil outcomes. Increasing access to evidence-based literacy instruction, through strategies, including, but not limited to, any of the following: Providing bilingual reading specialists to support dual language acquisition and English language development programs. Developing and implementing culturally responsive curriculum and instruction. Providing professional development for educators and school leaders in literacy instruction and the use of data to identify and support struggling	Pending	https://www.cde.ca.gov/pd/ps/lcrsprogram.asp	\$ 610,634.00
Ethnic Studies Local Support	N/A					\$ -	\$ -	\$ -	To support curriculum and instructional resources, professional development, or other activities that support the creation or expansion of ethnic studies course offerings, including, but not limited to, courses that use the state-adopted ethnic studies model curriculum as a guide. (Fpr grades 9th-12th grade)	Pending	https://www.cde.ca.gov/ci/cr/cf/esfunding.asp	\$ -
Ongoing Funds		Allocation			21/22 Spent	22/23 Budget			Allowable Uses	Intended Use	Resource Links	Balance
Title I		\$ 311,078.00							Staff Salaries & Benefits	12% Teacher Salaries, TAs	CDE Link - For Allowable Uses	

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Title II		\$ 31,879.00							Teacher Tuition, Network, PD	Teacher Tuition, AchieveNetwork, Other PD	CDE Link- For Allowable Uses	
Title III		\$ 47,361.60							Immigrant Students: Supplemental Language assistance programs, Literacy programs, Parent activities, outreach, PD, Mentoring, Counseling, technology, supplies, transportation costs for students, coordinated activities with CBOs, IHES, etc...	Director of Biliteracy & Rosetta Stone	CDE Link- For Allowable Uses	
Title IV, SSAE		\$ 23,521.00							Educational Oppourtinities, Safe and Healthy Student supports, and Technology *Reference Allowable Uses Link for full listing	College Visits, Ethnic Studies, Mental Health	CDE Allowable Uses Samples Link	
FY21-22 - Expanded Learning Opportunity Program	6/30/2023	\$507,008.00			\$4,701.76				Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.cde.ca.gov/ls/ex/elopininfo.asp https://www.cde.ca.gov/ls/ex/elofaq.asp	\$ 502,306.24
Expanded Learning Opportunity Program	6/30/2024	\$ 1,067,071.31				\$ 88,948.62			Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.caminonuevo.org/apps/pages/ELOP-Plans	\$ 978,122.69

Camino Nuevo Charter Academy #2

Restricted Multi-Year Revenue

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Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
ESSER - 3210	9/30/2022	\$ 230,866.00	\$ -	\$ 145,391.58	\$ 85,474.42				Prepare and response to Covid-19	Prepare and response to Covid-20	CDE Link: ESSER I Allowable Uses	\$ -
GEER - 3215	9/30/2022	\$ 49,681.00	\$ -	\$ -	\$ 49,681.00	\$ -			Support Academic Achievement, Learning Loss, Sanitation, Mental Health, Technology, Summer Learning, Supplemental Afterschool Programs, Activities focused on unique needs low-income, Disability, etc...	Spent in Mental Health	CDE Link: GEER Allowable Use	\$ -
ESSER II - 3212	9/30/2023	\$ 940,011.00	\$ -	\$ 283,069.79	\$ 656,941.21	\$ -	\$ -		Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER II Allowable Uses	\$ -
ESSER III - 3213	9/30/2024	\$ 1,690,117.00	\$ -	\$ -	\$ 324,324.29	\$ 1,028,431.36	\$ 294,322.00	\$ 42,294.45	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 744.89
ESSER III - 3214 (Learning Loss)	9/30/2024	\$ 422,529.00	\$ -	\$ -	\$ 202,733.00	\$ 131,910.23	\$ 64,883.54	\$ -	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 23,002.23
AB 86 - IPI Grant - 7422	9/30/2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			N/A	N/A
AB 86 - ELO Grant - 7425	9/30/2024	\$ 468,440.00	\$ -	\$ -	\$ 407,303.69	\$ 61,136.31	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: Intervention teachers and TAs	CDE Link: ELO Allowable Uses	\$ -
AB 86 - ELO Grant - 7426 (Paraprofessionals)	9/30/2024	\$ 50,827.00	\$ -	\$ -	\$ 50,827.00	\$ -	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: TAs	CDE Link: ELO Allowable Uses	\$ -
Educator Effectiveness - 6266	6/30/2026	\$ 137,097.00			\$ 56,536.86	\$ 46,825.93	\$ 33,734.21	\$ -	Coaching & Mentoring Staff, programs to improve instruction in literacy across all subjects, supports for English learners,ethnic studies, see expanded list in link*	Per Plan: Teaching Well, Ethnic Studies, and Intervention Coord.	CDE Link: Educator Effectiveness Allowable Use of Funds	\$ (15,478.97)
TK Planning Grant - 6053	6/30/2025	\$ 62,709.00				\$ 6,104.88	\$ -	\$ -	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	CDE Link: TK Planning Grant Use of Funds	\$ 56,604.12
A-G Grants (Access/Success & Learning Loss Mitigation) - 7412/7413	6/30/2026	\$ -				\$ -	\$ -	\$ -	Credit Recovery, PD oppourtunities to improve A-G Completion Rate, tutoring programs, Pupil Supports, expanding access to coursework, AP & Internation BA fees for unduplicated pupils, new and expanded partnerships with other secondary & Post-Secondary edu instutions.	Plan based	CDE Link: A-G Grants Allowable Use	\$ -
Arts & Music Block Grant*	6/30/2026	\$ 392,179.15				\$ -	\$ -	\$ -	Inst. Materials, PD for improving school climate, digital literacy, PE, and learning through play. Standards-aligned PD and materials. Book Collections. COVID-19 supplies	Pending	CDE Link: Art & Music Block Grant Summary	\$ 392,179.15

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Learning Recovery Block Grant*	6/30/2028	\$ 1,307,800.63				\$ -	\$ -	\$ -	Increase or stabilize the amount of instructional time provided to students, provide learning supports to students, and address other barriers to learning, like providing mental health services or counseling	Pending	CDE Link: Learning Recovery Block Grant Summary	\$ 1,307,800.63
Ongoing Funds		Allocation			21/22 Spent	22/23 Budget			Allowable Uses	Intended Use	Resource Links	Balance
Title I		\$ 281,231.00							Staff Salaries & Benefits	12% Teacher Salaries, TAs	CDE Link - For Allowable Uses	
Title II		\$ 31,422.00							Teacher Tuition, Network, PD	Teacher Tuition, AchieveNetwork, Other PD	CDE Link- For Allowable Uses	
Title III		\$ 31,345.60							Immigrant Students: Supplemental Language assistance programs, Literacy programs, Parent activities, outreach, PD, Mentoring, Counseling, technology, supplies, transportation costs for students, coordinated activities with CBOs, IHES, etc...	Director of Biliteracy & Rosetta Stone	CDE Link- For Allowable Uses	
Title IV, SSAE		\$ 21,193.00							Educational Oppourtinities, Safe and Healthy Student supports, and Technology *Reference Allowable Uses Link for full listing	College Visits, Ethnic Studies, Mental Health	CDE Allowable Uses Samples Link	
FY21-22 - Expanded Learning Opportunity Program	6/30/2023	\$ 549,588.00			\$67,871.89				Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.cde.ca.gov/ls/ex/elopinfo.asp	\$ 481,716.11
Expanded Learning Opportunity Program	6/30/2024	\$ 1,088,570.69				\$ 178,326.31			Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.caminonuevo.org/apps/pages/ELOP-Plans	\$ 910,244.38

Camino Nuevo Charter Academy #3 - Castellanos

Restricted Multi-Year Revenue

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Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
ESSER - 3210	9/30/2022	\$ 186,926.30	\$ -	\$ 186,926.30	\$ -	\$ -			Prepare and response to Covid-19	Prepare and response to Covid-20	CDE Link: ESSER I Allowable Uses	\$ -
GEER - 3215	9/30/2022	\$ 23,947.12	\$ -	\$ -	\$ 23,947.12	\$ -			Support Academic Achievement, Learning Loss, Sanitation, Mental Health, Technology, Summer Learning, Supplemental Afterschool Programs, Activities focused on unique needs low-income, Disability, etc...	Spent in Mental Health	CDE Link: GEER Allowable Use	\$ -
ESSER II - 3212	9/30/2023	\$ 740,567.65	\$ -	\$ 137,643.52	\$ 481,815.37	\$ 112,895.00	\$ -		Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER II Allowable Uses	\$ 8,213.76
ESSER III - 3213	9/30/2024	\$ 1,331,521.77	\$ -	\$ -	\$ 297,698.12	\$ 70,240.40	\$ 561,571.88	\$ 30,000.00	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 372,011.37
ESSER III - 3214 (Learning Loss)	9/30/2024	\$ 332,880.76	\$ -	\$ -	\$ 103,966.61	\$ 76,086.04	\$ -	\$ -	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 152,828.10
AB 86 - IPI Grant - 7422	9/30/2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			N/A	N/A
AB 86 - ELO Grant - 7425	9/30/2024	\$ 306,242.09	\$ -	\$ -	\$ 182,931.18	\$ 123,310.91	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: Intervention teachers and TAs	CDE Link: ELO Allowable Uses	\$ -
AB 86 - ELO Grant - 7426 (Paraprofessionals)	9/30/2024	\$ 38,743.63	\$ -	\$ -	\$ 38,743.63	\$ -	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: TAs	CDE Link: ELO Allowable Uses	\$ 0.00
Educator Effectiveness - 6266	6/30/2026	\$ 94,433.18			\$ 38,200.51	\$ 33,371.74	\$ 22,860.93	\$ -	Coaching & Mentoring Staff, programs to improve instruction in literacy across all subjects, supports for English learners,ethnic studies, see expanded list in link*	Per Plan: Teaching Well, Ethnic Studies, and Intervention Coord.	CDE Link: Educator Effectiveness Allowable Use of Funds	\$ (7,696.00)
TK Planning Grant - 6053	6/30/2025	\$ 65,204.00				\$ 52,536.74	\$ -	\$ -	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	CDE Link: TK Planning Grant Use of Funds	\$ 12,667.26
A-G Grants (Access/Success & Learning Loss Mitigation) - 7412/7413	6/30/2026	\$ -				\$ -	\$ -	\$ -	Credit Recovery, PD oppourtunities to improve A-G Completion Rate, tutoring programs, Pupil Supports, expanding access to coursework, AP & Internation BA fees for unduplicated pupils, new and expanded partnerships with other secondary & Post-Secondary edu instutions.	Plan based	CDE Link: A-G Grants Allowable Use	\$ -
Arts & Music Block Grant*	6/30/2026	\$ 242,913.50				\$ -	\$ -	\$ -	Inst. Materials, PD for improving school climate, digital literacy, PE, and learning through play. Standards-aligned PD and materials. Book Collections. COVID-19 supplies	Pending	CDE Link: Art & Music Block Grant Summary CDE FAQ Link Expenditures	\$ 242,913.50

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Learning Recovery Block Grant*	6/30/2028	\$ 861,332.68				\$ -	\$ -	\$ -	Increase or stabilize the amount of instructional time provided to students, provide learning supports to students, and address other barriers to learning, like providing mental health services or counseling	Pending	https://www.cde.ca.gov/fg/fo/profile.asp?id=5702&recID=5702 https://www.cde.ca.gov/FG/aa/ca/learningrecfaq.asp	\$ 861,332.68
Literacy Coaches and Reading Specialist Funding	6/30/2027	\$ 615,324.00							Develop school literacy programs Employ and train literacy coaches and reading and literacy specialists Develop and implement interventions for students in need of targeted literacy support Expenditures for school literacy programs may include: Developing a school literacy plan that includes goals and actions to improve literacy acquisition for pupils in preschool, if applicable, and kindergarten or any of grades 1 to 3, inclusive. The plan shall identify metrics to measure progress toward the goals and actions. Hiring at least one literacy coach or reading and literacy specialist per school to support educators and pupils in improving literacy instruction and pupil outcomes. Increasing access to evidence-based literacy instruction, through strategies, including, but not limited to, any of the following: Providing bilingual reading specialists to support dual language acquisition and English language development programs. Developing and implementing culturally responsive curriculum and instruction. Providing professional development for educators and school leaders in literacy instruction and the use of data to identify and support struggling	Pending	https://www.cde.ca.gov/pd/ps/lcrsprogram.asp	\$ 615,324.00
Ethnic Studies Local Support	N/A	\$ -							To support curriculum and instructional resources, professional development, or other activities that support the creation or expansion of ethnic studies course offerings, including, but not limited to, courses that use the state-adopted ethnic studies model curriculum as a guide. (Fpr grades 9th-12th grade)	Pending	https://www.cde.ca.gov/ci/cr/cf/esfunding.asp	\$ -
Ongoing Funds		Allocation			21/22 Spent	22/23 Budget			Allowable Uses	Intended Use	Resource Links	Balance
Title I		\$ 220,607.75							Staff Salaries & Benefits	12% Teacher Salaries, TAs	CDE Link - For Allowable Uses	
Title II		\$ 24,336.76							Teacher Tuition, Network, PD	Teacher Tuition, AchieveNetwork, Other PD	CDE Link- For Allowable Uses	

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Title III		\$ 31,002.40							Immigrant Students: Supplemental Language assistance programs, Literacy programs, Parent activities, outreach, PD, Mentoring, Counseling, technology, supplies, transportation costs for students, coordinated activities with CBOs, IHES, etc...	Director of Biliteracy & Rosetta Stone	CDE Link- For Allowable Uses	
Title IV, SSAE		\$ 16,624.81							Educational Oppourtinities, Safe and Healthy Student supports, and Technology *Reference Allowable Uses Link for full listing	College Visits, Ethnic Studies, Mental Health	CDE Allowable Uses Samples Link	
FY21-22 - Expanded Learning Opportunity Program	6/30/2023	\$527,497.89			\$61,590.73				Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.cde.ca.gov/ls/ex/elopinfo.asp https://www.cde.ca.gov/ls/ex/elofaq.asp	\$ 465,907.16
Expanded Learning Opportunity Program	6/30/2024	\$ 987,355.10				\$ 138,625.51			Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.caminonuevo.org/apps/pages/ELOP-Plans	\$ 848,729.59

Camino Nuevo Charter Academy #3 - Eisner

Restricted Multi-Year Revenue

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Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
ESSER - 3210	9/30/2022	\$ 111,106.70	\$ -	\$ 111,106.70	\$ -	\$ -			Prepare and response to Covid-19	Prepare and response to Covid-20	CDE Link: ESSER I Allowable Uses	0.00
GEER - 3215	9/30/2022	\$ 14,233.88	\$ -	\$ -	\$ 14,233.88	\$ (0.00)			Support Academic Achievement, Learning Loss, Sanitation, Mental Health, Technology, Summer Learning, Supplemental Afterschool Programs, Activities focused on unique needs low-income, Disability, etc...	Spent in Mental Health	CDE Link: GEER Allowable Use	-
ESSER II - 3212	9/30/2023	\$ 440,184.35	\$ -	\$ 85,041.90	\$ 143,494.30	\$ 191,073.11	\$ 10,696.42		Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER II Allowable Uses	0.00
ESSER III - 3213	9/30/2024	\$ 791,440.23	\$ -	\$ -	\$ 103,180.82	\$ 106,254.57	\$ 330,207.46	\$ 18,292.76	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	233,504.62
ESSER III - 3214 (Learning Loss)	9/30/2024	\$ 197,860.24	\$ -	\$ -	\$ 133,113.88	\$ 21,798.99	\$ -	\$ -	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	42,947.38
AB 86 - IPI Grant - 7422	9/30/2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			N/A	N/A
AB 86 - ELO Grant - 7425	9/30/2024	\$ 188,894.91	\$ -	\$ -	\$ 176,144.55	\$ 12,750.37	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: Intervention teachers and TAs	CDE Link: ELO Allowable Uses	0.00
AB 86 - ELO Grant - 7426 (Parapr	9/30/2024	\$ 16,160.37	\$ -	\$ -	\$ 16,160.37	\$ (0.00)	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: TAs	CDE Link: ELO Allowable Uses	(0.00)
Educator Effectiveness - 6266	6/30/2026	\$ 53,534.82			\$ 21,672.41	\$ 21,854.77	\$ 10,007.64	\$ -	Coaching & Mentoring Staff, programs to improve instruction in literacy across all subjects, supports for English learners,ethnic studies, see expanded list in link*	Per Plan: Teaching Well, Ethnic Studies, and Intervention Coord.	CDE Link: Educator Effectiveness Allowable Use of Funds	(8,245.39)
TK Planning Grant - 6053	6/30/2025	\$ -				\$ -	\$ -	\$ -	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	CDE Link: TK Planning Grant Use of Funds	-
A-G Grants (Access/Success & Learning Loss Mitigation) - 7412/7413	6/30/2026	\$ -				\$ -	\$ -	\$ -	Credit Recovery, PD oppourtunities to improve A-G Completion Rate, tutoring programs, Pupil Supports, expanding access to coursework, AP & Internation BA fees for unduplicated pupils, new and expanded partnerships with other secondary & Post-Secondary edu instutions.	Plan based	CDE Link: A-G Grants Allowable Use	-

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Arts & Music Block Grant*	6/30/2026	\$ 148,058.45				\$ -	\$ -	\$ -	Inst. Materials, PD for improving school climate, digital literacy, PE, and learning through play. Standards-aligned PD and materials. Book Collections. COVID-19 supplies	Pending	CDE Link: Art & Music Block Grant Summary CDE FAQ Link Expenditures	148,058.45
Learning Recovery Block Grant*	6/30/2028	\$ 502,145.18				\$ -	\$ -	\$ -	Increase or stabilize the amount of instructional time provided to students, provide learning supports to students, and address other barriers to learning, like providing mental health services or counseling	Pending	https://www.cde.ca.gov/fg/fo/profile.asp?id=5702&recID=5702 https://www.cde.ca.gov/FG/aa/ca/learningrecfaq.asp	502,145.18
Literacy Coaches and Reading Specialist Funding	6/30/2027								Develop school literacy programs Employ and train literacy coaches and reading and literacy specialists Develop and implement interventions for students in need of targeted literacy support Expenditures for school literacy programs may include: Developing a school literacy plan that includes goals and actions to improve literacy acquisition for pupils in preschool, if applicable, and kindergarten or any of grades 1 to 3, inclusive. The plan shall identify metrics to measure progress toward the goals and actions. Hiring at least one literacy coach or reading and literacy specialist per school to support educators and pupils in improving literacy instruction and pupil outcomes. Increasing access to evidence-based literacy instruction, through strategies, including, but not limited to, any of the following: Providing bilingual reading specialists to support dual language acquisition and English language development programs. Developing and implementing culturally responsive curriculum and instruction. Providing professional development for educators and school leaders in literacy instruction and the use of data to identify and support struggling	Pending	https://www.cde.ca.gov/pd/ps/lcrsprogram.asp	-
Ethnic Studies Local Support	N/A								To support curriculum and instructional resources, professional development, or other activities that support the creation or expansion of ethnic studies course offerings, including, but not limited to, courses that use the state-adopted ethnic studies model curriculum as a guide. (Fpr grades 9th-12th grade)	Pending	https://www.cde.ca.gov/ci/cr/cf/esfunding.asp	-

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Ongoing Funds		Allocation			21/22 Spent				Allowable Uses	Intended Use	Resource Links	Balance
Title I		\$ 132,647.25							Staff Salaries & Benefits	12% Teacher Salaries, TAs	CDE Link - For Allowable Uses	
Title II		\$ 14,633.24							Teacher Tuition, Network, PD	Teacher Tuition, AchieveNetwork, Other PD	CDE Link- For Allowable Uses	
Title III		\$ 11,325.60							Immigrant Students: Supplemental Language assistance programs, Literacy programs, Parent activities, outreach, PD, Mentoring, Counseling, technology, supplies, transportation costs for students, coordinated activities with CBOs, IHES, etc...	Director of Biliteracy & Rosetta Stone	CDE Link- For Allowable Uses	
Title IV, SSAE		\$ 9,996.19							Educational Oppourtunities, Safe and Healthy Student supports, and Technology *Reference Allowable Uses Link for full listing	College Visits, Ethnic Studies, Mental Health	CDE Allowable Uses Samples Link	
FY21-22 - Expanded Learning Opportunity Program	6/30/2023	\$99,784.11			\$2,362.02				Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.cde.ca.gov/ls/ex/elopinfo.asp https://www.cde.ca.gov/ls/ex/elofaq.asp	97,422.09
Expanded Learning Opportunity Program	6/30/2024	\$ 170,228.81				\$ 27,539.30			Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.caminonuevo.org/apps/pages/ELOP-Plans	142,689.51

Camino Nuevo Charter Academy #4 - Cisneros
 Restricted Multi-Year Revenue
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Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
ESSER - 3210	9/30/2022	\$ 219,632.00	\$ -	\$ 154,493.32	\$ 65,138.68	\$ -			Prepare and response to Covid-19	Prepare and response to Covid-20	CDE Link: ESSER I Allowable Uses	\$ 0.00
GEER - 3215	9/30/2022	\$ 37,721.00	\$ -	\$ -	\$ 37,721.00	\$ -			Support Academic Achievement, Learning Loss, Sanitation, Mental Health, Technology, Summer Learning, Supplemental Afterschool Programs, Activities focused on unique needs low-income, Disability, etc...	Spent in Mental Health	CDE Link: GEER Allowable Use	\$ -
ESSER II - 3212	9/30/2023	\$ 869,697.00	\$ -	\$ 253,410.04	\$ 616,286.96	\$ -	\$ -		Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER II Allowable Uses	\$ -
ESSER III - 3213	9/30/2024	\$ 1,563,694.00	\$ -	\$ -	\$ 530,437.13	\$ 855,341.50	\$ 140,995.69	\$ 24,471.47	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 12,448.20
ESSER III - 3214 (Learning Loss)	9/30/2024	\$ 390,924.00	\$ -	\$ -	\$ 72,056.36	\$ 94,542.01	\$ 198,707.46	\$ -	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 25,618.16
AB 86 - IPI Grant - 7422	9/30/2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			N/A	N/A
AB 86 - ELO Grant - 7425	9/30/2024	\$ 427,341.00	\$ -	\$ -	\$ 373,097.73	\$ 54,243.27	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: Intervention teachers and TAs	CDE Link: ELO Allowable Uses	\$ -
AB 86 - ELO Grant - 7426 (Paraprofessionals)	9/30/2024	\$ 45,816.00	\$ -	\$ -	\$ 45,816.00	\$ -	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: TAs	CDE Link: ELO Allowable Uses	\$ -
Educator Effectiveness - 6266	6/30/2026	\$ 152,195.00			\$ 49,176.79	\$ 49,918.92	\$ 41,446.39	\$ -	Coaching & Mentoring Staff, programs to improve instruction in literacy across all subjects, supports for English learners,ethnic studies, see expanded list in link*	Per Plan: Teaching Well, Ethnic Studies, and Intervention Coord.	CDE Link: Educator Effectiveness Allowable Use of Funds	\$ 11,652.90
TK Planning Grant - 6053	6/30/2025	\$ 62,536.00				\$ -	\$ -	\$ -	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	CDE Link: TK Planning Grant Use of Funds	\$ 62,536.00
A-G Grants (Access/Success & Learning Loss Mitigation) - 7412/7413	6/30/2026	\$ -				\$ -	\$ -	\$ -	Credit Recovery, PD oppourtunities to improve A-G Completion Rate, tutoring programs, Pupil Supports, expanding access to coursework, AP & Internation BA fees for unduplicated pupils, new and expanded partnerships with other secondary & Post-Secondary edu instututions.	Plan based	CDE Link: A-G Grants Allowable Use	\$ -
Arts & Music Block Grant*	6/30/2026	\$ 349,420.34				\$ 88,661.04	\$ -	\$ -	Inst. Materials, PD for improving school climate, digital literacy, PE, and learning through play. Standards-aligned PD and materials. Book Collections. COVID-19 supplies	Pending	CDE Link: Art & Music Block Grant Summary CDE FAQ Link Expenditures	\$ 260,759.30

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Learning Recovery Block Grant*	6/30/2028	\$ 1,157,169.00				\$ 173,375.14	\$ -	\$ -	Increase or stabilize the amount of instructional time provided to students, provide learning supports to students, and address other barriers to learning, like providing mental health services or counseling	Pending	https://www.cde.ca.gov/fg/fo/profile.asp?id=5702&recID=5702 https://www.cde.ca.gov/FG/aa/ca/learningrecfaq.asp	\$ 983,793.86
Literacy Coaches and Reading Specialist Funding	6/30/2027	\$ -							Develop school literacy programs Employ and train literacy coaches and reading and literacy specialists Develop and implement interventions for students in need of targeted literacy support Expenditures for school literacy programs may include: Developing a school literacy plan that includes	Pending	https://www.cde.ca.gov/pd/ps/lcrsprogram.asp	\$ -
Ethnic Studies Local Support	N/A	\$ -							To support curriculum and instructional resources, professional development, or other activities that support the creation or expansion of ethnic studies course offerings, including, but not limited to, courses that use the state-adopted ethnic studies model curriculum as a guide. (Fpr grades 9th-12th grade)	Pending	https://www.cde.ca.gov/ci/cr/cf/esfunding.asp	\$ -

Ongoing Funds	Allocation	21/22 Spent	22/23 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Title I	\$ 260,942.00			Staff Salaries & Benefits	12% Teacher Salaries, TAs	CDE Link - For Allowable Uses	
Title II	\$ 28,738.60			Teacher Tuition, Network, PD	Teacher Tuition, AchieveNetwork, Other PD	CDE Link- For Allowable Uses	
Title III	\$ 25,053.60			Immigrant Students: Supplemental Language assistance programs, Literacy programs, Parent activities, outreach, PD, Mentoring, Counseling, technology, supplies, transportation costs for students, coordinated activities with CBOs, IHES, etc...	Director of Biliteracy & Rosetta Stone	CDE Link- For Allowable Uses	
Title IV, SSAE	\$ 21,568.80			Educational Oppourtinities, Safe and Healthy Student supports, and Technology *Reference Allowable Uses Link for full listing	College Visits, Ethnic Studies, Mental Health	CDE Allowable Uses Samples Link	
FY21-22 - Expanded Learning Opportunity Program	\$ 488,576.00			Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.cde.ca.gov/ls/ex/elopinfa.asp https://www.cde.ca.gov/ls/ex/elofaq.asp	\$ 186,089.06
Expanded Learning Opportunity Program	\$ 980,260.08			Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.caminonuevo.org/apps/pages/ELOP-Plans	\$ 778,379.15

CNHS #2 - Dalzell Lance High School
 Restricted Multi-Year Revenue
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Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
ESSER - 3210	9/30/2022	\$ 170,180.00	\$ -	\$ 169,361.79	\$ 818.21	\$ -			Prepare and response to Covid-19	Prepare and response to Covid-20	CDE Link: ESSER I Allowable Uses	\$ -
GEER - 3215	9/30/2022	\$ 29,441.00	\$ -	\$ -	\$ 29,441.00	\$ -			Support Academic Achievement, Learning Loss, Sanitation, Mental Health, Technology, Summer Learning, Supplemental Afterschool Programs, Activities focused on unique needs low-income, Disability, etc...	Spent in Mental Health	CDE Link: GEER Allowable Use	\$ -
ESSER II - 3212	9/30/2023	\$ 673,878.00	\$ -	\$ 191,878.23	\$ 254,616.21	\$ 211,311.99	\$ 12,360.00		Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER II Allowable Uses	\$ 3,711.57
ESSER III - 3213	9/30/2024	\$ 1,211,616.00	\$ -	\$ -	\$ 132,869.32	\$ 625,834.86	\$ 395,210.26		Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 57,701.56
ESSER III - 3214 (Learning Loss)	9/30/2024	\$ 302,904.00	\$ -	\$ -	\$ 131,274.90	\$ 169,000.00	\$ -	\$ -	Broad Range of Categories-Prepare, Prevent, & Respond to Covid-19 pandemic, & Learning Loss - Look to Allowable Uses Link for full listing	Assessing Sites on repairs, public health protocols and supports demonstrating impact by Covid-19 pandemic	CDE Link: ESSER III Allowable Uses	\$ 2,629.10
AB 86 - IPI Grant - 7422	9/30/2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			N/A	N/A
AB 86 - ELO Grant - 7425	9/30/2024	\$ 345,042.00	\$ -	\$ -	\$ 170,073.18	\$ 113,500.53	\$ 58,443.37	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: Intervention teachers and TAs	CDE Link: ELO Allowable Uses	\$ 3,024.92
AB 86 - ELO Grant - 7426 (Paraprofessionals)	9/30/2024	\$ 38,116.00	\$ -	\$ -	\$ 858.98	\$ 37,257.03	\$ -	\$ -	Staff Salaries & Benefits to support learning recovery	Per Plan: TAs	CDE Link: ELO Allowable Uses	\$ 0.00
Educator Effectiveness - 6266	6/30/2026	\$ 88,394.00			\$ 41,205.87	\$ 30,417.03	\$ 16,771.10	\$ -	Coaching & Mentoring Staff, programs to improve instruction in literacy across all subjects, supports for English learners, ethnic studies, see expanded list in link*	Per Plan: Teaching Well, Ethnic Studies, and Intervention Coord.	CDE Link: Educator Effectiveness Allowable Use of Funds	\$ (18,872.51)
TK Planning Grant - 6053	6/30/2025	\$ -				\$ -	\$ -	\$ -	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	Creating/Expanding TK, planning costs, hiring and recruitment costs, staff training and professional development, classroom materials, and supplies.	CDE Link: TK Planning Grant Use of Funds	\$ -
A-G Grants (Access/Success & Learning Loss Mitigation) - 7412/7413	6/30/2026	\$ 393,496.00				\$ 104,709.65	\$ 119,448.17	\$ 121,800.10	Credit Recovery, PD oppourtunities to improve A-G Completion Rate, tutoring programs, Pupil Supports, expanding access to coursework, AP & Internation BA fees for unduplicated pupils, new and expanded partnerships with other secondary & Post-Secondary edu instutions.	Plan based	CDE Link: A-G Grants Allowable Use	\$ 47,538.07
Arts & Music Block Grant*	6/30/2026	\$ 295,329.89				\$ -	\$ -	\$ -	Inst. Materials, PD for improving school climate, digital literacy, PE, and learning through play. Standards-aligned PD and materials. Book Collections. COVID-19 supplies	Pending	CDE Link: Art & Music Block Grant Summary CDE FAQ Link Expenditures	\$ 295,329.89

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Learning Recovery Block Grant*	6/30/2028	\$ 1,014,899.64				\$ -	\$ -	\$ -	Increase or stabilize the amount of instructional time provided to students, provide learning supports to students, and address other barriers to learning, like providing mental health services or counseling	Pending	https://www.cde.ca.gov/fg/fo/profile.asp?id=5702&recID=5702 https://www.cde.ca.gov/FG/aa/ca/learningrecfaq.asp	\$ 1,014,899.64
Literacy Coaches and Reading Specialist Funding	6/30/2027	\$ -							Develop school literacy programs Employ and train literacy coaches and reading and literacy specialists Develop and implement interventions for students in need of targeted literacy support Expenditures for school literacy programs may include: Developing a school literacy plan that includes goals and actions to improve literacy acquisition for pupils in preschool, if applicable, and kindergarten or any of grades 1 to 3, inclusive. The plan shall identify metrics to measure progress toward the goals and actions. Hiring at least one literacy coach or reading and literacy specialist per school to support educators and pupils in improving literacy instruction and pupil outcomes. Increasing access to evidence-based literacy instruction, through strategies, including, but not limited to, any of the following: Providing bilingual reading specialists to support dual language acquisition and English language development programs. Developing and implementing culturally responsive curriculum and instruction. Providing professional development for educators and school leaders in literacy instruction and the use of data to identify and support struggling	Pending	https://www.cde.ca.gov/pd/ps/lcrsprogram.asp	\$ -
Ethnic Studies Local Support	N/A	\$ 12,988.00							To support curriculum and instructional resources, professional development, or other activities that support the creation or expansion of ethnic studies course offerings, including, but not limited to, courses that use the state-adopted ethnic studies model curriculum as a guide. (Fpr grades 9th-12th grade)	Pending	https://www.cde.ca.gov/ci/cr/cf/esfunding.asp	\$ 12,988.00

Ongoing Funds	Allocation	21/22 Spent	22/23 Budget	Allowable Uses	Intended Use	Resource Links
Title I	\$ 199,510.00			Staff Salaries & Benefits	12% Teacher Salaries, TAs	CDE Link - For Allowable Uses
Title II	\$ 22,265.00			Teacher Tuition, Network, PD	Teacher Tuition, AchieveNetwork, Other PD	CDE Link- For Allowable Uses

Funding Source	Deadline	Allocation	19/20 Spent	20/21 Spent	21/22 Spent	22/23 Budget	23/24 Budget	24/25 Budget	Allowable Uses	Intended Use	Resource Links	Balance
Title III		\$ 13,510.80							Immigrant Students: Supplemental Language assistance programs, Literacy programs, Parent activities, outreach, PD, Mentoring, Counseling, technology, supplies, transportation costs for students, coordinated activities with CBOs, IHES, etc...	Director of Biliteracy & Rosetta Stone	CDE Link- For Allowable Uses	
Title IV, SSAE		\$ 15,193.00							Educational Oppourtinities, Safe and Healthy Student supports, and Technology *Reference Allowable Uses Link for full listing	College Visits, Ethnic Studies, Mental Health	CDE Allowable Uses Samples Link	
FY21-22 - Expanded Learning Opportunity Program	6/30/2023	\$ -			\$0.00				Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.cde.ca.gov/ls/ex/elopinfo.asp https://www.cde.ca.gov/ls/ex/elofaq.asp	
Expanded Learning Opportunity Program	6/30/2024	\$ -				\$ -			Before School, After School, Intermission* Reference Link	Before School, After School, Intermission	https://www.caminonuevo.org/apps/pages/ELOP-Plans	

Coversheet

CEO Update

Section: VII. CEO Update
Item: A. CEO Update
Purpose: Discuss
Submitted by:
Related Material: CEO Update January 2023.pdf



CEO Update

20 años | Camino Nuevo Charter Academy



January 2023

Development News

- Grant funding to support our Ethnic Studies program
 - We were awarded \$681,489 in Antibias Grant funding to support our *Ethnic Studies for All* program over the next three years
 - Funding will support staff, program materials, training, and partnerships for our Ethnic Studies program and allow us to focus on codifying our own curriculum across the K - 12 grade span

- WHH Foundation - \$100,000 for our College Success Program

Avance Teacher Residency Updates

Overview:

- 22-23 - Planning Year, CTC Funded - \$140,000
- 2023-2026 - Implementation Grant - \$1.8M over 4 years.

Strategic Leaders for Avance:

- Sunny Min, Director of Talent Development is our LEAD!
- Sarah Tapia-Pruett, Teacher Residency Coach
- Support for Design and Development - Jessica Cohn, Interim Chief of Staff

Avance Teacher Residency Website



What you will EXPERIENCE as an Avance Resident

COMMUNITY



Avance Residents join an inclusive community of k12 public charter schools that are invested in the development of our staff and alumni to ensure that the lived experience of our communities is at

EQUITY

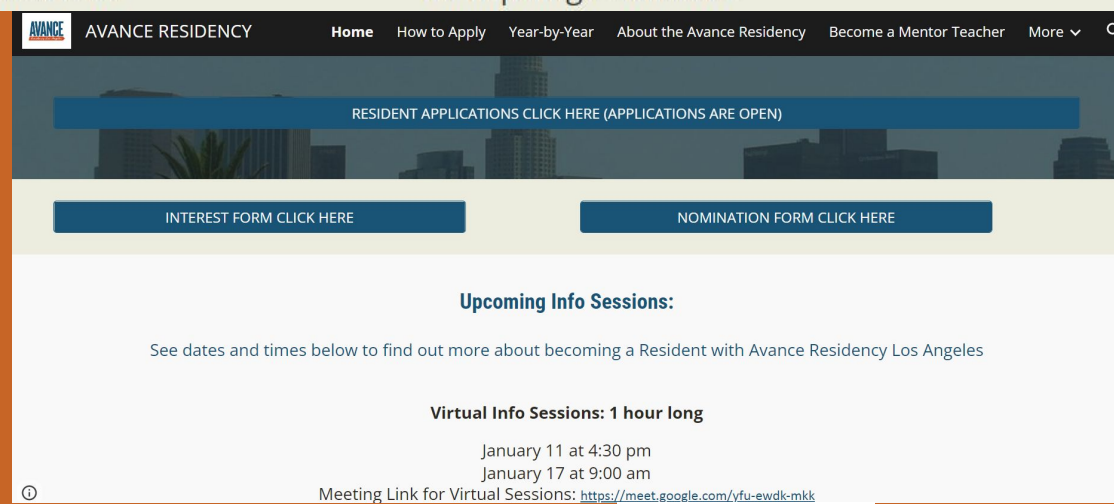


Avance Residents participate in a residency program that intentionally disrupts traditional pathways to teaching to ensure equitable access for aspiring educators.

RIGOR



Avance Residents utilize student data, rigorous curriculum, professional development, and university coursework that can be implemented immediately into teaching practice



Updates from Student & Family Supports

- Internships -

- December, 2022: 98% of seniors have completed their internships.
- December, 2022: 55% of juniors have completed their internships
- 26 students are currently in paid internships through Bresee's Paid C2C Pathways Program, LAFC's Paid Youth Leadership Program and Koreatown Youth Community Center.

- Family Support Services -

- 14,00+ hours of parent volunteer time was documented from start of school to present.
- 599 network opportunities for families to attend school sponsored events during Q2.
- CIS has the highest number of parents who entered their hours during Q2.
- BUR highest number of parent volunteer hours accumulated.
- DAL collected the most parent surveys as 1/11/23.

Coversheet

Bond Refinancing and Resolutions

Section: VIII. Bond Refinancing and Resolutions

Item: A. Bond Refinancing and Resolutions

Purpose: Vote

Submitted by:

Related Material:

GNLA 3435 W Temple LLC Attachment to Articles of Organization.pdf

Quitclaim Deed Pueblo Nuevo to Grupo Nuevo Los Angeles.pdf

GNLA 3435 W Temple LLC Operating Agreement v2.pdf

CNCA 2023 Bonds Head Office Lease v4.pdf

CNCA 2023 Bonds Template School Lease v4.pdf

Continuing Disclosure Agreement - Camino Nuevo CSFA 2023 4123-3795-0787 1.pdf

Limited Offering Memorandum - Camino Nuevo CSFA 2023 4154-7908-1027 1.pdf

Camino Nuevo 2023 - Deed of Trust.pdf

Camino Nuevo 2023 - Loan Agreement.pdf

Bond Purchase Agreement - Camino Nuevo CSFA 2023 4143-9583-9811 2.pdf

Camino Nuevo 2023 Bonds CNCA Post-Issuance Compliance and Remedial Action

Procedures.pdf

Appendix A - Camino Nuevo CSFA 2023 4143-5916-7811 1.pdf

Camino Nuevo 2023 - Supplemental Master Indenture of Trust for Obligation No. 1.pdf

CNCA 2023 Bonds CNCA Resolutions v4.pdf

GNLA 3435 W Temple LLC Articles of Organization (form).pdf

Camino Nuevo 2023 - Indenture.pdf

Camino Nuevo 2023 - Master Trust Indenture.pdf

CNCA 2023 Bonds Addendum to Seventh Amended Agreement for Limited Services v2.pdf

**ATTACHMENT TO ARTICLES OF ORGANIZATION
OF
GNLA 3435 W TEMPLE LLC

ADDITIONAL INFORMATION**

Per Cal. Code Regs., Title 18, §136

(a) This limited liability company (“LLC”) is organized and operated exclusively for charitable purposes as specified in the Internal Revenue Code and California Revenue & Taxation Code (“R&T Code”) §214.

(b) This LLC shall be operated exclusively to further the exempt purposes, as set forth in R&T Code §214, of its member or members.

(c) Each member of this LLC shall be a qualifying organization as specified in Cal. Code Regs., Title 18, §136(b)(1) or (b)(2).

(d) No membership interest of this LLC shall, directly or indirectly, be transferred to any non-qualified person or entity.

(e) The property owned by this LLC is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this LLC shall ever inure to the benefit of any private member or individual.

(f) Upon dissolution or winding up of this LLC, all assets remaining after payment, or provision for payment, of all debts and liabilities of this LLC shall be distributed to such of its members as are organizations organized and operated exclusively for exempt purposes as specified in R&T Code §214 and which have established their tax exempt status under Internal Revenue Code §501(c)(3) or under R&T Code §23701d, and, if no member is so organized and operated and has established such tax exempt status at the time of said dissolution, to an organization which is so organized and operated and which has established such tax exempt status.

(g) Any amendments to the Articles of Organization and to the Operating Agreement of this LLC shall be consistent with R&T Code §214.

(h) To the fullest extent permitted by law, for the purpose of qualifying for the Welfare Exemption under the rules of the California Board of Equalization, this LLC is prohibited from merging with, or converting into, a for-profit entity.

(i) No distribution shall be made to any member who ceases to be an organization described in R&T Code §214.

Per Form 3500

(a) This LLC is organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization that itself is exempt under section 501 of the Internal Revenue Code, as contemplated by section 23701h of the California Revenue and Tax Code.

(b) This LLC is organized for nonprofit purposes, and no part of the net earnings of this LLC shall inure to the benefit of any private member or individual.

(c) Notwithstanding any statement of purposes and powers set forth in this document, this LLC may not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the exclusive purposes of this organization.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

APNs: 5156-001-002 and 5156-001-005

This conveyance confirms a change of name and the Grantor and the Grantee are the same party.
Revenue & Taxation Code§ 11911.

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation successor by name change and who acquired title as Pueblo Nuevo Development, a California nonprofit public benefit corporation hereby remises, releases and forever quitclaims to Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation the real property located in the City of Los Angeles, County of Los Angeles, State of California described as follows:

PARCEL 1: LOT 3, BLOCK 3 OF MALTMAN AND SHATTO'S SUBDIVISION OF PART OF LOT 1 IN BLOCK 32 OF HANCOCK'S SURVEY, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 4 PAGE 11 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION THEREOF LYING SOUTHWESTERLY OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY LINE OF SAID LOT 3, DISTANT THEREON 15 FEET SOUTHEASTERLY FROM THE WESTERLY LINE OF SAID LOT 3; THENCE NORTHWESTERLY IN A DIRECT LINE A DISTANCE OF 25.74 FEET TO A POINT IN THE WESTERLY LINE OF SAID LOT 3, DISTANT THEREON 15 FEET NORTHERLY FROM THE SOUTHWESTERLY LINE OF SAID LOT 3.

PARCEL 2: LOT 1, BLOCK A, TRACT 1931, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 21 PAGE 60 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS WITHIN THE LINES OF SILVER LAKE BOULEVARD, AS SAID BOULEVARD IS DESCRIBED IN THAT CERTAIN DECREE OF CONDEMNATION ENTERED IN CASE NO. 207269, LOS ANGELES COUNTY SUPERIOR COURT CASE, A CERTIFIED COPY THEREOF BEING RECORDED IN BOOK 10724 PAGE 368, OFFICIAL RECORDS.

Commonly known as: 3435 West Temple Street, Los Angeles, CA

Dated: _____, 2023

Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation successor by name change and who acquired title as Pueblo Nuevo Development, a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

OPERATING AGREEMENT
OF
GNLA 3435 W TEMPLE LLC
a California limited liability company

THIS OPERATING AGREEMENT is made effective as of January __, 2023, by Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “Initial Member”), and is made with reference to the following:

A. The Initial Member formed GNLA 3435 W Temple LLC (the “Company”) as a limited liability company under and pursuant to the California Revised Uniform Limited Liability Company Act set forth in sections 17701.01 *et seq.* of the California Corporations Code (as amended from time to time, the “Act”) by filing Articles of Organization (the “Articles”) for the Company with the California Secretary of State on January __, 2023.

B. The Initial Member adopts this Operating Agreement in order to complete the organization of the Company and provide for the governance of the Company and the conduct of the Company’s business.

NOW, THEREFORE, the Initial Member declares the following to be the Operating Agreement (“Agreement”) of the Company:

Article I
ORGANIZATION

1.1 Formation. The Initial Member has caused the Articles to be filed with the California Secretary of State, and the formation of the Company shall be effective as of the date of said filing.

1.2 Name. The name of the Company shall be “GNLA 3435 W Temple LLC.” The Company shall conduct its business and affairs under said name or such other name as the Sole Member (as defined below) may determine from time to time.

1.3 Agent for Service of Process. The name and address of the initial agent for service of process on the Company is Adrian Abich, 3435 W. Temple Street, Los Angeles, CA 90026. The Manager may from time to time change the Company’s agent for service of process.

1.4 Principal Office. The principal office of the Company shall be located at 435 W. Temple Street, Los Angeles, CA 90026 or at such other place as the Manager may determine from time to time.

1.5 Term. The term of the Company shall commence on the filing of the Articles of Organization with the California Secretary of State and shall continue until the Company is dissolved and wound-up and liquidated pursuant to this Agreement or by operation of law.

1.6 Purpose. The Company is organized and will operate:

(a) exclusively to support the charter schools operated by Camino Nuevo Charter Academy, a California nonprofit public benefit corporation (the “Supported Corporation”);

(b) for the specific purpose of holding title to property, including real and personal property located at 3435 W. Temple Street, Los Angeles, CA 90026, (collectively, the “Property”), managing, operating, leasing and otherwise dealing with the Property and collecting the income therefrom and turning over the entire amount of said income, less expenses, to the Sole Member, which is an organization exempt from federal income tax under Internal Revenue Code § 501(c)(3) and from state corporate tax under California Revenue and Taxation Code § 23701d; and

(c) to do any and all things and to engage in any and all other activities and transactions necessary, convenient, appropriate or incidental to the accomplishment of the foregoing purposes or otherwise for the protection and benefit of the Company.

Notwithstanding the foregoing and any other provisions of this Agreement, the actions, activities and transactions of the Company will be limited to those permitted under California Revenue and Taxation Code § 23701h.

1.7 Tax Status. It is the intention of the Sole Member that the Company be disregarded as an entity separate from the Sole Member solely for federal and all relevant state tax purposes. All provisions of the Articles of Organization and this Agreement are to be construed so as to preserve that tax status.

Article II MEMBERSHIP

2.1 Sole Member. The Company shall have a single member (the “Sole Member”). As of the date of this Agreement, the Initial Member is the Sole Member of the Company. The name and address of the Sole Member is listed on Schedule A attached hereto.

2.2 Membership Interest. The Sole Member shall own the sole membership interest in the Company, which includes all rights in the Company collectively, including the Sole Member’s transferable interest, any right to vote or participate in management, and any right to information concerning the business and affairs of the Company.

2.3 Capital Contributions. The Sole Member may contribute cash or other property to the Company as the Sole Member shall determine from time to time.

2.4 Limited Liability. The Sole Member shall not be bound by, or be personally liable for, the expenses, liabilities or obligations of the Company, except as otherwise provided in the Act.

Article III MANAGEMENT

3.1 Management.

3.1.1. The management of the business and assets of the Company shall be vested solely in a single manager (the “Manager”) appointed by the Sole Member. The Sole Member shall have the power to remove and replace the Manager from time to time, with or without cause. The Manager shall have the full and sole power and authority to manage, control and conduct the business and affairs of the Company and may exercise all powers of the Company without the need for further approval by the Sole Member or any additional or successor members of the Company. The Sole Member hereby appoints itself as the initial Manager of the Company.

3.1.2. The Manager may appoint a President, a Chief Executive Officer, one or more Vice Presidents, a Secretary, a Chief Financial Officer and such other officers as the Manager may deem necessary or advisable to manage the day-to-day business affairs of the Company (each, an “Officer”), and such Officers shall have the titles, powers and duties as shall be determined by the Manager. The Manager may appoint other persons as authorized signatories to execute agreements, certificates and other documents on behalf of the Company.

3.1.3. Without limiting the foregoing Paragraphs 3.1.1 and 3.1.2, the Manager shall have the right, in its sole and absolute discretion, without the consent of the Sole Member, to, or to cause the Company to, as applicable:

- (a) take all actions necessary or convenient to the accomplishment of the Company’s purposes set forth in Paragraph 1.6;
- (b) enter into any loan, credit, guarantee or other similar financing arrangements, including the opening, maintaining and closing of bank accounts, in order to receive or borrow funds to fulfill the Company’s purposes and objectives;
- (c) enter into agreements for the purchase, improvement, renovation, lease, or sale of real property, which agreements may include such representations, warranties, covenants, indemnities and guarantees as the Manager deems necessary or advisable;
- (d) own, sell, lease, exchange, or otherwise dispose of all, or substantially all, of the Company’s property, with or without the goodwill, in or outside the ordinary course of the Company’s activities;
- (e) mortgage, pledge or otherwise encumber the Company’s property;
- (f) make and perform such other agreements, undertakings and transfers of property as the Manager deems necessary or advisable; and

(g) except as otherwise provided in Article 10 of the Act, take any other act within or outside the ordinary course of the Company's activities.

3.2 Meetings. No annual, regular or special meetings of the Sole Member, the Manager, or Officers are required.

Article IV ALLOCATIONS AND DISTRIBUTIONS

4.1 Allocations. All profits and losses, each item thereof, and all other items attributable to the membership interest shall be allocated to the Sole Member for tax, accounting and all other purposes.

4.2 Distributions. At such times as the Manager deems appropriate, the Manager shall cause the Company to distribute cash or other property held by the Company to the Sole Member. Notwithstanding the previous sentence, if for any reason the Company should generate any taxable income resulting in tax liability for the Sole Member, the Manager shall cause the Company to make timely cash distributions to the Sole Member in such amounts as are sufficient to enable the Sole Member to make tax payments as they fall due, and shall promptly indemnify and hold the Sole Member harmless from and against any penalties and interest accruing by reason of failure to make timely cash distributions. The Company shall turn over the entire amount of its income, less expenses, to the Sole Member periodically.

Article V COMPANY ADMINISTRATION

5.1 Books and Records.

5.1.1. The books and records of the Company shall be kept and maintained at the Company's principal office in California, shall reflect all of the Company transactions, and shall be appropriate and adequate for the Company's business.

5.1.2. Without limiting the requirements set forth in Paragraph 5.1.1, the Company shall maintain at its principal office in California all of the following:

- (a) A current list of the full name and last known business or residence address of the Sole Member, together with the capital contribution and share in profits or losses of the Sole Member;
- (b) A copy of the Articles of Organization, as amended from time to time;
- (c) Copies of the Company's Federal, state and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;
- (d) Executed counterparts of this Agreement, as amended;

(e) Any powers of attorney under which the Articles of Organization or any amendments thereto are executed;

(f) Financial statements of the Company for the six (6) most recent fiscal years; and

(g) The books and records of the Company as they relate to the Company's internal affairs for the current and past four (4) fiscal years.

5.2 Accounting. Books and records of the Company shall be kept on the method of accounting selected by the Manager and applied on a consistent basis in the preparation of its financial reports and for tax purposes. The taxable and fiscal years of the Company shall coincide with the taxable and fiscal years of the Sole Member.

5.3 Banking. All funds of the Company shall be deposited in the name of the Company in one or more distinct separate accounts with one or more recognized financial institutions and at such locations, all as shall be determined by the Manager. Any withdrawal from such accounts shall require the signature of the Manager or such other person or persons authorized to do so by the Manager.

5.4 Assets. All assets of the Company, whether real or personal, shall be held in the name of the Company.

Article VI TRANSFERS

6.1 Transfers. Subject to the terms and provisions of the Articles, the Sole Member may assign, sell, gift, transfer or otherwise dispose of ("Transfer") all or any part of its membership interest in the Company, including only all or any part of its transferable interest in the Company, at any time (the transferee hereinafter referred to as "Transferee"). An assignee of the Sole Member's entire membership interest in the Company shall become a substituted member automatically upon such assignment, provided that, if a Transfer of such membership interest in the Company is made for purposes of security, the Transferee of such Transfer shall not become the equitable owner of the membership interest until such time as the Transferee has acquired equitable ownership of such membership interest through a foreclosure sale or otherwise.

6.2 Duties of Substituted Member. Any person admitted to the Company as a substituted member shall be subject to all of the provisions of this Agreement that apply to the Sole Member from whom the membership interest was assigned.

6.3 Division of Allocations and Distributions. If any membership interest, or part thereof, is assigned during any fiscal year in compliance with the provisions of this Article VI, profits, losses, each item thereof and all other items attributable to such membership interest for such fiscal year shall be divided and allocated between the transferor and the transferee by taking into account their varying membership interests during the period in accordance with section 706(d) of the Internal Revenue Code of 1986, as amended, using any convention permitted by law selected by the Manager. All distributions on or before the date of such assignment shall be made to or for the account of the transferor, and all distributions thereafter shall be made to or

for the account of the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such assignment not later than the end of the calendar month during which the assignment occurs. None of the Company, the Sole Member, or the Manager shall incur any liability for making allocations and distributions in accordance with the provisions of this Paragraph 6.3.

6.4 Rights of Transferee of Transferable Interest. A Transferee of a transferable interest has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

Article VII INDEMNIFICATION

To the extent of Company assets, the Company agrees to defend each member, manager, officer, and authorized signatory of, and each entity controlling, or directly or indirectly related to, the Company (each, an “Affiliate”), including, without limitation, any director, officer, employee, or agent of any member, manager, officer or Affiliate acting on behalf of the Company (each, an “Indemnitee” and, collectively, the “Indemnitees”), against all claims or demands arising from the acts or omissions of the Company and agrees to indemnify and hold each of the foregoing harmless against all liabilities, losses, damages, expenses, costs or any other economic detriment suffered, paid, or incurred, foreseen or unforeseen, arising from any claim, demand, action, suit or proceeding, whether civil, criminal, administrative, or investigative, or whether threatened, pending or completed, which pertain to any Indemnitee, as described above, in such capacity, arising from the acts or omissions of the Company, to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit. No member shall be subject to personal liability or be required to fund or cause to be funded any obligation of the Company described in this Article VII.

Article VIII DISSOLUTION

8.1 Events of Dissolution. The Company shall dissolve upon the earliest to occur of:

- (a) the decision of the Sole Member;
- (b) the entry of a decree of judicial dissolution under section 17707.03 of the California Corporations Code.

8.2 Winding Up. Upon dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company. The Manager shall wind up the affairs of the Company and give written notice of the commencement of winding up by mail to all known creditors and claimants against the Company whose addresses appear in the records of the Company. After paying or adequately providing for the payment of all known debts of the Company, including, without limitation, debts and liabilities to the Sole Member as a creditor of the Company, the remaining assets of the Company shall be distributed to the Sole Member.

Article IX GENERAL

9.1 Amendment. This Agreement may be amended only in a writing signed by the Sole Member.

9.2 Binding Agreement. Subject to any restrictions on transfers set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Sole Member and its respective legal representatives, successors, and Transferees.

9.3 Headings. The article and paragraph headings are included in this Agreement solely for convenience of reference and in no way describe, define, limit, extend or interpret the scope, intent or extent of this Agreement, or any provision hereof. If there is any conflict between such headings and the text of this Agreement, the text shall control.

9.4 Number and Gender. Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. In all cases the masculine gender shall include any other genders and vice versa.

9.5 Severability. If any provision of this Agreement or the application thereof to any “person” (as defined in the Act) or circumstance shall be held invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provisions to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

9.6 References to this Agreement. Numbered or lettered articles and paragraphs herein contained refer to articles and paragraphs of this Agreement unless otherwise expressly stated.

9.7 Parties in Interest. Except as otherwise expressly provided in this Agreement, nothing contained in this Agreement shall be deemed to confer any right or benefit on any person who is not a party to this Agreement.

9.8 Other Businesses. The Sole Member, any Affiliate, any officer, director, or employee of the Sole Member or of any Affiliate or and any other person holding a legal or beneficial interest in the Sole Member or Affiliate (collectively, the “Interested Parties”) may engage in or conduct any business, investment, profession or other activity it chooses, whether or not the same is competitive with the Company, without any accountability to the Company and without having or incurring any obligation to offer any interest in such business, investment, profession or other activity to the Company. The Company shall have no right by virtue of this Agreement in and to any such business, investment, profession or other activity or to the income or profits arising therefrom, nor shall the Sole Member be required to permit the Company to participate in such business, investment, profession or activity. Except as expressly provided in this Agreement, each Interested Party shall have no fiduciary obligation to the Company by virtue of this Agreement to submit to the Company any business opportunity, whether or not such opportunity arose from its activities with respect to the Company.

9.9 Entire Agreement. This Agreement constitutes the entire agreement with respect to the subject matter of this Agreement.

9.10 Schedules and Exhibits. Any schedules or exhibits referred to in this Agreement are incorporated by reference into this Agreement and made a part hereof.

9.11 Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one agreement binding on the parties hereto, notwithstanding that all of the parties are not signatories to the same counterpart. The delivery by electronic transmission of a counterpart signature page of this Agreement executed by a party hereto shall be deemed as valid as the delivery by such party of an originally signed counterpart of this Agreement.

9.12 Governing Law. The laws of the State of California (without regard to otherwise governing principles of conflicts of law or choice of law) shall govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereof.

IN WITNESS WHEREOF, the Initial Member has executed this Operating Agreement effective the day and year first set forth above.

INITIAL MEMBER:

GRUPO NUEVO LOS ANGELES

By: _____

Name: _____

Title: _____

CONSENT OF ORGANIZER

The undersigned Organizer of the Company acknowledges that the undersigned filed the Articles of Organization for the Company on behalf of the Initial Member and consents to the foregoing.

Adriana Abich, Organizer

SCHEDULE 1

Sole Member

Grupo Nuevo Los Angeles
3435 W. Temple Street
Los Angeles, CA 90026

TABLE OF CONTENTS

ARTICLE 1 ORGANIZATION1

 1.1 Formation 1

 1.2 Name 1

 1.3 Agent for Service of Process.....1

 1.4 Principal Place of Business1

 1.5 Term2

 1.6 Purpose.....2

 1.7 Tax Status.....2

ARTICLE 2 MEMBERSHIP2

 2.1 Sole Member2

 2.2 Membership Interest2

 2.3 Capital Contributions2

 2.4 Limited Liability3

ARTICLE 3 MANAGEMENT3

 3.1 Management.....3

 3.2 Meetings.....4

ARTICLE 4 ALLOCATIONS AND DISTRIBUTIONS4

 4.1 Allocations4

 4.2 Distributions.....4

ARTICLE 5 COMPANY ADMINISTRATION4

 5.1 Books and Records.4

 5.2 Accounting.....5

 5.3 Banking.....5

 5.4 Assets5

ARTICLE 6 TRANSFERS5

 6.1 Transfers5

 6.2 Duties of Substituted Member5

 6.3 Division of Allocations and Distributions5

 6.4 Rights of Transferee of Transferable Interest6

 6.5 Rights of Secured Parties **Error! Bookmark not defined.**

 6.6 Membership Certificates..... **Error! Bookmark not defined.**

 6.7 Third Party Beneficiaries; Amendments..... **Error! Bookmark not defined.**

ARTICLE 7 INDEMNIFICATION.....6

ARTICLE 8 DISSOLUTION6

 8.1 Events of Dissolution6

8.2	Winding Up.....	6
ARTICLE 9 GENERAL		7
9.1	Amendment.....	7
9.2	Binding Agreement.....	7
9.3	Headings	7
9.4	Number and Gender	7
9.5	Severability	7
9.6	References to this Agreement.....	7
9.7	Parties in Interest.....	7
9.8	Other Businesses	7
9.9	Entire Agreement	8
9.10	Schedules and Exhibits	8
9.11	Execution	8
9.12	Governing Law	8

OPERATING AGREEMENT
OF
GNLA 3435 W TEMPLE LLC
a California limited liability company

LEASE AGREEMENT

between

GNLA 3435 W TEMPLE LLC,
a California limited liability company,
as Lessor

and

PUEBLO NUEVO EDUCATION AND DEVELOPMENT GROUP,
a California nonprofit public benefit corporation,
as Lessee

dated as of [*], 2023

TABLE OF CONTENTS

	Page
1. Basic Provisions.....	1
1.1 Premises	1
1.2 Term.....	1
1.3 Extension Option	1
1.4 Rent.....	1
1.5 The Bonds	1
1.6 Refinancing of Loan	2
1.7 The Intercept.....	2
1.8 Capitalized Terms	3
1.9 [Incentive Payment] [Tenant’s Contribution].....	3
2. Premises	3
2.1 Letting.....	3
2.2 Condition of Premises.....	3
3. Term.....	3
3.1 Term.....	3
4. Rent; Additional Rent; Expenses	3
4.1 Rent Defined	3
4.2 Base Rent	3
4.3 Additional Rent.....	4
4.4 Extraordinary Monthly Rent.....	4
4.5 Expenses	4
4.6 Property Tax.....	6
4.7 Payment.....	6
4.8 Late Charge and Interest on Rent in Default	6
4.9 Budgeting Rent	7
4.10 Accounting.....	7
4.11 Source of Rent Payments	Error! Bookmark not defined.
5. Mandatory Covenants	7
5.1 Specific Covenants Related to the Loan	7
6. Use	7
6.1 Agreed Use.....	7
6.2 Hazardous Substances.....	7
7. Maintenance; Repairs.....	7
7.1 Lessee Fully Responsible.....	7
7.2 Compliance With Applicable Requirements	8
7.3 Liens.....	8
7.4 Ownership of Improvements; Removal; Surrender; and Restoration.....	8
8. Insurance; Indemnity	8
8.1 Liability.....	8
8.2 Premises	8
8.3 Rental Interruption	9
8.4 Waiver of Subrogation.....	9

TABLE OF CONTENTS
(Continued)

		Page
8.5	Indemnity	9
8.6	Exemption of Lessor from Liability	9
8.7	Insurance Requirements of Bond Documents.....	9
9.	Damage or Destruction	10
9.1	Definitions.....	10
9.2	Damage	10
9.3	Damage—Uninsured Loss	10
9.4	Waive Statutes	11
10.	Real Property Taxes	11
10.1	Definition	11
10.2	Payment of Taxes.....	11
10.3	Personal Property Taxes	11
11.	Assignment and Subletting	11
11.1	By Lessee	11
11.2	By Lessor	12
12.	Default; Event of Default; Remedies	12
12.1	Default; Event of Default.....	12
12.2	Remedies.....	13
12.3	Default Interest.....	14
12.4	Lessor Self Help.....	14
13.	Condemnation	14
14.	Estoppel Certificates	14
15.	Definition of Lessor	14
16.	Severability	14
17.	Days	14
18.	Limitation on Liability.....	15
19.	Time of Essence	15
20.	No Prior or Other Agreements	15
21.	Notices	15
21.1	Notice Requirements.....	15
21.2	Addresses	15
22.	Waivers	16
23.	No Right To Holdover	16
24.	Cumulative Remedies	16
25.	Covenants and Conditions; Construction of Agreement	16
26.	Binding Effect; Choice of Law	16

**TABLE OF CONTENTS
(Continued)**

	Page
27. Lessor’s Access; Showing Premises; Repairs.....	16
28. Quiet Possession	16
29. Counterparts	16
30. Amendments	17
31. Limitation of Rights to Parties	17
32. CASp Disclosure.....	17
EXHIBIT A LEGAL DESCRIPTION OF PREMISES	A-1
EXHIBIT B SCHEDULE OF BASE RENT & ADDITIONAL RENT	B-1
EXHIBIT C MANDATORY COVENANTS	C-1
EXHIBIT D FORM OF INTERCEPT NOTICE.....	D-1

LEASE AGREEMENT

This LEASE AGREEMENT (“**Lease**”) dated, for reference purposes only, as of [*], 2023, is made by and between GNLA 3435 W TEMPLE LLC, a California limited liability company (“**Lessor**”), and PUEBLO NUEVO EDUCATION AND DEVELOPMENT GROUP, a California nonprofit public benefit corporation (“**Lessee**”) (Lessor and Lessee being sometimes referred to herein collectively as the “**Parties**” and individually a “**Party**”). This Lease is for the use and occupancy of the subject Premises by Lessee in the provision of administrative services to charter school operated by Camino Nuevo Charter Academy, a California nonprofit public benefit corporation (“**CNCA**”), including Camino Nuevo Charter Academy, Camino Nuevo Charter Academy #2, Camino Nuevo Elementary #3, Camino Nuevo Charter Academy #4, and Camino Nuevo High School No. 2 (collectively, the “**CNCA Schools**”). This Lease [amends and restates] [supersedes] [succeeds], effective as of the Commencement Date (as defined below) that certain Lease Agreement dated as of [*], (the “**Prior Lease**”) between the Parties.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged: the parties hereby agree as follows:

1. Basic Provisions.

1.1 Premises. The real property and improvements commonly referred to as 3435 West Temple Street, Los Angeles, CA 90004, legally described on Exhibit A attached hereto, is referred to herein as the “**Premises**.”

1.2 Term. [Section [*] of the Prior Lease is hereby amended to provide that the term of the Prior Lease will expire on the date of the making of the Loan (as defined below) (the “**Commencement Date**”), provided that the rent payable under the Prior Lease for the month of March 2023 shall not be pro-rated.] The term of this Lease (the “**Term**”) shall commence on the expiration of the Prior Lease (the “**Commencement Date**”), and shall end on June 30, 20[*] (the “**Expiration Date**”). (See also Section 3 below.) In accordance with the terms of the Loan Agreement (as defined in Section 1.5 below), this Lease may be terminated by Lessee by Lessee’s depositing with the Master Trustee (as defined in Section 1.5 below) sufficient cash or securities to redeem or defease the entire principal amount of the Bonds (as defined in Section 1.5 below), together with accrued interest to the redemption date.

1.3 Extension Option. Not applicable.

1.4 Rent. During the Term, Rent, as described in Section 4.1, shall be payable by Lessee to Lessor.

1.5 The Bonds. The California School Finance Authority (“**Lender**”) is making loans (the “**Loan**”) to Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “**Borrower**”), pursuant to a Loan Agreement dated as of March 1, 2023, (the “**Loan Agreement**”), by and between Lender and the Borrower and approved by Lessor. The Loan will be funded by the proceeds of Lender’s Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2022B (Taxable) (collectively, the “**Bonds**”) to be issued pursuant to an Indenture (the “**Indenture**”) between Lender and U.S. Bank Trust Company, National Association, as Trustee

(the “**Bond Trustee**”). In connection with the issuance of the Bonds, the Borrower, as the obligated group representative (the “**Obligated Group Representative**”), Lessor and other limited liability companies of which the Borrower is the sole member, as the initial members (“**Initial Members**”) of an obligated group (the “**Obligated Group**”), and U.S. Bank Trust Company, National Association, as master trustee (the “**Master Trustee**”), will enter into a Master Indenture of Trust dated as of March 1, 2023, (the “**Master Indenture**”) and a related Supplemental Master Indenture for Obligation No. 1 dated as of March 1, 2023, (the “**Supplemental MTI No. 1**”) and, pursuant to Supplemental MTI No. 1, the Obligated Group Representative will issue its Obligation No. 1 in the par amount of the Bonds in favor of the Master Trustee. The Loan Agreement, the Indenture, the Master Indenture, the Supplemental Master Indenture for Obligation No. 1, Obligation No. 1, and any related documents and instruments are collectively referred to herein as the “**Bond Documents.**”

1.6 Refinancing of Loan. Upon any refinancing of the Loan, the term “Loan Agreement” shall thereafter refer to the agreement for the refinancing of the Loan, the term “Loan” thereafter shall refer to the refinancing loan, and the term “Lender” thereafter shall refer to the lender making the refinancing loan, but otherwise all of the terms, covenants and conditions of this Lease shall remain unmodified and in full force and effect.

1.7 The Intercept. In order to provide for secure and orderly payment of the Base Rent component of Rent and for the payment of the Bonds out of such Base Rent payments, on or before the Commencement Date, Lessee shall cause CNCA, as operator of the charter schools known as Camino Nuevo Charter Academy, Camino Nuevo Elementary #3, and Camino Nuevo High School No. 2 or such other charter schools as CNCA may operate at the premises at which such charter schools currently conduct their primary operations (each, individually, a “**School**” and, collectively, the “**Schools**”) to deliver or cause to be delivered the Intercept Notice[s], substantially in the form set forth in Exhibit D attached hereto (collectively, the “**Intercept Notice**”), to the State Controller of the State of California (the “**State Controller**”). Amounts specified in the Intercept Notice for transfer to the Bond Trustee shall be limited to State Apportionments. Lessee shall cause CNCA to amend, supplement or restate the Intercept Notice and deliver such to the State Controller from time to time as necessary or appropriate to cause transfers to the Bond Trustee to pay any changed amount of Base Rent due under this Lease (including without limitation changes resulting from redemption or defeasance of Bonds prior to maturity) and to cure any delinquency in payment of such amounts, and to deliver such amended, supplemented, or restated Intercept Notice to the State Controller not later than the twentieth (20th) calendar day of the month immediately preceding the month with respect to which such payment is due. Lessee will cause CNCA to cooperate with the Bond Trustee in any manner the Bond Trustee may request in connection with amending, supplementing, or restating the Intercept Notice. If at any time, the Intercept Notice is amended, supplemented, or restated for any reason, Lessee shall promptly provide Lender and the Bond Trustee with a copy of such amended, supplemented, or restated Intercept Notice. The Intercept Notice may provide additional amounts payable to the Bond Trustee on account of Additional Rent, on account of rent owed under by CNCA to affiliates of Lessor under separate leases, or for other purposes set forth in the Indenture; provided, that CNCA shall not grant preference or any prior right of funding access or security in respect of the State Apportionment to any other payment indicated in the Intercept Notice or any other notice delivered pursuant to Section 17199.4 of the Education Code of the State of California. All deposits of moneys derived from payments by the State Controller pursuant to the Intercept

Notice from time to time shall be made at the corporate trust office of the Bond Trustee set forth in the Intercept Notice. Lessee shall cause CNCA to timely amend, supplement, or restate the Intercept Notice to require transfers to such other location as shall be designated in writing by the Bond Trustee to Lessee. Amounts transferred to the Bond Trustee from State Apportionments otherwise payable to or for the benefit of a School that are transferred to the Bond Trustee on account of amounts payable under this Lease shall be credited to fees payable by or on behalf of such School to Lessee under the Seventh Amended Agreement for Limited Services Between Lessee and CNCA effective as of July 1, 2022, as the same may be amended, amended and restated, or replaced.

1.8 Capitalized Terms. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Loan Agreement, the Indenture, the Master Indenture or, if not defined therein, in the Supplemental Master Indenture for Obligation No. 1.

1.9 [Incentive Payment] [Tenant's Contribution]. On the date of the funding of the Loan, [Lessor shall pay to Lessee] [Lessee shall pay to Lessor] \$_____.

2. Premises.

2.1 Letting. Lessor hereby leases and hires to Lessee, and Lessee hereby Leases and hires from Lessor, the Premises, for the Term, at the Rent, and upon and subject to all of the terms, covenants and conditions set forth in this Lease.

2.2 Condition of Premises. Lessee currently occupies the Premises pursuant to the terms of the Prior Lease. On the Lease Commencement Date, Lessee accepts the Premises in its as-is condition.

3. Term.

3.1 Term. The Lease Commencement Date, Expiration Date and Term of this Lease are as specified in Section 1.2.

4. Rent; Additional Rent; Expenses.

4.1 Rent Defined. Subject to the terms of this Lease, "**Rent**" is defined as and shall consist of the sum of (i) Base Rent, (ii) Additional Rent, (iii) Extraordinary Monthly Rent, and (iv) Expenses (all as defined below), together with all other monetary obligations of Lessee to Lessor or to third parties arising under the terms of this Lease.

4.2 Base Rent. "Base Rent" is listed in Schedule B to this Lease. So long as the Loan is outstanding, during the term of this Lease, the "Base Rent" shall be payable in accordance with the schedule set forth in Exhibit B, subject to downward adjustment in the event of any redemption or defeasance of all or a portion of the Bonds or prepayment of all or a portion of the Loan. In the event of redemption or defeasance of all the Bonds prior to the Expiration Date such that no Bonds remain outstanding and prepayment of all of the Loan prior to the Expiration Date and without termination of this Lease, commencing on the first day of the first calendar month following such defeasance, redemption or full prepayment, the Base Rent shall be \$100.00 per month.

4.3 Additional Rent. Lessee shall be responsible for the payment of Additional Rent. Additional Rent shall be paid to Lessor on demand or, if such Additional Rent is ongoing and can be calculated on a periodic basis, on a monthly basis pursuant to a written schedule from time to time delivered by Lessor. The amount projected as Additional Rent during the Term, assuming no Extraordinary Monthly Rent, is as set forth on Exhibit B. “Additional Rent” shall consist of the following:

(a) All amounts required to reimburse Lessor, or satisfy Lessor's obligations, for any fees, expenses, taxes, indemnities, assessments or other payments that the Borrower is obligated to pay under the terms of the Loan Agreement, including, but not limited to, such amounts as described in the Loan Agreement.

(b) Any other amounts required to be paid by the Lessor in order for the Lessor to meet its obligations under the Bond Documents on a full and timely basis.

4.4 Extraordinary Monthly Rent. In the event that Lessee receives a notice (an “**Extraordinary Monthly Rent Notice**”) from either the Lessor or the Related Bond Trustee (as defined in the Master Indenture) stating the Related Bond Trustee has not received the payment of Rent with respect to a Related Project on or before that date that such required payment is due, then the Lessee shall pay the Extraordinary Monthly Rent to the Related Bond Trustee within three business days after the Lessee's receipt of the Extraordinary Monthly Rent Notice. Lessor covenants to immediately provide Lessee with a copy of any Extraordinary Monthly Rent Notice received by Lessor pursuant to the terms of the Master Indenture. “**Extraordinary Monthly Rent**” means the amount set forth in such Extraordinary Monthly Rent Notice, which shall be Lessee's Proportionate Share of the Extraordinary Monthly Rent. “**Proportionate Share**” means the amount required to be paid by Lessee to ensure that all of the required Rent and School Loan Repayments with respect to all of the Related Projects have been timely made, said amount to be determined from time to time for each Obligated Group School in proportion to its respective share of Gross School Revenues attributable to the operation of such Obligated Group School. There is no assurance that the amount of Extraordinary Monthly Rent will be sufficient to cover any Rent not paid by any other Related Project. If payable, Extraordinary Monthly Rent shall be a component of Rent.

4.5 Expenses. Lessee shall be responsible for all Expenses, which Lessee shall pay directly to the providers of any of the items comprising Expenses prior to delinquency, or shall pay to or reimburse Lessor within thirty (30) days after receiving a statement from Lessor itemizing (with reasonable description) all charges included thereon. “**Expenses**” shall mean all costs and expenses of the ownership, operation, maintenance, repair or replacement, and insurance of the Premises (referred to in this Section 4.5 as the “**Facility**”), as determined by standard accounting practices, including, by way of illustration only, and not by way of limitation, to the extent they apply to the Facility, the aggregate of the “**Maintenance Expenses**” and the “**General Expenses**” set forth below:

(i) “**Maintenance Expenses**” means all costs of maintaining and repairing the Facility, the parking area, athletic fields and other portions of the Facility, deferred

maintenance, installing or extending service systems and other built-in equipment, and improving the Facility, including without limitation all of the following:

a. All maintenance, replacement and repair costs of air conditioning, heating and ventilation equipment and systems, elevators (if any), landscaping, service areas, parking lots, athletic fields, building exteriors (including painting), signs and directories, repairing and replacing roofs, walls, structural components of the Facility, and cost of compliance with applicable laws (including any required upgrades or retrofitting).

b. Supplies, materials, labor, equipment, and utilities used in or related to the repair and maintenance of the Facility and such common areas.

c. Capital improvements made to the Facility (whether funded in full or amortized with reasonable financing charges) which may be required by any government authority or which will improve the operating efficiency of the Facility.

(ii) “**General Expenses**” means all of the following, to the extent not included in Maintenance Expenses:

a. Gross receipts taxes, whether assessed against Lessor or assessed against Lessee and collected by Lessor.

b. Water, sewage, and waste or refuse removal charges.

c. Gas, electricity, telephone and other utilities.

d. The cost of monthly or annual contracts for systems or services such as alarm systems, security systems, internet services, janitorial services or landscaping services.

e. All janitorial, cleaning, landscaping, sweeping and repair services relating to the Facility.

f. The costs of signs and directories.

g. The cost of compliance with applicable laws.

h. Reasonable costs incurred by Lessor for operating expenses, including the day-to-day management (if any), including the cost of management personnel (if any), together with any of Lessor’s administrative expenses such as state filings, preparation of tax returns or notices, and all taxes, charges, or fees in connection therewith to the extent related to the Facility.

i. Real Property Taxes (as defined in Section 10.1 below) and personal property taxes (as described in Section 10.3 below), if any.

j. Amounts required to be paid as deductibles in connection with any insurance required under the Bond Documents.

k. Any other costs or expenses incurred by Lessor under this Lease, excluding depreciation of the Facilities.

l. [Amounts payable under the Ground Lease that are the responsibility of the Lessor and not otherwise paid pursuant to any other provisions of this subsection.]

4.6 Property Tax. Lessee uses the Premises exclusively for public school purposes, and therefore the Premises may be exempt from ad valorem property taxes. Lessee shall be responsible for the application to the Los Angeles County Tax Assessor for such tax exemption on an annual basis. Lessor shall cooperate with Lessee in obtaining such exemption, and shall execute any application for a tax exemption for the Premises. Any tax refunds and/or tax exemptions received by or granted to Lessor, based on Lessee's tax exempt status during the term of this Lease, shall be credited toward Lessee's Expenses payable under this Lease.

4.7 Payment. All Rent required to be paid in monthly installments shall be paid as specified in Exhibit B. All Rent shall be paid in lawful money of the United States, without any abatement, deduction or offset whatsoever (except as specifically provided herein), and without any prior demand therefore. All Rent shall be paid to the Master Trustee for deposit in the Gross Revenue Fund (as that term is defined in the Bond Documents), and at such address as the Master Trustee notifies Lessee, or at such other place as Lessor may designate from time to time, with the approval of the Master Trustee as long as Lessor has any obligations pursuant to the terms of the Bond Documents. Notwithstanding the foregoing, Lessee shall receive a credit for Rent owed to Lessor to the extent the Bond Trustee receives monies on behalf of Lessee under the Intercept. Except for the month of March 2023, Rent for any period during the Term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Subject to the terms of the Bond Documents, and so long as any of the Bonds or the Loan remains outstanding, Lessee shall, through the Intercept Notice, cause the State Controller to transfer the portion of the State Apportionment described in the Intercept Notice and attributable to the Schools to the Bond Trustee for deposit in the Revenue Fund (as defined in the Indenture). Lessor shall have the right, but not the obligation, to collect and impound, in advance, any or all components of Expenses or other Rent based upon Lessor's reasonable estimate of Lessee's future liability for such amounts for any calendar year or other period selected by Lessor. At the end of the calendar year or other period with respect to which any such estimate was prepared, Lessor shall reconcile Lessee's actual obligation for such component of Expenses or other Rent and the estimated amounts previously paid by Lessee.

4.8 Late Charge and Interest on Rent in Default. If any Rent is not received by or on behalf of Lessor from Lessee within ten (10) calendar days after Lessor has notified Lessee in writing that payment has not been received by Lessor, then Lessee shall immediately pay to Lessor a late charge equal to five percent (5%) of such delinquent rent as liquidated damages for Lessee's failure to make timely payment, by paying such sum to the Master Trustee for deposit in the Gross Revenue Fund. In no event shall this provision for a late charge be deemed to grant to Lessee a grace period or extension of time within which to pay any rent or prevent Lessor from exercising any right or remedy available to Lessor upon Lessee's failure to pay any rent due under this Lease in a timely fashion. If any Rent remains delinquent for a period in excess of thirty (30) days then, in addition to such late charge, Lessee shall pay to Lessor interest on any rent that is not paid when

due at the Default Interest Rate from the date such amount became due until paid by paying such sum to the Master Trustee by depositing the same in the Gross Revenue Fund.

4.9 Budgeting Rent. Without limiting the provisions of Exhibit C, Lessee covenants to take such action as may be necessary to include all such payments of Rent due hereunder in its annual budgets, to make, as necessary, annual appropriations for all such payments and to take such action annually as shall be required to provide funds in such year for such payments of Rent.

4.10 Accounting. Without limiting the provisions of Exhibit C, if Lessor requests in writing, Lessee agrees to provide Lessor with an annual, or more frequent, accounting of the Expenses paid for Lessee's most recent fiscal year.

5. Mandatory Covenants.

5.1 Specific Covenants Related to the Loan. For so long as the Loan is outstanding and has not been defeased or for so long as any obligations under the Loan Agreement remain outstanding, the provisions of Exhibit C shall be applicable for the benefit of Lessor and the Lender.

6. Use.

6.1 Agreed Use. In addition to any other restrictions on Lessee's use of the Premises, the Property shall be used by Lessee for the provision of administrative services to the Schools and other charter schools operated by CNCA, for any related and ancillary school and educational purposes, any related administrative purposes, and any related incidental legal uses. Notwithstanding the foregoing, Lessee shall use and occupy the Premises only for "educational facilities" as defined in Section 17173(f) of the Education Code of the State of California in order to operate one or more charter schools each of which is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code (the "**Code**") as an organization described in Code Section 501(c)(3) and that qualifies as an "educational organization" as described under Code Section 170(b)(1)(A)(ii); provided that Lessee shall not rent the Premises as residential rental property to others, or permit any Lessee to rent the Premises as residential rental property to others.

6.2 Hazardous Substances. Without limiting the generality of the foregoing, Lessee shall comply with all obligations and the Bond Documents related to Hazardous Substances and Environmental Regulations, to the extent applicable to the Premises or Lessee's use and occupancy thereof.

7. Maintenance; Repairs.

7.1 Lessee Fully Responsible. During the Term, except in cases of damage or destruction due to casualty loss, or in the event of Condemnation, and except in case of the initial construction of the Improvements, all repair, maintenance, restoration, retrofitting, construction or reconstruction with respect to the Improvements shall be the sole responsibility of Lessee, and Lessor shall have no duty to undertake any such repair, maintenance, restoration, retrofitting, construction or reconstruction, or to pay any costs of the same. Provided, however, that Lessor shall provide Lessee access to the moneys in the Repair and Replacement Fund, and to any moneys in the Insurance and Condemnation Proceeds Fund to the extent necessary or appropriate to pay

the costs of or to reimburse Lessee for its obligations hereunder, in accordance with the terms and provisions of the Indenture related to the Repair and Replacement Fund and the Insurance and Condemnation Proceeds Fund.

7.2 Compliance With Applicable Requirements. If any applicable building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances (the “**Applicable Requirements**”) require, during the Term, the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises, Lessee hereby agrees to undertake and complete such construction, alteration, remediation, reinforcement or other modification, and the costs therefor shall be incurred solely by Lessee.

7.3 Liens. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in, on, or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof.

7.4 Ownership of Improvements; Removal; Surrender; and Restoration.

(a) **Ownership.** All Improvements shall be the property of Lessor. Any additional improvements constructed and paid for by Lessee itself shall, at the expiration or termination of this Lease, at the option of Lessor, (i) be removed by Lessee or (ii) become the property of Lessor and be surrendered by Lessee with the Premises

(b) **Surrender and Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the parts, and surfaces thereof broom clean and free of debris, and in good operating order, condition, and state of repair, ordinary wear and tear excepted. Lessee shall repair any damage occasioned by the installation, maintenance, or removal of any of its furnishings, and equipment. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire.

8. Insurance; Indemnity.

8.1 Liability. Lessee shall keep in force such liability insurance policies and in such amounts as required to meet the requirements of the Master Indenture. The premium for such insurance shall be paid by Lessee and shall be deemed an “Expense” hereunder.

8.2 Premises. Lessee shall obtain and keep in force a policy or policies of property insurance in the name, and for the benefit, of Lessor, with loss payable to Lessor or, if required under the Bond Documents, to any lender, including the Bond Trustee and the Master Trustee, insuring loss or damage to the Premises. The amount of such insurance shall meet the requirements

of the Master Indenture. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

8.3 Rental Interruption. Lessee shall also obtain and keep in force, for the benefit of Lessor, rental interruption insurance insuring Lessor for the amounts of Base Rent arising from an interruption of the payment of the Base Rent, Additional Rent and Expenses otherwise payable by Lessor hereunder covering a period of at least 12 months. The limits of such insurance shall be based upon the highest monthly amount of Base Rent and Additional Rent shown on Exhibit B, as revised from time to time. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

8.4 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby releases and relieves the other, and waives their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.5 Indemnity. Except for Lessor's negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, partners, members, directors, and officers, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified. The provisions of this Section 8.5 shall survive the termination of this Lease.

8.6 Exemption of Lessor from Liability. Unless caused by Lessor's negligence or willful misconduct, Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or from other sources or places.

8.7 Insurance Requirements of Bond Documents. The foregoing notwithstanding, for so long as the Loan is outstanding, Lessee shall be deemed to meet its insurance obligations as set forth in this Section 8.7 if it carries, and it hereby agrees to carry, the insurance required to meet the terms of the Bond Documents, as such requirements may change from time to time. Without limiting the foregoing, for so long as the Loan is outstanding, Lessee shall cause the Bond Trustee, Master Trustee and Lessor to be named as additional insureds on Lessee's liability

insurance and Bond Trustee and Master Trustee as mortgagees and loss payees on property insurance policies.

9. Damage or Destruction.

9.1 Definitions.

(a) “**Damage**” shall mean damage or destruction to the improvements on the Premises from fire or other casualty.

(b) “**Insured Loss**” shall mean Damage that was caused by an event required to be covered by the insurance described in Section 8, irrespective of any deductible amounts or coverage limits involved.

9.2 Damage. Subject to the terms of the Master Indenture, Lessor shall be entitled to any and all insurance proceeds that are available as a result of any Insured Loss, and shall make such insurance proceeds available to Lessee, which shall proceed to reconstruct the Improvements subject to such Damage to their condition existing immediately prior to the Damage, utilizing available insurance proceed and any amounts voluntarily contributed by Lessee. If Lessor elects not to undertake such restoration, Lessee may (i) if such damage is material, terminate this Lease by providing written notice to Lessor, and to the Bond Trustee, Master Trustee and Lender, within 30 days after receipt by Lessee of Lessor’s notice of its election not to undertake such restoration, or (ii) using available insurance proceeds, restore and rebuild the Premises, so long as the following conditions are met:

(a) The amount of insurance proceeds that are available for restoration, plus any funds that may have been deposited by Lessee, are sufficient to restore and rebuild the Premises to their character, condition and utility immediately prior to the casualty (or to such other condition as Lessee reasonably demonstrates will generate sufficient revenue for Lessee to meet its obligation to pay all Rent thereafter accruing);

(b) The amount of available proceeds of rental interruption insurance plus any funds deposited by Lessee equals an amount determined by Lessor to be sufficient to pay the Rent accruing during the period between the date of such casualty and the date the restoration or rebuilding is substantially completed.

(c) The restoration or rebuilding is estimated by Lessor to be completed at least twelve (12) months prior to the Maturity Date of the Bonds.

(d) In lieu of making any deposit of funds as described above, Lessee shall have the right to provide other assurances of the payment of restoration costs and Rent acceptable to Lessor in its sole discretion, such as a letter of credit.

9.3 Damage—Uninsured Loss. If Damage that is not an Insured Loss occurs, (a) Lessee may repair such damage as soon as reasonably possible at Lessee’s expense, in which event this Lease shall continue in full force and effect or, (b) if Lessee elects not to undertake such repair, and such Damage is material, Lessor or Lessee may terminate this Lease by providing

written notice to the other party, and to Bond Trustee, Master Trustee and Lender, within 30 days after receipt by Lessor of knowledge of the occurrence of such Damage.

9.4 Waive Statutes. Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith, including California Civil Code Sections 1932(2) and 1933(4).

10. Real Property Taxes.

10.1 Definition. As used herein, the term “**Real Property Taxes**” shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises, Lessor’s right to other income therefrom; and/or Lessor’s business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the address of the Premises and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises is located. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the Term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Lessee shall timely file for exemption from any Real Property Taxes and shall maintain such exemption during the Term. In any event, Lessee shall pay, before the same become past due, the Real Property Taxes applicable to the Premises during the Term to the extent any such Real Property Taxes are charged, levied, assessed, or imposed.

10.3 Personal Property Taxes. Lessee shall timely file for exemption from any taxes fixtures, furnishings, equipment, and all personal property of Lessee and shall maintain such exemption during the Term. Lessee shall pay, prior to delinquency, all such taxes to the extent they are charged, levied, assessed, or imposed after an exemption for such taxes is filed as required hereunder.

11. Assignment and Subletting.

11.1 By Lessee. Except for a sublease to CNCA, Lessee shall not sublease, assign, mortgage, pledge, hypothecate or encumber this Lease or any of Lessee's interest hereunder without the prior written consent of Lessor (which shall not be unreasonably withheld). Lessee acknowledges that, pursuant to the Bond Documents, Lessor may be required to obtain the Lender’s approval to a sublease, assignment or other transfer of Lessee's interest in this Lease and that Lessor's disapproval shall be deemed reasonable if based on any such disapproval by Lender. Lessee acknowledges that the financing of the Premises through the Tax-Exempt Bonds may restrict the assignees which could be approved by Lessor. In addition, Lessee shall not Lease, assign, mortgage, pledge, hypothecate, or encumber this Lease unless it receives an Opinion of Bond Counsel confirming that such action will not result in use or operation of the Premises not in conjunction with a charter school under the Act.

11.2 By Lessor. Lessee acknowledges that Lessor's interest in the Premises are subject to a deed of trust in favor of the Master Trustee and that certain of the Lessor's rights under this Lease are assigned to the Master Trustee as security for the Bonds under the Master Indenture of Trust.

12. Default; Event of Default; Remedies.

12.1 Default; Event of Default. A “**Default**” is defined as a failure by Lessee to comply with or perform any of the terms, covenants or other obligations of Lessee under this Lease. An “**Event of Default**” is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

- (a) The abandonment of the Premises.
- (b) The failure of Lessee to make any payment of Rent required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond required hereunder, or to fulfill any obligation under this Lease that endangers or threatens life or property, where such failure continues for a period of ten (10) business days following written notice to Lessee.
- (c) Any material representation or warranty made in this Lease, or in any report, certificate, financial statement, or instrument furnished in connection with this Lease, proves to have been false or misleading when made, in any material respect, and is not promptly corrected.
- (d) Lessee violates or fails to observe or perform any covenant contained in Section 2 of Exhibit C attached hereto, and fails to cure the same within any notice or grace period contained in Exhibit C.
- (e) Lessee violates or fails to observe or perform any of the financial covenants of Lessee set forth in Section 3.3 of Exhibit C attached hereto, and fails to cure the same within any notice or grace period contained in Exhibit C.
- (f) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, other than those described in subparagraphs 12.1(a) through (e) above, where such Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Default if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- (g) The occurrence of any of the following events: (i) Lessee’s making of any general arrangement or assignment for the benefit of creditors; (ii) Lessee’s becoming a “debtor” as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 90 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee’s assets located at the Premises or of Lessee’s interest in this Lease, where possession is not restored to Lessee within sixty (60) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee’s assets located at the Premises or of Lessee’s interest in this Lease, where such seizure is not discharged within sixty (60) days; provided, however, in the event that any provision of this subparagraph (g) is contrary

to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

12.2 Remedies. Upon the occurrence of any Event of Default, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy that Lessor may have by reason of such Event of Default:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent that had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees of Lessor and the Authorities, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Event of Default of this Lease shall not waive Lessor's right to recover damages under Section 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Section 12.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Section 12.1. In such case, the applicable grace period required by Section 12.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and an Event of Default under this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue this Lease and Lessee's right to possession and recover the Rent as it becomes due. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect Lessor's interests, shall not constitute a termination of Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under this Lease, including under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

12.3 Default Interest. Any monetary payment due Lessor hereunder not received by Lessor when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payments, shall bear interest computed at the rate of 10% per annum (but not in excess of the maximum rate allowed by law) (“**Default Interest Rate**”) from the date when due as to scheduled payments, or the 31st day after it was due as to non-scheduled payments.

12.4 Lessor Self Help. If Lessee fails to perform any of its affirmative duties or obligations (other than compliance with the covenants and financial reporting requirements pursuant to Section 5 and Exhibit C), Lessor may, at its option, perform such duty or obligation on Lessee's behalf including, but not limited to, the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor.

13. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively “**Condemnation**”), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs, and Expenses thereafter shall be limited to those applying to the remaining Premises subject to this Lease. Subject to the terms of the Loan Agreement, in the event that there is a Condemnation of less than all of the Premises, and such portion so taken is material to Lessee’s use and quiet enjoyment of the Premises as a whole, then all available Condemnation awards and/or payments shall be used first, to restore the remaining portion of the Premises to a usable whole, and second, to reduce the balance of any loan made to Lessor and secured by the Premises in proportion to the portion taken or sold. Any portion of the award and/or payment that remains after the foregoing purposes have been satisfied shall be the property of Lessor. Subject to the terms of the Loan Agreement, if the entirety of the Premises is taken, then the Condemnation awards and/or payments shall be the property of Lessor.

14. Estoppel Certificates. Each Party (as “**Responding Party**”) shall within ten (10) days after written notice from the other Party (the “**Requesting Party**”) execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current “**Estoppel Certificate**” form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

15. Definition of Lessor. The term “**Lessor**” as used herein shall mean the owner or owners at the time in question of the Lessor's interest under this Lease. Upon any transfer of such interest in the Premises, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the succeeding Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by Lessor shall be binding only upon Lessor as hereinabove defined.

16. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

17. Days. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Lease shall mean and refer to calendar days. “**Business Day**” means any day other than a

Saturday, a Sunday or a day on which banking institutions in the city in which the Principal Corporate Trust Office (as defined in the Indenture) is located are authorized or obligated by law or executive order to be closed.

18. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease. No member, officer, agent or employee of Lender or any director, officer, agent or employee of the Bond Trustee, Master Trustee, Lessor or Lessee shall be individually or personally liable for the payment of any amounts hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Lease; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or this Lease.

19. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

20. No Prior or Other Agreements. Subject to the terms of the Bond Documents, this Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Each Party represents and warrants that the execution of this Lease will not, to the best of the Party's knowledge, constitute a violation under any material agreements to which such Party is a party.

21. Notices.

21.1 Notice Requirements. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given (a) if hand delivered or delivered by courier, when delivered to the appropriate notice address, or (b) if mailed by first class mail, postage prepaid, six Business Days after deposit in the United States mail addressed to the appropriate notice address. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Days. The parties listed below may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

21.2 Addresses.

Lessor: GNLA 3435 W Temple LLC
c/o Camino Nuevo Charter Academy
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Chief Executive Officer

Lessee: Camino Nuevo Charter Academy
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Chief Executive Officer

Lender (during the time the Loan is outstanding):

California School Finance Authority
State Treasurer's Office
304 S. Broadway, Suite 550
Los Angeles, California 90013
Attention: Executive Director

22. Waivers. No waiver by Lessor of the Default or Event of Default of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Event of Default by Lessee of the same or of any other term, covenant or condition hereof.

23. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 110% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

24. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

25. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State of California. Any litigation between the Parties hereto concerning this Lease shall be initiated in the County of Los Angeles; provided, that any litigation in which Lender is a party concerning this Lease shall be initiated in Sacramento County, California.

27. Lessor's Access; Showing Premises; Repairs. Lessor shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times after two (2) Business Days' prior notice for the purpose of inspecting the Premises, verifying compliance by Lessee with this Lease or exercising its self-help rights under Section 12.4.

28. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the Term hereof.

29. Counterparts. This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. This Lease may be executed by the delivery of separately signed counterpart signature pages. A

party's delivery by electronic transmission of the party's manually or electronically signed counterpart signature page to this Lease shall be deemed as effective as the party's physical delivery of a manually signed counterpart signature page.

30. Amendments. Subject to the terms of the Master Indenture of Trust, this Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a lender in connection with the obtaining of normal financing or refinancing of the Premises.

31. Limitation of Rights to Parties. Except as otherwise provided herein, nothing in this Lease is intended or shall be construed to give to any person other than Lessor and Lessee any legal or equitable right, remedy or claim under or in respect of this Lease or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of Lessor and Lessee.

32. CASp Disclosure. California Civil Code Section 1938 requires Lessor to notify Lessee whether the Premises has undergone inspection by a Certified Access Specialist ("CASp"), as defined in California Civil Code Section 55.52. Lessor hereby states to Lessee that, as of the date this Lease is executed, the property of which the Premises is a part has not undergone such inspection. A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction related accessibility standards under California state law. Although California state law does not require a CASp inspection of the Premises, the Lessor may not prohibit Lessee from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Lessee, if requested by Lessee. The Parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the Premises.

(Signatures on next page)

(Signature page of Lease Agreement)

The Parties hereto have executed this Lease as of the day and year first above written.

LESSOR:

GNLA 3435 W TEMPLE LLC,
a California limited liability company

By: Grupo Nuevo Los Angeles,
a California nonprofit public benefit corporation,
its Sole Member

By: _____
Eric Heggen
Board President

LESSEE:

**PUEBLO NUEVO EDUCATION AND
DEVELOPMENT GROUP,**
a California nonprofit public benefit corporation

By: _____
[Name]
[Title]

EXHIBIT A

Legal Description of Premises

EXHIBIT B

Schedule of Base Rent and Additional Rent

Base Rent and Additional Rent for each month of the Term shall be payable monthly in advance on the 20th day of the preceding month in accordance with the following payment schedule.

EXHIBIT C

MANDATORY COVENANTS

Capitalized terms not otherwise defined in this Exhibit C shall have the meanings ascribed to such terms in the Lease Agreement to which this Exhibit forms a part (the “Lease”) and the Master Indenture.

1. **Lessee Covenants:** Lessee acknowledges that the Premises secure Lessor's obligations under the Bond Documents. Accordingly:

1.1 Lessee covenants and agrees that so long as any bonds or loans remain outstanding, Lessee shall maintain the Premises as an educational facility at which Lessee provides administrative services to charter schools operated by CNCA.

1.2 If CNCA ceases to operate charter schools, Lessee shall use commercially reasonable efforts, and shall cooperate with Lessor, to assign this Lease to an entity that operates charter schools or provides administrative services to an entity that operates charter schools.

1.3 Lessee will permit the Lessor to discuss the affairs, finances and accounts of Lessee or any information the Lessor may reasonably request with appropriate officers of Lessee, and will grant the Lessor access to the facilities, books and records related to the Improvements or Lessee on any business day upon reasonable prior notice.

2. **Bondholder/Lender Protection Regarding Lessee Defaults:** At any time when there is a Security Instrument against the Premises, the following provisions shall apply:

2.1 Prior to exercising any right or remedy that would have the effect of terminating the Lease (or that would terminate the Lease if Lessee does not satisfy conditions, such as payment of delinquent Rents), the Lessor must give Lender written notice of default and an opportunity to cure (a) monetary defaults within ten (10) days after notice; and (b) all other defaults within the time allowed by the Lease for Lessee to perform.

2.2 Before any termination remedy may be exercised against Lessee, if any cure of a non-monetary default requires that Lender obtain possession of the Premises, then the time of Lender to cure shall be extended to ten (10) days after it has obtained possession, provided that Lessor has moved with all due diligence to exercise its remedies to obtain possession.

2.3 Before any termination remedy may be exercised against Lessee, if an Event of Default requires more time to cure than allowed above, then on demonstration that Lender has worked in good faith and with all due speed to cure the Default, Lender may extend the time to perform by another thirty (30) days.

2.4 Notwithstanding any other provision hereof, no lender shall have a liability or obligation to cure an Event of Default.

2.5 Lessee shall not take any action, or omit to take any action required of it by the Lease, that will impair or diminish the security of the existing Security Instruments, including any acts/omissions that will have a negative effect on the tax status of the Security Instrument.

3. **Lessee's Financial Covenants.** For purposes of this Section 3, all initially capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Master Indenture, provided that, for purposes of subsections 3.1 through 3.9 below (including all subsections thereto) all references to “Lessee” shall be deemed references to CNCA and further provided that any such definitions therein pertaining to the financial or operational performance of the Lessor (defined therein as a “**Member**”) shall be construed when used herein to refer to the financial or operational performance of CNCA. For clarity, the financial covenants set forth below shall be applied pursuant and subject to the provisions below. With respect to any retention of an Independent Consultant hereunder, Lessee hereby covenants that Lessee shall cause CNCA to comply with and shall be bound by the selection procedures set forth in the Bond Documents.

Lessee shall cause CNCA to comply with the following covenants:

3.1 **Liquidity Covenant.** Lessee shall calculate Consolidated Days Cash on Hand for the Obligated Group Schools as of the last day of each Fiscal Year, commencing with the later of the (i) Fiscal Year ending June 30, [2023] and (ii) immediately succeeding Fiscal Year commencing after the effective date of the Lease, based upon its audited financial statements for such Fiscal Year and file such reports with Master Trustee. For each calculation date, the Obligated Group Schools will maintain Consolidated Days Cash on Hand as of the last day of each Fiscal Year equal to or greater than 45 days.

3.1.1 “**Cash and Cash Equivalents**” means the sum of cash, cash equivalents, liquid investments, and unrestricted marketable securities (valued at the lower cost of market value) of the Obligated Group Schools.

3.1.2 “**Consolidated Days Cash on Hand**” means (i) the sum of Cash and Cash Equivalents of the Obligated Group Schools, as shown on Lessee’s audited financial statements for each Fiscal Year, and any State payments accrued to such Fiscal Year and scheduled to be received within two months following the end of such Fiscal Year (“**Cash on Hand**”); divided by (ii) the Average Daily Expenses for Obligated Group Schools (as calculated for the most recent Fiscal Year ending before such date).

3.1.3 “**Average Daily Expenses for Obligated Group Schools**” means (A) cash requirements during such Fiscal Year related to or payable from revenues attributable to the Obligated Group Schools (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of the Obligated Group Schools in the aggregate (i) all Operating Expenses for such Fiscal Year for the Obligated Group Schools, (ii) subordinated Support Office Management Fees, and (iii) the sum of the Base Rent and School Loan Repayments payable under the Leases and School Loan Agreements, respectively for all Obligated Group Schools between Lessee and any Member of the Obligated Group for that year or any other year, divided by (B) 365.

3.1.4 Lessee will provide a certificate to the Lessor and Master Trustee at the time of delivery of its annual audited financial statements for each Fiscal Year indicating whether Lessee, on behalf of the Obligated Group Schools, has met the requirement set forth above. If the certificate indicates that such cash balance requirement has not been met, Lessee covenants to retain an Independent Consultant at the expense of Lessee, on behalf of the Obligated Group Schools, within 45 days, to make recommendations to increase such balances in the then-current Fiscal Year to the required level or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant on behalf of the Obligated Group Schools more often than once during any 24 month period.

3.1.5 In the event the Obligated Group Schools fail to have such an amount on deposit, it will not be a default or Event of Default under the Lease.

3.2 **Consolidated Payment Coverage Ratio Covenant.** Lessee covenants and agrees to calculate for each Fiscal Year its Consolidated Payment Obligation Coverage Ratio based on its audited financial statements for such Fiscal Year, and to provide a copy of such calculation for such period to the Lessor and the Master Trustee annually commencing with the later of the (i) Fiscal Year ending [June 30, 2023] and (ii) Fiscal Year ending June 30 of the Fiscal Year in which the Lease is executed. Lessee also covenants to maintain its Net Operating School Revenue so that the Consolidated Payment Obligation Coverage Ratio at the end of each Fiscal Year is not less than 1.10 to 1.00; provided that, except as provided below, Lessee's failure to achieve the required Consolidated Payment Obligation Coverage Ratio will not constitute an Event of Default under any Lease or School Loan Agreement if Lessee promptly engages an Independent Consultant to prepare a report, to be delivered to Lessee, Landlord and Master Trustee within 45 days of engagement, with recommendations for meeting the required Consolidated Payment Obligation Coverage Ratio, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant more often than once during any 24 month period. Notwithstanding the foregoing, Lessee's failure to achieve a Payment Coverage Ratio of 1.00 to 1.00 will constitute an Event of Default under the Lease.

3.2.1 **“Expenses”** has the meaning set forth in Section 4.5 of this Lease.

3.2.2 **“Gross School Revenues”** means all revenue, income, receipts and money received by Lessee or on behalf of Lessee from all lawfully available sources attributable to its operation of the Schools, including from any applicable district or county or from the State pursuant to the Charter School Law from any general purpose entitlement, revenue limit, or State educational funding sources; but excluding gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for Rent payments or operating expenses. Any other income, revenue, receipts, contributions or other monies received by Lessee not specifically described in the immediately preceding sentence shall not constitute Gross School Revenues.

3.2.2 **“Management Agreement”** means any agreement between Lessee and a charter school, including charter schools operated or managed by Lessee, pursuant to which Lessee provides management services.

3.2.3 **“Net Operating School Revenue”** means Lessee’s Gross School Revenues minus its Operating Expenses; provided, that no determination thereof will take into account: (a) any gain or loss resulting from either the early extinguishment or refinancing of Obligated Group School Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business; (b) gifts, grants, bequests, donations or contributions, and income therefrom, to the extent specifically permanently restricted by the donor or by law to a particular purpose inconsistent with their use for the payment of Operating Expenses; (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; (d) adjustments to the value of assets or liabilities resulting from changes in generally accepted accounting principles; (e) unrealized gains or losses that do not result in the receipt or expenditure of cash; and (f) nonrecurring items which involve the receipt, expenditure or transfer of assets.

3.2.4 **“Obligated Group School Indebtedness”** means Indebtedness (as such term is defined in the Master Indenture) related to or payable from revenues of the School and to any other charter school operated by Lessee at the Facility subject to the Lease.

3.2.5 **“Operating Expenses”** means except as provided below, all unrestricted expenses of the Lessee, attributable to operations of the Schools, including maintenance, repair expenses, utility expenses, equipment lease and other rental expense (excluding the Base Rent, School Loan Repayments, and the Extraordinary Monthly Rent, if any, but including Expenses and Additional Rent), Ground Rent (unless such Ground Rent is expressly subordinated to the payment of amounts due under the Related Supplement), administrative and legal expenses, miscellaneous operating expenses, advertising and promotion costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Lessee, equipment leases and service contracts, taxes upon the operations of the Lessee not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles, all in such amounts as reasonably determined by the Lessors. “Operating Expenses” shall exclude, however, (i) all subordinated Support Office Management Fees, (ii) depreciation and amortization, (iii) one-time expenses, and (iv) any expenses which are treated as extraordinary in accordance with generally accepted accounting principles.

3.2.6 **“Support Office Management Fees”** means all support office management fees, if any, paid to Lessee in connection with management services provided and related to or payable from revenues attributable to the Schools. This fee shall be subordinate to the payment of Rent due under the Lease.

3.3 [Reserved].

3.4 [Reserved].

3.5 **Use of Intercept Moneys.** Lessee covenants that all funds subject to the Intercept shall only be transferred to a Related Bonds Trustee for Related Bonds issued by the California School Finance Authority.

3.6 **Subordination of Support Office Management Fees.** If a School enters into a Management Agreement for the payment of Support Office Management Fees to Lessee or any supporting organization of Grupo Nuevo Los Angeles under Internal Revenue Code Section 509(a)(3), or any of their respective affiliates, with respect to the School, Lessee shall amend any such Management Agreement for the School such that, so long as Bonds remain outstanding: (i) the obligation of Lessee to pay Support Office Management Fees relating to the School shall be subordinate to its payment of operating expenses of the School, rent payments to Lessor under this Lease; (ii) the obligation of Lessee to pay Support Office Management Fees relating to the School shall be suspended for any such time as the payment of Support Office Management Fees would cause Lessee to fail to meet any of the financial covenants contained in Sections 3.2 or 3.4 of the Master Indenture; and (iii) during any period of time when Support Office Management Fees remain unpaid, such fees shall accrue without interest. If Lessee has not engaged a separate manager with respect to the School, Lessee agrees that it shall not apply any Gross School Revenues to costs and expenses of management unless and until all Rent is fully paid and the Loan is not in default.

3.7 **Approval of Engagement of Independent Consultant.** Whenever the Lease provides for the retention or engagement of an Independent Consultant by Lessee, such Independent Consultant will be engaged in the manner as set forth herein.

Upon the selection by Lessee of an Independent Consultant as required under the provisions of the Lease, the Landlord will notify the Obligated Group Representative, who will notify the Master Trustee of such selection. The Master Trustee is required to, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Outstanding Related Bonds of such selection. Such notice (which shall be provided by the Obligated Group Representative) will (i) include the name of the Independent Consultant and a brief description of the Independent Consultant, (ii) state the reason that the Independent Consultant is being engaged including a description of the covenant(s) of the Lease that require the Independent Consultant to be engaged, and (iii) state that the Holder of the Outstanding Related Bonds will be deemed to have consented to the selection of the Independent Consultant named in such notice unless such Holder submits an objection to the selected Independent Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee is required to notify the Obligated Group Representative of the number of objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have been deemed to have consented to the selection of the Independent Consultant, the applicable Landlord is required to cause the Lessee to engage the Independent Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have objected to the Independent Consultant selected, Lessee will select another Independent Consultant which may be engaged upon compliance with the procedures described herein.

3.8 [Reserved].

3.9 **Financial Reporting.** Lessee agrees to provide the Borrower, and upon written request of the Bond Trustee or Master Trustee, to the Bond Trustee or Master Trustee, the following information:

3.9.1 If Lessee is undertaking any construction at the Premises, not later than 60 days after the end of each fiscal quarter of Lessee, a construction progress report with respect to such construction, until such construction is substantially complete.

3.9.2 Quarterly unaudited financial information and operating data of the Obligated Group Schools not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023].

3.9.3 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a report of the Obligated Group Schools' quarterly enrollment data and waitlist data by grade for the previous fiscal quarter.

3.9.4 Prior to the end of each fiscal year, a copy of the annual budget of the Obligated Group Schools for the subsequent Fiscal Year.

3.9.5 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a year to date comparison of the revenue and expenditures in the unaudited financial statements for such quarter to the annual budget for the applicable fiscal year.

3.9.6 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a copy of any recommendations of any Independent Consultant received in accordance with the Master Indenture pursuant to the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

3.9.7 Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending [June 30, 2023], copies of the audited financial statements of Lessee and the Obligated Group Schools for the prior fiscal year prepared in accordance with generally accepted accounting principles applicable to nonprofit corporations from time to time, if available.

3.9.8 Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2022, the certifications and calculations of the Days Cash on Hand for the Obligated Group Schools and the Payment Coverage Ratio for each School as described in the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

3.9.9 Such other information as may be reasonably requested by the Borrower, the Authority, the Trustee or the Master Trustee.

3.10 **Limitations on Obligated Group School Indebtedness.** Lessee covenants that it will not incur, assume or guarantee (“**incur**”) any Obligated Group School Indebtedness (secured or unsecured), except Obligated Group School Indebtedness with respect to purposes specifically benefiting Lessee, and except as provided below.

3.10.1 Nonrecourse Indebtedness. To the extent permitted by applicable law and if no Breach under the Leases, or an event that with the giving of notice or passage of time or both would constitute an Breach under the Leases, has occurred and is continuing, Lessee may incur or assume Nonrecourse Indebtedness (as defined below), but limited with Short-Term Indebtedness (as defined below), and Interim Indebtedness (as defined below) to a total aggregate principal amount outstanding at any time that is not in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) the maximum amount of advance apportionment and principal apportionment due to the Obligated Group Schools in any fiscal year that is deferred at any time or subject to deferral pursuant to Section 14041.6 of the California Education Code or Sections 16325.5 and 16326 of the California Government Code, or any subsequent legislation authorizing additional deferrals of such apportionments (collectively “**Maximum Deferred Apportionment**”).

3.10.2 Short-Term Indebtedness. Lessee may incur Short-Term Indebtedness (as defined below) for working capital purposes as in its judgment is deemed expedient, provided that in no event will Lessee incur Short-Term Indebtedness, together with outstanding Nonrecourse Indebtedness and Interim Indebtedness (as defined below) in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

3.10.3 Interim Indebtedness. Lessee may incur Interim Indebtedness (as defined below) as in its judgment is deemed expedient, provided that in no event will Lessee incur Interim Indebtedness, together with outstanding Nonrecourse Indebtedness and Short-Term Indebtedness, on a combined basis, is in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

3.10.4 Facility Leases. Obligated Group School Indebtedness consisting of leases for charter school facilities, the term of which do not exceed two years (including any term extension options), may be incurred without limitation. A lease for a charter school facility with a term exceeding two years (including any term extension options) shall not be considered Nonrecourse Indebtedness subject to the tests therefor set forth above, but may be incurred if an Independent Consultant selected by Lessee provides a written report to the Master Trustee (A) setting forth projections which indicate forecasted Payment Coverage Ratio for each of the fiscal years under the term of such lease, taking into account such lease, of not less than 1.10:1.00.

3.10.5 Interim Indebtedness” means all Obligated Group School Indebtedness having an original maturity less than or equal to five years and not renewable at the option of Lessee for a term greater than five years from the date of original incurrence or issuance.

3.10.6 “Nonrecourse Indebtedness” means all Obligated Group School Indebtedness with respect to which the obligee is prevented by applicable law or contractual arrangement from exercising recourse, or any other right or remedy exercisable by a creditor, against all or any part of the Premises or the Improvements in order to pay, satisfy or discharge all or any part of the Obligated Group School Indebtedness.

3.10.7 “Short-Term Indebtedness” means all Obligated Group School Indebtedness having an original maturity less than or equal to one year and not renewable at the option of Lessee

for a term greater than one year from the date of original incurrence or issuance, provided however, that any Short-Term Indebtedness that has been issued as revenue anticipation notes (“**RANS**”) will not be included or counted as Short-Term Indebtedness to the extent that the RANS are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANS.

EXHIBIT D

Form of Intercept Notice

Notice to the State Controller Pursuant to Education Code Section 17199.4

[Insert Date]

Re: California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023B (Taxable)

WHEREAS, GRUPO NUEVO LOS ANGELES (the “Borrower”) has entered into a Loan Agreement, dated as of [date], by and between the California School Finance Authority (the “Authority”) and the Borrower, providing for a loan (the “Loan”) for the acquisition and construction of charter school facilities to be owned by the Borrower and Leased to CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation, which operates [*], 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 (the “Lessee”) (CDS #19-64733-[*]; and

WHEREAS, the Authority has issued its above-referenced revenue bonds (the “Bonds”) to fund the Loan;

NOW THEREFORE, NOTICE IS HEREBY GIVEN PURSUANT TO SECTION 17199.4(a)(1) AND (4) 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 Lessee has elected, pursuant to a resolution adopted on January 17, 2023, and Section 17199.4(A)(1) and (4) 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 Wilmington Trust, National Association, as trustee (the “Trustee”), for the Bonds. 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. Transfers pursuant to paragraph 1 above shall be paid by wire transfer of immediately available funds to

U.S. Bank Trust Company, National Association
[Insert Address]

(Signature on next page]

(Signature page to intercept notice)

CAMINO NUEVO CHARTER ACADEMY,
as operator of
[*]

By: _____
Name: _____
Title: _____

Schedule 1

Intercept Payment Amounts and Dates

(Remainder of page intentionally left blank)

LEASE AGREEMENT

between

[*] LLC

a California limited liability company,
as Lessor

and

CAMINO NUEVO CHARTER ACADEMY,
a California nonprofit public benefit corporation,
as Lessee

for the use and occupation of the subject premises
in the operation of the charter school known as

[*]

dated as of March 1, 2023

TABLE OF CONTENTS

	Page
1. Basic Provisions.....	1
1.1 Premises	1
1.2 Term.....	1
1.3 Extension Option	1
1.4 Rent.....	1
1.5 The Bonds	1
1.6 Refinancing of Loan	2
1.7 The Intercept.....	2
1.8 Capitalized Terms	2
1.9 [Incentive Payment] [Tenant’s Contribution].....	3
2. Premises	3
2.1 Letting.....	3
2.2 Condition of Premises.....	3
3. Term.....	3
3.1 Term.....	3
4. Rent; Additional Rent; Expenses	3
4.1 Rent Defined	3
4.2 Base Rent	3
4.3 Additional Rent.....	3
4.4 Extraordinary Monthly Rent.....	4
4.5 Expenses	4
4.6 Property Tax.....	5
4.7 Payment.....	6
4.8 Late Charge and Interest on Rent in Default	6
4.9 Budgeting Rent	6
4.10 Accounting.....	6
4.11 Source of Rent Payments	7
5. Mandatory Covenants	7
5.1 Specific Covenants Related to the Loan	7
6. Use	7
6.1 Agreed Use.....	7
6.2 Hazardous Substances.....	8
7. Maintenance; Repairs.....	8
7.1 Lessee Fully Responsible.....	8
7.2 Compliance With Applicable Requirements	8
7.3 Liens.....	8
7.4 Ownership of Improvements; Removal; Surrender; and Restoration.....	8
8. Insurance; Indemnity	9
8.1 Liability.....	9
8.2 Premises	9
8.3 Rental Interruption	9
8.4 Waiver of Subrogation.....	9

TABLE OF CONTENTS
(Continued)

		Page
8.5	Indemnity	9
8.6	Exemption of Lessor from Liability	10
8.7	Insurance Requirements of Bond Documents.....	10
9.	Damage or Destruction	10
9.1	Definitions.....	10
9.2	Damage	10
9.3	Damage—Uninsured Loss	11
9.4	Waive Statutes	11
10.	Real Property Taxes	11
10.1	Definition	11
10.2	Payment of Taxes.....	11
10.3	Personal Property Taxes	11
11.	Assignment and Subletting	12
11.1	By Lessee	12
11.2	By Lessor	12
12.	Default; Event of Default; Remedies	12
12.1	Default; Event of Default.....	12
12.2	Remedies.....	13
12.3	Default Interest.....	14
12.4	Lessor Self Help.....	14
13.	Condemnation	14
14.	Estoppel Certificates	14
15.	Definition of Lessor	15
16.	Severability	15
17.	Days	15
18.	Limitation on Liability.....	15
19.	Time of Essence	15
20.	No Prior or Other Agreements	15
21.	Notices	15
21.1	Notice Requirements.....	15
21.2	Addresses	16
22.	Waivers	16
23.	No Right To Holdover	16
24.	Cumulative Remedies	16
25.	Covenants and Conditions; Construction of Agreement	16
26.	Binding Effect; Choice of Law	16

**TABLE OF CONTENTS
(Continued)**

	Page
27. Lessor’s Access; Showing Premises; Repairs.....	17
28. Quiet Possession	17
29. Counterparts	17
30. Amendments	17
31. Limitation of Rights to Parties	17
32. CASp Disclosure.....	17
EXHIBIT A LEGAL DESCRIPTION OF PREMISES	A-1
EXHIBIT B SCHEDULE OF BASE RENT & ADDITIONAL RENT	B-1
EXHIBIT C MANDATORY COVENANTS	C-1
EXHIBIT D FORM OF INTERCEPT NOTICE.....	D-1

LEASE AGREEMENT

This LEASE AGREEMENT (“**Lease**”) dated, for reference purposes only, as of March 1, 2023, is made by and between [*], a California limited liability company (“**Lessor**”), and CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation (“**Lessee**”) (Lessor and Lessee being sometimes referred to herein collectively as the “**Parties**” and individually a “**Party**”). This Lease is for the use and occupancy of the subject Premises by Lessee in the operation of the charter school known as “[*],” CDS #19-64733-[*], or such other charter school as Lessee may operate on the Premises (the “**School**”). This Lease [amends and restates] [supersedes] [succeeds], effective as of the Commencement Date (as defined below) that certain Lease Agreement dated as of [*], (the “**Prior Lease**”) between the Parties.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged: the parties hereby agree as follows:

1. Basic Provisions.

1.1 Premises. The real property and improvements commonly referred to as [*], legally described on Exhibit A attached hereto, is referred to herein as the “**Premises**.”

1.2 Term. [Section [*] of the Prior Lease is hereby amended to provide that the term of the Prior Lease will expire on the date of the making of the Loan (as defined below) (the “**Commencement Date**”), provided that the rent payable under the Prior Lease for the month of March 2023 shall not be pro-rated.] The term of this Lease (the “**Term**”) shall commence on the expiration of the Prior Lease (the “**Commencement Date**”), and shall end on June 30, 20[*] (the “**Expiration Date**”). (See also Section 3 below.) In accordance with the terms of the Loan Agreement (as defined in Section 1.5 below), this Lease may be terminated by Lessee by Lessee’s depositing with the Master Trustee (as defined in Section 1.5 below) sufficient cash or securities to redeem or defease the entire principal amount of the Bonds (as defined in Section 1.5 below), together with accrued interest to the redemption date.

1.3 Extension Option. Not applicable.

1.4 Rent. During the Term, Rent, as described in Section 4.1, shall be payable by Lessee to Lessor.

1.5 The Bonds. The California School Finance Authority (“**Lender**”) is making loans (the “**Loan**”) to Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “**Borrower**”), pursuant to a Loan Agreement dated as of March 1, 2023, (the “**Loan Agreement**”), by and between Lender and the Borrower and approved by Lessor. The Loan will be funded by the proceeds of Lender’s Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2022B (Taxable) (collectively, the “**Bonds**”) to be issued pursuant to an Indenture (the “**Indenture**”) between Lender and U.S. Bank Trust Company, National Association, as Trustee (the “**Bond Trustee**”). In connection with the issuance of the Bonds, the Borrower, as the obligated group representative (the “**Obligated Group Representative**”), Lessor and other limited liability companies of which the Borrower is the sole member, as the initial members (“**Initial Members**”) of an obligated group (the “**Obligated Group**”), and U.S. Bank Trust

Company, National Association, as master trustee (the “**Master Trustee**”), will enter into a Master Indenture of Trust dated as of March 1, 2023, (the “**Master Indenture**”) and a related Supplemental Master Indenture for Obligation No. 1 dated as of March 1, 2023, (the “**Supplemental MTI No. 1**”) and, pursuant to Supplemental MTI No. 1, the Obligated Group Representative will issue its Obligation No. 1 in the par amount of the Bonds in favor of the Master Trustee. The Loan Agreement, the Indenture, the Master Indenture, the Supplemental Master Indenture for Obligation No. 1, Obligation No. 1, and any related documents and instruments are collectively referred to herein as the “**Bond Documents.**”

1.6 Refinancing of Loan. Upon any refinancing of the Loan, the term “Loan Agreement” shall thereafter refer to the agreement for the refinancing of the Loan, the term “Loan” thereafter shall refer to the refinancing loan, and the term “Lender” thereafter shall refer to the lender making the refinancing loan, but otherwise all of the terms, covenants and conditions of this Lease shall remain unmodified and in full force and effect.

1.7 The Intercept. In order to provide for secure and orderly payment of the Base Rent component of Rent and for the payment of the Bonds out of such Base Rent payments, on or before the Commencement Date Lessee shall deliver or cause to be delivered the Intercept Notice, substantially in the form set forth in Exhibit D attached hereto (the “**Intercept Notice**”), to the State Controller of the State of California (the “**State Controller**”). Amounts specified in the Intercept Notice for transfer to the Bond Trustee shall be limited to State Apportionments. Lessee shall, amend, supplement or restate the Intercept Notice and deliver such to the State Controller from time to time as necessary or appropriate to cause transfers to the Bond Trustee to pay any changed amount of Base Rent due under this Lease (including without limitation changes resulting from redemption or defeasance of Bonds prior to maturity) and to cure any delinquency in payment of such amounts, and shall deliver such amended, supplemented, or restated Intercept Notice to the State Controller not later than the twentieth (20th) calendar day of the month immediately preceding the month with respect to which such payment is due. Lessee will cooperate with the Bond Trustee in any manner the Bond Trustee may request in connection with amending, supplementing, or restating the Intercept Notice. If at any time, the Intercept Notice is amended, supplemented, or restated for any reason, Lessee shall promptly provide Lender and the Bond Trustee with a copy of such amended, supplemented, or restated Intercept Notice. The Intercept Notice may provide additional amounts payable to the Bond Trustee on account of Additional Rent, on account of rent or other amounts payable by or for the account of the School to affiliates of Lessor under separate agreements, or for other purposes set forth in the Indenture; provided, that Lessee shall not grant preference or any prior right of funding access or security in respect of the State Apportionment to any other payment indicated in the Intercept Notice or any other notice delivered pursuant to Section 17199.4 of the Education Code of the State of California. All deposits of moneys derived from payments by the State Controller pursuant to the Intercept Notice from time to time shall be made at the corporate trust office of the Bond Trustee set forth in the Intercept Notice. Lessee shall timely amend, supplement, or restate the Intercept Notice to require transfers to such other location as shall be designated in writing by the Bond Trustee to Lessee.

1.8 Capitalized Terms. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Loan Agreement, the Indenture, the Master Indenture or, if not defined therein, in the Supplemental Master Indenture for Obligation No. 1.

1.9 [Incentive Payment] [Tenant's Contribution]. On the date of the funding of the Loan, [Lessor shall pay to Lessee] [Lessee shall pay to Lessor] \$_____.

2. Premises.

2.1 Letting. Lessor hereby leases and hires to Lessee, and Lessee hereby Leases and hires from Lessor, the Premises, for the Term, at the Rent, and upon and subject to all of the terms, covenants and conditions set forth in this Lease.

2.2 Condition of Premises. Lessee currently occupies the Premises pursuant to the terms of the Prior Lease. On the Lease Commencement Date, Lessee accepts the Premises in its as-is condition.

3. Term.

3.1 Term. The Lease Commencement Date, Expiration Date and Term of this Lease are as specified in Section 1.2.

4. Rent; Additional Rent; Expenses.

4.1 Rent Defined. Subject to the terms of this Lease, “**Rent**” is defined as and shall consist of the sum of (i) Base Rent, (ii) Additional Rent, (iii) Extraordinary Monthly Rent, and (iv) Expenses (all as defined below), together with all other monetary obligations of Lessee to Lessor or to third parties arising under the terms of this Lease.

4.2 Base Rent. “Base Rent” is listed in Schedule B to this Lease. So long as the Loan is outstanding, during the term of this Lease, the “Base Rent” shall be payable in accordance with the schedule set forth in Exhibit B, subject to downward adjustment in the event of any redemption or defeasance of all or a portion of the Bonds or prepayment of all or a portion of the Loan. In the event of redemption or defeasance of all the Bonds prior to the Expiration Date such that no Bonds remain outstanding and prepayment of all of the Loan prior to the Expiration Date and without termination of this Lease, commencing on the first day of the first calendar month following such defeasance, redemption or full prepayment, the Base Rent shall be \$100.00 per month.

4.3 Additional Rent. Lessee shall be responsible for the payment of Additional Rent. Additional Rent shall be paid to Lessor on demand or, if such Additional Rent is ongoing and can be calculated on a periodic basis, on a monthly basis pursuant to a written schedule from time to time delivered by Lessor. The amount projected as Additional Rent during the Term, assuming no Extraordinary Monthly Rent, is as set forth on Exhibit B. “Additional Rent” shall consist of the following:

(a) All amounts required to reimburse Lessor, or satisfy Lessor's obligations, for any fees, expenses, taxes, indemnities, assessments or other payments that the Borrower is obligated to pay under the terms of the Loan Agreement, including, but not limited to, such amounts as described in the Loan Agreement.

(b) Any other amounts required to be paid by the Lessor in order for the Lessor to meet its obligations under the Bond Documents on a full and timely basis.

4.4 Extraordinary Monthly Rent. In the event that Lessee receives a notice (an “**Extraordinary Monthly Rent Notice**”) from either the Lessor or the Related Bond Trustee (as defined in the Master Indenture) stating the Related Bond Trustee has not received the payment of Rent with respect to a Related Project on or before that date that such required payment is due, then the Lessee shall pay the Extraordinary Monthly Rent to the Related Bond Trustee within three business days after the Lessee's receipt of the Extraordinary Monthly Rent Notice. Lessor covenants to immediately provide Lessee with a copy of any Extraordinary Monthly Rent Notice received by Lessor pursuant to the terms of the Master Indenture. “**Extraordinary Monthly Rent**” means the amount set forth in such Extraordinary Monthly Rent Notice, which shall be Lessee's Proportionate Share of the Extraordinary Monthly Rent. “**Proportionate Share**” means the amount required to be paid by Lessee to ensure that all of the required Rent and School Loan Repayments with respect to all of the Related Projects have been timely made, said amount to be determined from time to time for each Obligated Group School in proportion to its respective share of Gross School Revenues attributable to the operation of such Obligated Group School. There is no assurance that the amount of Extraordinary Monthly Rent will be sufficient to cover any Rent not paid by any other Related Project. If payable, Extraordinary Monthly Rent shall be a component of Rent.

4.5 Expenses. Lessee shall be responsible for all Expenses, which Lessee shall pay directly to the providers of any of the items comprising Expenses prior to delinquency, or shall pay to or reimburse Lessor within thirty (30) days after receiving a statement from Lessor itemizing (with reasonable description) all charges included thereon. “**Expenses**” shall mean all costs and expenses of the ownership, operation, maintenance, repair or replacement, and insurance of the Premises (referred to in this Section 4.5 as the “**Facility**”), as determined by standard accounting practices, including, by way of illustration only, and not by way of limitation, to the extent they apply to the Facility, the aggregate of the “**Maintenance Expenses**” and the “**General Expenses**” set forth below:

(i) “**Maintenance Expenses**” means all costs of maintaining and repairing the Facility, the parking area, athletic fields and other portions of the Facility, deferred maintenance, installing or extending service systems and other built-in equipment, and improving the Facility, including without limitation all of the following:

a. All maintenance, replacement and repair costs of air conditioning, heating and ventilation equipment and systems, elevators (if any), landscaping, service areas, parking lots, athletic fields, building exteriors (including painting), signs and directories, repairing and replacing roofs, walls, structural components of the Facility, and cost of compliance with applicable laws (including any required upgrades or retrofitting).

b. Supplies, materials, labor, equipment, and utilities used in or related to the repair and maintenance of the Facility and such common areas.

c. Capital improvements made to the Facility (whether funded in full or amortized with reasonable financing charges) which may be required by any government authority or which will improve the operating efficiency of the Facility.

(ii) “**General Expenses**” means all of the following, to the extent not included in Maintenance Expenses:

- a. Gross receipts taxes, whether assessed against Lessor or assessed against Lessee and collected by Lessor.
- b. Water, sewage, and waste or refuse removal charges.
- c. Gas, electricity, telephone and other utilities.
- d. The cost of monthly or annual contracts for systems or services such as alarm systems, security systems, internet services, janitorial services or landscaping services.
- e. All janitorial, cleaning, landscaping, sweeping and repair services relating to the Facility.
- f. The costs of signs and directories.
- g. The cost of compliance with applicable laws.
- h. Reasonable costs incurred by Lessor for operating expenses, including the day-to-day management (if any), including the cost of management personnel (if any), together with any of Lessor’s administrative expenses such as state filings, preparation of tax returns or notices, and all taxes, charges, or fees in connection therewith to the extent related to the Facility.
- i. Real Property Taxes (as defined in Section 10.1 below) and personal property taxes (as described in Section 10.3 below), if any.
- j. Amounts required to be paid as deductibles in connection with any insurance required under the Bond Documents.
- k. Any other costs or expenses incurred by Lessor under this Lease, excluding depreciation of the Facilities.
- l. [Amounts payable under the Ground Lease that are the responsibility of the Lessor and not otherwise paid pursuant to any other provisions of this subsection.]

4.6 Property Tax. Lessee uses the Premises exclusively for public school purposes, and therefore the Premises may be exempt from ad valorem property taxes. Lessee shall be responsible for the application to the Los Angeles County Tax Assessor for such tax exemption on an annual basis. Lessor shall cooperate with Lessee in obtaining such exemption, and shall execute any application for a tax exemption for the Premises. Any tax refunds and/or tax exemptions received by or granted to Lessor, based on Lessee's tax exempt status during the term of this Lease, shall be credited toward Lessee's Expenses payable under this Lease.

4.7 Payment. All Rent required to be paid in monthly installments shall be paid as specified in Exhibit B. All Rent shall be paid in lawful money of the United States, without any abatement, deduction or offset whatsoever (except as specifically provided herein), and without any prior demand therefore. All Rent shall be paid to the Master Trustee for deposit in the Gross Revenue Fund (as that term is defined in the Bond Documents), and at such address as the Master Trustee notifies Lessee, or at such other place as Lessor may designate from time to time, with the approval of the Master Trustee as long as Lessor has any obligations pursuant to the terms of the Bond Documents. Notwithstanding the foregoing, Lessee shall receive a credit for Rent owed to Lessor to the extent the Bond Trustee receives monies on behalf of Lessee under the Intercept. Except for the month of March 2023, Rent for any period during the Term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Subject to the terms of the Bond Documents, and so long as any of the Bonds or the Loan remains outstanding, Lessee shall, through the Intercept Notice, cause the State Controller to transfer the portion of the State Apportionment described in the Intercept Notice and attributable to the School to the Bond Trustee for deposit in the Revenue Fund (as defined in the Indenture). Lessor shall have the right, but not the obligation, to collect and impound, in advance, any or all components of Expenses or other Rent based upon Lessor's reasonable estimate of Lessee's future liability for such amounts for any calendar year or other period selected by Lessor. At the end of the calendar year or other period with respect to which any such estimate was prepared, Lessor shall reconcile Lessee's actual obligation for such component of Expenses or other Rent and the estimated amounts previously paid by Lessee.

4.8 Late Charge and Interest on Rent in Default. If any Rent is not received by or one behalf of Lessor from Lessee within ten (10) calendar days after Lessor has notified Lessee in writing that payment has not been received by Lessor, then Lessee shall immediately pay to Lessor a late charge equal to five percent (5%) of such delinquent rent as liquidated damages for Lessee's failure to make timely payment, by paying such sum to the Master Trustee for deposit in the Gross Revenue Fund. In no event shall this provision for a late charge be deemed to grant to Lessee a grace period or extension of time within which to pay any rent or prevent Lessor from exercising any right or remedy available to Lessor upon Lessee's failure to pay any rent due under this Lease in a timely fashion. If any Rent remains delinquent for a period in excess of thirty (30) days then, in addition to such late charge, Lessee shall pay to Lessor interest on any rent that is not paid when due at the Default Interest Rate from the date such amount became due until paid by paying such sum to the Master Trustee by depositing the same in the Gross Revenue Fund.

4.9 Budgeting Rent. Without limiting the provisions of Exhibit C, Lessee covenants to take such action as may be necessary to include all such payments of Rent due hereunder in its annual budgets, to make, as necessary, annual appropriations for all such payments and to take such action annually as shall be required to provide funds in such year for such payments of Rent.

4.10 Accounting. Without limiting the provisions of Exhibit C, if Lessor requests in writing, Lessee agrees to provide Lessor with an annual, or more frequent, accounting of the Expenses paid for Lessee's most recent fiscal year.

4.11 Source of Rent Payments.

(a) Notwithstanding anything in this Lease to the contrary, Lessee's obligation to pay the Rent and the other monetary payments provided for in this Lease to any person or entity, including the Lessor, Lender, or Bond Trustee, and their respective successors and assigns, is limited to, and shall not exceed, Gross School Revenues (as defined in Exhibit C), if any, and under no circumstances shall Lessee be required to advance any moneys derived from any source of income other than, or pay Rent or any other monetary obligation under this Lease which is in excess of, the Gross School Revenues, nor shall any other funds or property of Lessee be liable for the payment of Rent or any other monetary obligation under this Lease, and such persons and entities shall look exclusively thereto for satisfaction of any claims hereunder. Lessor covenants that it shall not take recourse against Lessee with respect to the failure by Lessee to make any payment under this Lease except recourse to the Gross School Revenues.

(b) Nothing contained in this Section shall be construed to release Lessee from the performance of any of the agreements on its part herein contained, and in the event Lessee shall fail to perform any such agreements on its part, Lessor may institute such action against Lessee as Lessor may deem necessary to compel performance so long as such action does not abrogate the limitation of liability of Lessee contained in the first sentence of this Section. Lessee may, at Lessee's own cost and expense and in Lessee's own name or in the name of Lessor prosecute or defend any action or proceeding or take any other action involving third persons which Lessee deems reasonably necessary in order to secure or protect Lessee's right of possession, occupancy and use hereunder, and in such event Lessor hereby agrees to cooperate fully with Lessee and to take such action necessary to effect the substitution of Lessee for Lessor in such action or proceeding if Lessee shall so request.

5. Mandatory Covenants.

5.1 Specific Covenants Related to the Loan. For so long as the Loan is outstanding and has not been defeased or for so long as any obligations under the Loan Agreement remain outstanding, the provisions of Exhibit C shall be applicable for the benefit of Lessor and the Lender.

6. Use.

6.1 Agreed Use. In addition to any other restrictions on Lessee's use of the Premises, the Property shall be used by Lessee for the School, for any related and ancillary school and educational purposes, any related administrative purposes, and any related incidental legal uses. Notwithstanding the foregoing, Lessee shall use and occupy the Premises only for "educational facilities" as defined in Section 17173(f) of the Education Code of the State of California in order to operate a charter school that is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code (the "**Code**") as an organization described in Code Section 501(c)(3) and that qualifies as an "educational organization" as described under Code Section 170(b)(1)(A)(ii); provided that Lessee shall not rent the Premises as residential rental property to others, or permit any Lessee to rent the Premises as residential rental property to others.

6.2 Hazardous Substances. Without limiting the generality of the foregoing, Lessee shall comply with all obligations and the Bond Documents related to Hazardous Substances and Environmental Regulations, to the extent applicable to the Premises or Lessee's use and occupancy thereof.

7. Maintenance; Repairs.

7.1 Lessee Fully Responsible. During the Term, except in cases of damage or destruction due to casualty loss, or in the event of Condemnation, and except in case of the initial construction of the Improvements, all repair, maintenance, restoration, retrofitting, construction or reconstruction with respect to the Improvements shall be the sole responsibility of Lessee, and Lessor shall have no duty to undertake any such repair, maintenance, restoration, retrofitting, construction or reconstruction, or to pay any costs of the same. Provided, however, that Lessor shall provide Lessee access to the moneys in the Repair and Replacement Fund, and to any moneys in the Insurance and Condemnation Proceeds Fund to the extent necessary or appropriate to pay the costs of or to reimburse Lessee for its obligations hereunder, in accordance with the terms and provisions of the Indenture related to the Repair and Replacement Fund and the Insurance and Condemnation Proceeds Fund.

7.2 Compliance With Applicable Requirements. If any applicable building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances (the “**Applicable Requirements**”) require, during the Term, the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises, Lessee hereby agrees to undertake and complete such construction, alteration, remediation, reinforcement or other modification, and the costs therefor shall be incurred solely by Lessee.

7.3 Liens. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in, on, or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof.

7.4 Ownership of Improvements; Removal; Surrender; and Restoration.

(a) **Ownership.** All Improvements shall be the property of Lessor. Any additional improvements constructed and paid for by Lessee itself shall, at the expiration or termination of this Lease, at the option of Lessor, (i) be removed by Lessee or (ii) become the property of Lessor and be surrendered by Lessee with the Premises

(b) **Surrender and Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the parts, and surfaces thereof broom clean and free of debris, and in good operating order, condition, and state of repair, ordinary wear

and tear excepted. Lessee shall repair any damage occasioned by the installation, maintenance, or removal of any of its furnishings, and equipment. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire.

8. Insurance; Indemnity.

8.1 Liability. Lessee shall keep in force such liability insurance policies and in such amounts as required to meet the requirements of the Master Indenture. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

8.2 Premises. Lessee shall obtain and keep in force a policy or policies of property insurance in the name, and for the benefit, of Lessor, with loss payable to Lessor or, if required under the Bond Documents, to any lender, including the Bond Trustee and the Master Trustee, insuring loss or damage to the Premises. The amount of such insurance shall meet the requirements of the Master Indenture. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

8.3 Rental Interruption. Lessee shall also obtain and keep in force, for the benefit of Lessor, rental interruption insurance insuring Lessor for the amounts of Base Rent arising from an interruption of the payment of the Base Rent, Additional Rent and Expenses otherwise payable by Lessor hereunder covering a period of at least 12 months. The limits of such insurance shall be based upon the highest monthly amount of Base Rent and Additional Rent shown on Exhibit B, as revised from time to time. The premium for such insurance shall be paid by Lessee and shall be deemed an "Expense" hereunder.

8.4 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby releases and relieves the other, and waives their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.5 Indemnity. Except for Lessor's negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, partners, members, directors, and officers, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified. The provisions of this Section 8.5 shall survive the termination of this Lease.

8.6 Exemption of Lessor from Liability. Unless caused by Lessor's negligence or willful misconduct, Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or from other sources or places.

8.7 Insurance Requirements of Bond Documents. The foregoing notwithstanding, for so long as the Loan is outstanding, Lessee shall be deemed to meet its insurance obligations as set forth in this Section 8.7 if it carries, and it hereby agrees to carry, the insurance required to meet the terms of the Bond Documents, as such requirements may change from time to time. Without limiting the foregoing, for so long as the Loan is outstanding, Lessee shall cause the Bond Trustee, Master Trustee and Lessor to be named as additional insureds on Lessee's liability insurance and Bond Trustee and Master Trustee as mortgagees and loss payees on property insurance policies.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Damage"** shall mean damage or destruction to the improvements on the Premises from fire or other casualty.

(b) **"Insured Loss"** shall mean Damage that was caused by an event required to be covered by the insurance described in Section 8, irrespective of any deductible amounts or coverage limits involved.

9.2 Damage. Subject to the terms of the Master Indenture, Lessor shall be entitled to any and all insurance proceeds that are available as a result of any Insured Loss, and shall make such insurance proceeds available to Lessee, which shall proceed to reconstruct the Improvements subject to such Damage to their condition existing immediately prior to the Damage, utilizing available insurance proceed and any amounts voluntarily contributed by Lessee. If Lessor elects not to undertake such restoration, Lessee may (i) if such damage is material, terminate this Lease by providing written notice to Lessor, and to the Bond Trustee, Master Trustee and Lender, within 30 days after receipt by Lessee of Lessor's notice of its election not to undertake such restoration, or (ii) using available insurance proceeds, restore and rebuild the Premises, so long as the following conditions are met:

(a) The amount of insurance proceeds that are available for restoration, plus any funds that may have been deposited by Lessee, are sufficient to restore and rebuild the Premises to their character, condition and utility immediately prior to the casualty (or to such other condition as Lessee reasonably demonstrates will generate sufficient revenue for Lessee to meet its obligation to pay all Rent thereafter accruing);

(b) The amount of available proceeds of rental interruption insurance plus any funds deposited by Lessee equals an amount determined by Lessor to be sufficient to pay the Rent

accruing during the period between the date of such casualty and the date the restoration or rebuilding is substantially completed.

(c) The restoration or rebuilding is estimated by Lessor to be completed at least twelve (12) months prior to the Maturity Date of the Bonds.

(d) In lieu of making any deposit of funds as described above, Lessee shall have the right to provide other assurances of the payment of restoration costs and Rent acceptable to Lessor in its sole discretion, such as a letter of credit.

9.3 Damage—Uninsured Loss. If Damage that is not an Insured Loss occurs, (a) Lessee may repair such damage as soon as reasonably possible at Lessee's expense, in which event this Lease shall continue in full force and effect or, (b) if Lessee elects not to undertake such repair, and such Damage is material, Lessor or Lessee may terminate this Lease by providing written notice to the other party, and to Bond Trustee, Master Trustee and Lender, within 30 days after receipt by Lessor of knowledge of the occurrence of such Damage.

9.4 Waive Statutes. Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith, including California Civil Code Sections 1932(2) and 1933(4).

10. Real Property Taxes.

10.1 Definition. As used herein, the term “**Real Property Taxes**” shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises, Lessor's right to other income therefrom; and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the address of the Premises and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises is located. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the Term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Lessee shall timely file for exemption from any Real Property Taxes and shall maintain such exemption during the Term. In any event, Lessee shall pay, before the same become past due, the Real Property Taxes applicable to the Premises during the Term to the extent any such Real Property Taxes are charged, levied, assessed, or imposed.

10.3 Personal Property Taxes. Lessee shall timely file for exemption from any taxes fixtures, furnishings, equipment, and all personal property of Lessee and shall maintain such exemption during the Term. Lessee shall pay, prior to delinquency, all such taxes to the extent they are charged, levied, assessed, or imposed after an exemption for such taxes is filed as required hereunder.

11. Assignment and Subletting.

11.1 By Lessee. Lessee shall not sublease, assign, mortgage, pledge, hypothecate or encumber this Lease or any of Lessee's interest hereunder without the prior written consent of Lessor (which shall not be unreasonably withheld). Lessee acknowledges that, pursuant to the Bond Documents, Lessor may be required to obtain the Lender's approval to a sublease, assignment or other transfer of Lessee's interest in this Lease and that Lessor's disapproval shall be deemed reasonable if based on any such disapproval by Lender. Lessee acknowledges that the financing of the Premises through the Tax-Exempt Bonds may restrict the assignees which could be approved by Lessor. In addition, Lessee shall not Lease, assign, mortgage, pledge, hypothecate, or encumber this Lease unless it receives an Opinion of Bond Counsel confirming that such action will not result in use or operation of the Premises not in conjunction with a charter school under the Act.

11.2 By Lessor. Lessee acknowledges that Lessor's interest in the Premises are subject to a deed of trust in favor of the Master Trustee and that certain of the Lessor's rights under this Lease are assigned to the Master Trustee as security for the Bonds under the Master Indenture of Trust.

12. Default; Event of Default; Remedies.

12.1 Default; Event of Default. A “Default” is defined as a failure by Lessee to comply with or perform any of the terms, covenants or other obligations of Lessee under this Lease. An “Event of Default” is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

- (a) The abandonment of the Premises.
- (b) The failure of Lessee to make any payment of Rent required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond required hereunder, or to fulfill any obligation under this Lease that endangers or threatens life or property, where such failure continues for a period of ten (10) business days following written notice to Lessee.
- (c) Any material representation or warranty made in this Lease, or in any report, certificate, financial statement, or instrument furnished in connection with this Lease, proves to have been false or misleading when made, in any material respect, and is not promptly corrected.
- (d) Lessee violates or fails to observe or perform any covenant contained in Section 2 of Exhibit C attached hereto, and fails to cure the same within any notice or grace period contained in Exhibit C.
- (e) Lessee violates or fails to observe or perform any of the financial covenants of Lessee set forth in Section 3.3 of Exhibit C attached hereto, and fails to cure the same within any notice or grace period contained in Exhibit C.
- (f) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, other than those described in subparagraphs 12.1(a) through (e) above, where such

Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Default if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(g) The occurrence of any of the following events: (i) Lessee's making of any general arrangement or assignment for the benefit of creditors; (ii) Lessee's becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 90 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within sixty (60) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within sixty (60) days; provided, however, in the event that any provision of this subparagraph (g) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

12.2 Remedies. Upon the occurrence of any Event of Default, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy that Lessor may have by reason of such Event of Default:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent that had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid Rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees of Lessor and the Authorities, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Event of Default of this Lease shall not waive Lessor's right to recover damages under Section 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Section 12.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Section 12.1. In such case, the applicable grace period required by Section 12.1 and the unlawful detainer statute shall run concurrently, and the failure

of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and an Event of Default under this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue this Lease and Lessee's right to possession and recover the Rent as it becomes due. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect Lessor's interests, shall not constitute a termination of Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under this Lease, including under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

12.3 Default Interest. Any monetary payment due Lessor hereunder not received by Lessor when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payments, shall bear interest computed at the rate of 10% per annum (but not in excess of the maximum rate allowed by law) ("**Default Interest Rate**") from the date when due as to scheduled payments, or the 31st day after it was due as to non-scheduled payments.

12.4 Lessor Self Help. If Lessee fails to perform any of its affirmative duties or obligations (other than compliance with the covenants and financial reporting requirements pursuant to Section 5 and Exhibit C), Lessor may, at its option, perform such duty or obligation on Lessee's behalf including, but not limited to, the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor.

13. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs, and Expenses thereafter shall be limited to those applying to the remaining Premises subject to this Lease. Subject to the terms of the Loan Agreement, in the event that there is a Condemnation of less than all of the Premises, and such portion so taken is material to Lessee's use and quiet enjoyment of the Premises as a whole, then all available Condemnation awards and/or payments shall be used first, to restore the remaining portion of the Premises to a usable whole, and second, to reduce the balance of any loan made to Lessor and secured by the Premises in proportion to the portion taken or sold. Any portion of the award and/or payment that remains after the foregoing purposes have been satisfied shall be the property of Lessor. Subject to the terms of the Loan Agreement, if the entirety of the Premises is taken, then the Condemnation awards and/or payments shall be the property of Lessor.

14. Estoppel Certificates. Each Party (as "**Responding Party**") shall within ten (10) days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIR Commercial Real Estate Association, plus such

additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

15. Definition of Lessor. The term “**Lessor**” as used herein shall mean the owner or owners at the time in question of the Lessor's interest under this Lease. Upon any transfer of such interest in the Premises, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the succeeding Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by Lessor shall be binding only upon Lessor as hereinabove defined.

16. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

17. Days. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Lease shall mean and refer to calendar days. “**Business Day**” means any day other than a Saturday, a Sunday or a day on which banking institutions in the city in which the Principal Corporate Trust Office (as defined in the Indenture) is located are authorized or obligated by law or executive order to be closed.

18. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease. No member, officer, agent or employee of Lender or any director, officer, agent or employee of the Bond Trustee, Master Trustee, Lessor or Lessee shall be individually or personally liable for the payment of any amounts hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Lease; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or this Lease.

19. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

20. No Prior or Other Agreements. Subject to the terms of the Bond Documents, this Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Each Party represents and warrants that the execution of this Lease will not, to the best of the Party's knowledge, constitute a violation under any material agreements to which such Party is a party.

21. Notices.

21.1 Notice Requirements. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given (a) if hand delivered or delivered by courier, when delivered to the appropriate notice address, or (b) if mailed by first class mail, postage prepaid, six Business Days after deposit in the United States mail addressed to the appropriate notice address. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Days. The parties listed below may, by notice given hereunder, designate any further or different addresses to which

subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

21.2 Addresses.

Lessor: [*]
c/o Camino Nuevo Charter Academy
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Chief Executive Officer

Lessee: Camino Nuevo Charter Academy
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Chief Executive Officer

Lender (during the time the Loan is outstanding):

California School Finance Authority
State Treasurer's Office
304 S. Broadway, Suite 550
Los Angeles, California 90013
Attention: Executive Director

22. Waivers. No waiver by Lessor of the Default or Event of Default of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Event of Default by Lessee of the same or of any other term, covenant or condition hereof.

23. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 110% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

24. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

25. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State of California. Any litigation between the Parties hereto concerning this Lease shall be initiated in the

County of Los Angeles; provided, that any litigation in which Lender is a party concerning this Lease shall be initiated in Sacramento County, California.

27. Lessor's Access; Showing Premises; Repairs. Lessor shall have the right to enter the Premises at any time in the case of an emergency, and otherwise at reasonable times after two (2) Business Days' prior notice for the purpose of inspecting the Premises, verifying compliance by Lessee with this Lease or exercising its self-help rights under Section 12.4.

28. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the Term hereof.

29. Counterparts. This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. This Lease may be executed by the delivery of separately signed counterpart signature pages. A party's delivery by electronic transmission of the party's manually or electronically signed counterpart signature page to this Lease shall be deemed as effective as the party's physical delivery of a manually signed counterpart signature page.

30. Amendments. Subject to the terms of the Master Indenture of Trust, this Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a lender in connection with the obtaining of normal financing or refinancing of the Premises.

31. Limitation of Rights to Parties. Except as otherwise provided herein, nothing in this Lease is intended or shall be construed to give to any person other than Lessor and Lessee any legal or equitable right, remedy or claim under or in respect of this Lease or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of Lessor and Lessee.

32. CASp Disclosure. California Civil Code Section 1938 requires Lessor to notify Lessee whether the Premises has undergone inspection by a Certified Access Specialist ("CASp"), as defined in California Civil Code Section 55.52. Lessor hereby states to Lessee that, as of the date this Lease is executed, the property of which the Premises is a part has not undergone such inspection. A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction related accessibility standards under California state law. Although California state law does not require a CASp inspection of the Premises, the Lessor may not prohibit Lessee from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Lessee, if requested by Lessee. The Parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the Premises.

(Signatures on next page)

(Signature page of Lease Agreement)

The Parties hereto have executed this Lease as of the day and year first above written.

LESSOR:

[*],
a California limited liability company

By: Grupo Nuevo Los Angeles,
a California nonprofit public benefit corporation,
its Sole Member

By: _____
[Name]
[Title]

LESSEE:

CAMINO NUEVO CHARTER ACADEMY
a California nonprofit public benefit corporation

By: _____
Adriana Abich
Chief Executive Officer

EXHIBIT A

Legal Description of Premises

EXHIBIT B

Schedule of Base Rent and Additional Rent

Base Rent and Additional Rent for each month of the Term shall be payable monthly in advance on the 20th day of the preceding month in accordance with the following payment schedule.

EXHIBIT C

MANDATORY COVENANTS

Capitalized terms not otherwise defined in this Exhibit C shall have the meanings ascribed to such terms in the Lease Agreement to which this Exhibit forms a part (the “**Lease**”) and the Master Indenture.

1. **Lessee Covenants:** Lessee acknowledges that the Premises secure Lessor's obligations under the Bond Documents. Accordingly:

1.1 Lessee covenants and agrees that so long as any bonds or loans remain outstanding, Lessee shall maintain the Premises as a charter school facility providing educational services to students within the territorial limits required, if any, pursuant to Lessee's charter.

1.2 Lessee covenants and agrees to take all reasonable actions to maintain its current or any future charter (“**Lessee's Charter**”) for the School with a sponsoring entity and to take or cause to be taken any and all actions required to renew or extend the term of its charter with a sponsoring entity. As soon as practicable, Lessee shall provide Lessor with a copy of any notice received with regards to any sponsoring entity's intent to renew or extend the term of any such charter or any notice of any issues that if not corrected or resolved could lead to termination or nonrenewal of any such charter. If such charter is terminated or not renewed, Lessee shall use commercially reasonable efforts, and shall cooperate with Lessor, to assign this Lease to an entity that maintains a charter with a sponsoring entity. In addition, Lessee shall maintain accreditation status under the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the California Education Code) and related administrative rules and shall satisfy the student performance accountability standards stated in its application for its charter.

1.3 Lessee will permit the Lessor to discuss the affairs, finances and accounts of Lessee or any information the Lessor may reasonably request with appropriate officers of Lessee, and will grant the Lessor access to the facilities, books and records related to the Improvements or Lessee on any business day upon reasonable prior notice.

2. **Bondholder/Lender Protection Regarding Lessee Defaults:** At any time when there is a Security Instrument against the Premises, the following provisions shall apply:

2.1 Prior to exercising any right or remedy that would have the effect of terminating the Lease (or that would terminate the Lease if Lessee does not satisfy conditions, such as payment of delinquent Rents), the Lessor must give Lender written notice of default and an opportunity to cure (a) monetary defaults within ten (10) days after notice; and (b) all other defaults within the time allowed by the Lease for Lessee to perform.

2.2 Before any termination remedy may be exercised against Lessee, if any cure of a non-monetary default requires that Lender obtain possession of the Premises, then the time of Lender to cure shall be extended to ten (10) days after it has obtained possession, provided that Lessor has moved with all due diligence to exercise its remedies to obtain possession.

2.3 Before any termination remedy may be exercised against Lessee, if an Event of Default requires more time to cure than allowed above, then on demonstration that Lender has worked in good faith and with all due speed to cure the Default, Lender may extend the time to perform by another thirty (30) days.

2.4 Notwithstanding any other provision hereof, no lender shall have a liability or obligation to cure an Event of Default.

2.5 Lessee shall not take any action, or omit to take any action required of it by the Lease, that will impair or diminish the security of the existing Security Instruments, including any acts/omissions that will have a negative effect on the tax status of the Security Instrument.

3. **Lessee's Financial Covenants.** For purposes of this Exhibit C, all initially capitalized terms that are not otherwise defined herein shall have the meanings set forth in the Master Indenture, provided that any such definitions therein pertaining to the financial or operational performance of the Lessor (defined therein as a “**Member**”) shall be construed when used herein to refer to the financial or operational performance of Lessee. For clarity, the financial covenants set forth below shall be applied pursuant and subject to the provisions below. With respect to any retention of an Independent Consultant hereunder, Lessee hereby covenants that Lessee shall comply with and shall be bound by the selection procedures set forth in the Bond Documents.

3.1 **Liquidity Covenant.** Lessee shall calculate Consolidated Days Cash on Hand for the Obligated Group Schools as of the last day of each Fiscal Year, commencing with the later of the (i) Fiscal Year ending June 30, [2023] and (ii) immediately succeeding Fiscal Year commencing after the effective date of the Lease, based upon its audited financial statements for such Fiscal Year and file such reports with Master Trustee. For each calculation date, the Obligated Group Schools will maintain Consolidated Days Cash on Hand as of the last day of each Fiscal Year equal to or greater than 45 days.

3.1.1 “**Cash and Cash Equivalents**” means the sum of cash, cash equivalents, liquid investments, and unrestricted marketable securities (valued at the lower cost of market value) of the Obligated Group Schools.

3.1.2 “**Consolidated Days Cash on Hand**” means (i) the sum of Cash and Cash Equivalents of the Obligated Group Schools, as shown on Lessee’s audited financial statements for each Fiscal Year, and any State payments accrued to such Fiscal Year and scheduled to be received within two months following the end of such Fiscal Year (“**Cash on Hand**”); divided by (ii) the Average Daily Expenses for Obligated Group Schools (as calculated for the most recent Fiscal Year ending before such date).

3.1.3 “**Average Daily Expenses for Obligated Group Schools**” means (A) cash requirements during such Fiscal Year related to or payable from revenues attributable to the Obligated Group Schools (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of the Obligated Group Schools in the aggregate (i) all Operating Expenses for such Fiscal Year for the Obligated Group Schools, (ii) subordinated Support Office Management Fees, and (iii) the sum of the Base Rent and School

Loan Repayments payable under the Leases and School Loan Agreements, respectively for all Obligated Group Schools between Lessee and any Member of the Obligated Group for that year or any other year, divided by (B) 365.

3.1.4 Lessee will provide a certificate to the Lessor and Master Trustee at the time of delivery of its annual audited financial statements for each Fiscal Year indicating whether Lessee, on behalf of the Obligated Group Schools, has met the requirement set forth above. If the certificate indicates that such cash balance requirement has not been met, Lessee covenants to retain an Independent Consultant at the expense of Lessee, on behalf of the Obligated Group Schools, within 45 days, to make recommendations to increase such balances in the then-current Fiscal Year to the required level or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant on behalf of the Obligated Group Schools more often than once during any 24 month period.

3.1.5 In the event the Obligated Group Schools fail to have such an amount on deposit, it will not be a default or Event of Default under the Lease.

3.2 **Consolidated Payment Coverage Ratio Covenant.** Lessee covenants and agrees to calculate for each Fiscal Year its Consolidated Payment Obligation Coverage Ratio based on its audited financial statements for such Fiscal Year, and to provide a copy of such calculation for such period to the Lessor and the Master Trustee annually commencing with the later of the (i) Fiscal Year ending [June 30, 2023] and (ii) Fiscal Year ending June 30 of the Fiscal Year in which the Lease is executed. Lessee also covenants to maintain its Net Operating School Revenue so that the Consolidated Payment Obligation Coverage Ratio at the end of each Fiscal Year is not less than 1.10 to 1.00; provided that, except as provided below, Lessee's failure to achieve the required Consolidated Payment Obligation Coverage Ratio will not constitute an Event of Default under any Lease or School Loan Agreement if Lessee promptly engages an Independent Consultant to prepare a report, to be delivered to Lessee, Landlord and Master Trustee within 45 days of engagement, with recommendations for meeting the required Consolidated Payment Obligation Coverage Ratio, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant more often than once during any 24 month period. Notwithstanding the foregoing, Lessee's failure to achieve a Payment Coverage Ratio of 1.00 to 1.00 will constitute an Event of Default under the Lease.

3.2.1 **“Expenses”** has the meaning set forth in Section 4.5 of this Lease.

3.2.2 **“Gross School Revenues”** means all revenue, income, receipts and money received by Lessee or on behalf of Lessee from all lawfully available sources attributable to its operation of the School and to any other charter school operated by Lessee in the properties subject to the Lease, including from any applicable district or county or from the State pursuant to the Charter School Law from any general purpose entitlement, revenue limit, or State educational

funding sources; but excluding gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for Rent payments or operating expenses. Any other income, revenue, receipts, contributions or other monies received by Lessee not specifically described in the immediately preceding sentence shall not constitute Gross School Revenues.

3.2.2 **“Management Agreement”** means any agreement between Lessee and a charter school, including charter schools operated or managed by Lessee, pursuant to which Lessee provides management services.

3.2.3 **“Net Operating School Revenue”** means Lessee’s Gross School Revenues minus its Operating Expenses; provided, that no determination thereof will take into account: (a) any gain or loss resulting from either the early extinguishment or refinancing of Obligated Group School Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business; (b) gifts, grants, bequests, donations or contributions, and income therefrom, to the extent specifically permanently restricted by the donor or by law to a particular purpose inconsistent with their use for the payment of Operating Expenses; (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; (d) adjustments to the value of assets or liabilities resulting from changes in generally accepted accounting principles; (e) unrealized gains or losses that do not result in the receipt or expenditure of cash; and (f) nonrecurring items which involve the receipt, expenditure or transfer of assets.

3.2.4 **“Obligated Group School Indebtedness”** means Indebtedness (as such term is defined in the Master Indenture) related to or payable from revenues of the School and to any other charter school operated by Lessee at the Facility subject to the Lease.

3.2.5 **“Operating Expenses”** means except as provided below, all unrestricted expenses of the Lessee, attributable to operations of the School and to any other charter school operated by the Lessee at the Facility, including maintenance, repair expenses, utility expenses, equipment lease and other rental expense (excluding the Base Rent, School Loan Repayments, and the Extraordinary Monthly Rent, if any, but including Expenses and Additional Rent), Ground Rent (unless such Ground Rent is expressly subordinated to the payment of amounts due under the Related Supplement), administrative and legal expenses, miscellaneous operating expenses, advertising and promotion costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Lessee, equipment leases and service contracts, taxes upon the operations of the Lessee not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles, all in such amounts as reasonably determined by the Lessors. “Operating Expenses” shall exclude, however, (i) all subordinated Support Office Management Fees, (ii) depreciation and amortization, (iii) one-time expenses, and (iv) any expenses which are treated as extraordinary in accordance with generally accepted accounting principles.

3.2.6 **“Support Office Management Fees”** means all support office management fees, if any, paid to Lessee in connection with management services provided and related to or payable from revenues attributable to the School and to any other charter school

operated by Lessee on the property subject to the Lease. This fee shall be subordinate to the payment of Rent due under the Lease.

3.3 **Limitations on Liens on Gross School Revenues.** Except as provided in the Lease, Lessee covenants and agrees that it will not create, assume or suffer to exist any lien upon or pledge of the Gross School Revenues, except Permitted Liens (as defined in the Master Trust Indenture).

3.4 **Use of Public Moneys.** Lessee covenants that it will not use any public money, assets, and funds for support of the public school system that it receives through apportionments from the State in a manner that conflicts with or constitutes on its part or on the part of the School a violation or breach of any California statute, rule or regulation governing the use of those moneys. In addition, Lender shall be a third party beneficiary under the Lease with respect to this provision of the Lease.

3.5 **Use of Intercept Moneys.** Lessee covenants that all funds subject to the Intercept shall only be transferred to a Related Bonds Trustee for Related Bonds issued by the California School Finance Authority.

3.6 **Subordination of Support Office Management Fees.** If a School enters into a Management Agreement for the payment of Support Office Management Fees to Lessee or any supporting organization of Grupo Nuevo Los Angeles under Internal Revenue Code Section 509(a)(3), or any of their respective affiliates, with respect to the School, Lessee shall amend any such Management Agreement for the School such that, so long as Bonds remain outstanding: (i) the obligation of Lessee to pay Support Office Management Fees relating to the School shall be subordinate to its payment of operating expenses of the School, rent payments to Lessor under this Lease; (ii) the obligation of Lessee to pay Support Office Management Fees relating to the School shall be suspended for any such time as the payment of Support Office Management Fees would cause Lessee to fail to meet any of the financial covenants contained in Sections 3.2 or 3.4 of the Master Indenture; and (iii) during any period of time when Support Office Management Fees remain unpaid, such fees shall accrue without interest. If Lessee has not engaged a separate manager with respect to the School, Lessee agrees that it shall not apply any Gross School Revenues to costs and expenses of management unless and until all Rent is fully paid and the Loan is not in default.

3.7 **Approval of Engagement of Independent Consultant.** Whenever the Lease provides for the retention or engagement of an Independent Consultant by Lessee, such Independent Consultant will be engaged in the manner as set forth herein.

Upon the selection by Lessee of an Independent Consultant as required under the provisions of the Lease, the Landlord will notify the Obligated Group Representative, who will notify the Master Trustee of such selection. The Master Trustee is required to, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Outstanding Related Bonds of such selection. Such notice (which shall be provided by the Obligated Group Representative) will (i) include the name of the Independent Consultant and a brief description of the Independent Consultant, (ii) state the reason that the Independent Consultant is being engaged including a description of the covenant(s) of the Lease that require

the Independent Consultant to be engaged, and (iii) state that the Holder of the Outstanding Related Bonds will be deemed to have consented to the selection of the Independent Consultant named in such notice unless such Holder submits an objection to the selected Independent Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee is required to notify the Obligated Group Representative of the number of objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have been deemed to have consented to the selection of the Independent Consultant, the applicable Landlord is required to cause the Lessee to engage the Independent Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have objected to the Independent Consultant selected, Lessee will select another Independent Consultant which may be engaged upon compliance with the procedures described herein.

3.8 **Pledge of Gross School Revenues.** To secure the payment and performance of its obligations under the Lease, Lessee hereby pledges to Lessor and grants Lessor a security interest in the Gross School Revenues. From time to time, Lessee may own or hold funds or other assets subject to a statutory, regulatory, grantor-imposed or donor-imposed restriction on use that prohibits the use of such funds or assets to satisfy the obligations of Lessee under the Lease and/or prohibits the encumbrance of such funds or assets to secure such obligations. The foregoing pledge and grant of security interest shall not encumber, attach to, or transfer, and the holder of any claims of Lessor under this Lease shall have no recourse under this Lease to, any funds or assets of Lessee to the extent that any transfer of such funds or assets to or for the benefit of such holder would violate any such restriction on the use of such funds or assets.

3.9 **Financial Reporting.** Lessee agrees to provide the Borrower, and upon written request of the Bond Trustee or Master Trustee, to the Bond Trustee or Master Trustee, the following information:

3.9.1 If Lessee is undertaking any construction at the Premises, not later than 60 days after the end of each fiscal quarter of Lessee, a construction progress report with respect to such construction, until such construction is substantially complete.

3.9.2 Quarterly unaudited financial information and operating data of the Obligated Group Schools not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023].

3.9.3 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a report of the Obligated Group Schools' quarterly enrollment data and waitlist data by grade for the previous fiscal quarter.

3.9.4 Prior to the end of each fiscal year, a copy of the annual budget of the Obligated Group Schools for the subsequent Fiscal Year.

3.9.5 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a year to date comparison of the revenue

and expenditures in the unaudited financial statements for such quarter to the annual budget for the applicable fiscal year.

3.9.6 Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a copy of any recommendations of any Independent Consultant received in accordance with the Master Indenture pursuant to the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

3.9.7 Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending [June 30, 2023], copies of the audited financial statements of Lessee and the Obligated Group Schools for the prior fiscal year prepared in accordance with generally accepted accounting principles applicable to nonprofit corporations from time to time, if available.

3.9.8 Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2022, the certifications and calculations of the Days Cash on Hand for the Obligated Group Schools and the Payment Coverage Ratio for each School as described in the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

3.9.9 Such other information as may be reasonably requested by the Borrower, the Authority, the Trustee or the Master Trustee.

3.10 **Limitations on Obligated Group School Indebtedness.** Lessee covenants that it will not incur, assume or guarantee (“**incur**”) any Obligated Group School Indebtedness (secured or unsecured), except Obligated Group School Indebtedness with respect to purposes specifically benefiting Lessee, and except as provided below.

3.10.1 **Nonrecourse Indebtedness.** To the extent permitted by applicable law and if no Breach under the Leases, or an event that with the giving of notice or passage of time or both would constitute an Breach under the Leases, has occurred and is continuing, Lessee may incur or assume Nonrecourse Indebtedness (as defined below), but limited with Short-Term Indebtedness (as defined below), and Interim Indebtedness (as defined below) to a total aggregate principal amount outstanding at any time that is not in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) the maximum amount of advance apportionment and principal apportionment due to the Obligated Group Schools in any fiscal year that is deferred at any time or subject to deferral pursuant to Section 14041.6 of the California Education Code or Sections 16325.5 and 16326 of the California Government Code, or any subsequent legislation authorizing additional deferrals of such apportionments (collectively “**Maximum Deferred Apportionment**”).

3.10.2 **Short-Term Indebtedness.** Lessee may incur Short-Term Indebtedness (as defined below) for working capital purposes as in its judgment is deemed expedient, provided that in no event will Lessee incur Short-Term Indebtedness, together with outstanding Nonrecourse Indebtedness and Interim Indebtedness (as defined below) in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

3.10.3 **Interim Indebtedness.** Lessee may incur Interim Indebtedness (as defined below) as in its judgment is deemed expedient, provided that in no event will Lessee incur Interim Indebtedness, together with outstanding Nonrecourse Indebtedness and Short-Term Indebtedness, on a combined basis, is in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

3.10.4 **Facility Leases.** Obligated Group School Indebtedness consisting of leases for charter school facilities, the term of which do not exceed two years (including any term extension options), may be incurred without limitation. A lease for a charter school facility with a term exceeding two years (including any term extension options) shall not be considered Nonrecourse Indebtedness subject to the tests therefor set forth above, but may be incurred if an Independent Consultant selected by Lessee provides a written report to the Master Trustee (A) setting forth projections which indicate forecasted Payment Coverage Ratio for each of the fiscal years under the term of such lease, taking into account such lease, of not less than 1.10:1.00.

3.10.5 **Interim Indebtedness**” means all Obligated Group School Indebtedness having an original maturity less than or equal to five years and not renewable at the option of Lessee for a term greater than five years from the date of original incurrence or issuance.

3.10.6 **“Nonrecourse Indebtedness”** means all Obligated Group School Indebtedness with respect to which the obligee is prevented by applicable law or contractual arrangement from exercising recourse, or any other right or remedy exercisable by a creditor, against all or any part of the Premises or the Improvements in order to pay, satisfy or discharge all or any part of the Obligated Group School Indebtedness.

3.10.7 **“Short-Term Indebtedness”** means all Obligated Group School Indebtedness having an original maturity less than or equal to one year and not renewable at the option of Lessee for a term greater than one year from the date of original incurrence or issuance, provided however, that any Short-Term Indebtedness that has been issued as revenue anticipation notes (“RANS”) will not be included or counted as Short-Term Indebtedness to the extent that the RANS are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANS.

EXHIBIT D

Form of Intercept Notice

Notice to the State Controller Pursuant to Education Code Section 17199.4

[Insert Date]

Re: California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023B (Taxable)

WHEREAS, GRUPO NUEVO LOS ANGELES (the “Borrower”) has entered into a Loan Agreement, dated as of [date], by and between the California School Finance Authority (the “Authority”) and the Borrower, providing for a loan (the “Loan”) for the acquisition and construction of charter school facilities to be owned by the Borrower and Leased to CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation, which operates [*], 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 (the “Lessee”) (CDS #19-64733-[*]; and

WHEREAS, the Authority has issued its above-referenced revenue bonds (the “Bonds”) to fund the Loan;

NOW THEREFORE, NOTICE IS HEREBY GIVEN PURSUANT TO SECTION 17199.4(a)(1) AND (4) 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 Lessee has elected, pursuant to a resolution adopted on January 17, 2023, and Section 17199.4(A)(1) and (4) 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 Wilmington Trust, National Association, as trustee (the “Trustee”), for the Bonds. 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. Transfers pursuant to paragraph 1 above shall be paid by wire transfer of immediately available funds to

U.S. Bank Trust Company, National Association
[Insert Address]

(Signature on next page)

(Signature page to intercept notice)

CAMINO NUEVO CHARTER ACADEMY,
as operator of
[*]

By: _____
Name: _____
Title: _____

Schedule 1

Intercept Payment Amounts and Dates

(Remainder of page intentionally left blank)

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT dated as of [____] 1, 2023 (the “Disclosure Agreement”) is executed and delivered by and among GRUPO NUEVO LOS ANGELES (the “Borrower”), a California nonprofit public benefit corporation, CAMINO NUEVO CHARTER ACADEMY (the “Lessee”), a California nonprofit public benefit corporation, and CAMPANILE GROUP, INC., as dissemination agent (the “Dissemination Agent”), in connection with the issuance by the California School Finance Authority (the “Authority”) of its \$[____] Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023A and its \$[____] Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023B (Taxable) (together, the “Series 2023 Bonds”). The Series 2023 Bonds are being issued pursuant to an Indenture, dated as of [____] 1, 2023 (the “Bond Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Bond Trustee”). The proceeds of the Series 2023 Bonds are being loaned to the Borrower pursuant to a Loan Agreement, dated as of [____] 1, 2023 (the “Loan Agreement”), by and between the Authority and the Borrower. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Master Indenture (as hereinafter defined), the Bond Indenture, the Loan Agreement, and the Lease Agreements, each dated as of [____] 1, 2023 (collectively, the “Leases”), each by and between the applicable Landlord (as defined herein) and the Lessee. The Dissemination Agent, the Borrower, on its own behalf and on behalf of each member of the Obligated Group, and the Lessee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Borrower, the Lessee and the Dissemination Agent for the benefit of the Registered Owners and Beneficial Owners of the Series 2023 Bonds and in order to assist RBC Capital Markets, LLC (the “Underwriter”) in complying with the Rule (as defined below), as it may be applicable from time to time. The Borrower, the Lessee and the Dissemination Agent acknowledge that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any Person, including any Registered Owner or Beneficial Owner of the Series 2023 Bonds, with respect to the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Master Indenture, the Bond Indenture, the Loan Agreement, and the Leases, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Borrower and the Lessee pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Audited Financial Statements” shall mean the audited financial statements of the Lessee with respect to the Schools, the Borrower and the Members (which may be provided in the form of consolidated annual financial statements of the Lessee and/or the Borrower and their affiliates) for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with accounting principles generally accepted in the United States or otherwise, as such term is used in paragraph (i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Beneficial Owner” shall mean any Person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2023 Bonds (including any Person holding Series 2023 Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Campanile Group, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Bond Trustee, the Borrower and the Lessee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system for municipal securities disclosure established by the MSRB and accessible at <http://emma.msrb.org/>.

“Fiscal Year” shall mean each fiscal year of the Borrower and the Lessee ending on or after June 30, beginning with the Fiscal Year ending June 30, 2023.

“Landlord” or “Landlords” means, individually or collectively, as applicable, Fifteenth and Ardmore LLC, a California limited liability company, 3500 West Temple LLC, a California limited liability company, GNLA 3435 W Temple LLC, a California limited liability company, and GNLA 697 S Burlington LLC, a California limited liability company.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum, dated [____], 2023, relating to the Series 2023 Bonds.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Master Indenture” shall mean the Master Indenture of Trust, dated as of [____] 1, 2023, as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [____] 1, 2023, each by and between the Obligated Group Representative, the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee.

“Member” shall have the meaning ascribed thereto in the Master Indenture.

“MSRB” shall mean the United States Municipal Securities Rulemaking Board or any successor to its functions, or any successor to its functions as a nationally recognized municipal securities information repository.

“Quarterly Report” shall mean any Quarterly Report provided by the Borrower and the Lessee pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Schools” shall mean the charter schools operated by the Lessee known as Camino Nuevo High #2 (Dalzell Lance High School), Camino Nuevo Elementary #3 (Jane B. Eisner) and Camino

Nuevo Charter Academy (Burlington), and any other charter school operated by Lessee at the Facilities.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports, Quarterly Reports, and Operations Reports.

(a) The Borrower and the Lessee shall or, upon delivery to the Dissemination Agent pursuant to paragraph (b) below, the Dissemination Agent shall, not later than 180 days following the end of each of the Borrower’s and the Lessee’s preceding Fiscal Years, commencing with the report for the Fiscal Year ended June 30, 2023, provide to EMMA, in a PDF or other electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement (the “Annual Report”). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Borrower’s or the Lessee’s Fiscal Year changes, the Borrower or the Lessee, as applicable, shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than five (5) Business Days prior to the date specified in subsection (a) for providing the Annual Report to EMMA, the Borrower and the Lessee shall provide the Annual Report to the Dissemination Agent, including a certificate completed in substantially the form attached hereto as Exhibit A, and signed by an Authorized Representative of each of the Borrower and the Lessee, as applicable. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower and the Lessee pursuant to this Disclosure Agreement, and shall have no duty or obligation to review any notice or report. If by five (5) Business Days prior to such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Borrower and the Lessee to notify the Borrower and the Lessee of the requirements of subsection (a) and this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit C.

(d) The Borrower and the Lessee, or upon delivery to the Dissemination Agent pursuant to paragraph (e) below, the Dissemination Agent, shall provide to EMMA not later than 60 days following the end of each fiscal quarter for the Borrower and the Lessee ended March 31, June 30, September 30, and December 31, respectively, commencing with the report for the fiscal quarter ending [____], 2023, a Quarterly Report which is consistent with the requirements of Section 4 of this Disclosure Agreement, including a certificate completed in substantially the form attached hereto as Exhibit B, and signed by an Authorized Representative of each of the Borrower and the Lessee, as applicable.

(e) Not later than five (5) Business Days prior to the date specified in subsection (d) for providing the Quarterly Report to EMMA, the Borrower and the Lessee shall provide the Quarterly Report to the Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower and the Lessee pursuant to this Disclosure Agreement, and shall have no duty or obligation to review any notice or report. If by five (5) Business Days prior to such date, the Dissemination Agent has not received a copy of the Quarterly Report, the Dissemination Agent shall contact the Borrower and the Lessee to notify the Borrower and the Lessee of the requirements of subsection (d) and this subsection (e).

(f) If the Dissemination Agent is unable to verify that a Quarterly Report has been provided to EMMA by the date required in subsection (d), the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit C.

(g) The Lessee shall submit to the Dissemination Agent (1) copies of all written complaint notifications from the State Board of Education within ten (10) days of having received any such complaint notification and copies of any and all of the Lessee's responses to such complaint notifications; (2) notices of any meeting at which the Lessee is before the State Board of Education for issues of non-compliance; and (3) copies of the minutes of any meeting of the State Board of Education referenced in (2) above within ten (10) days following the availability thereof.

(h) Within thirty (30) days of its receipt or completion, the Lessee shall submit to the Dissemination Agent, copies of any written reports or recommendations of any Independent Consultant delivered pursuant to the Master Indenture, the Loan Agreement or the Leases.

(i) Within ten (10) days of the repayment of the Receivables Loan (as defined in the Limited Offering Memorandum), the Lessee shall submit to the Dissemination Agent, evidence that the Receivables Loan has been paid in full and that the CSC Receivables Purchase Documents (as defined in the Limited Offering Memorandum) and all security interests related thereto have been discharged and released.

(j) Upon the occurrence thereof, the Borrower and the Lessee shall provide to EMMA, or shall cause the Dissemination Agent to provide to EMMA, notice of any default or Event of Default under the Leases.

(k) If the Dissemination Agent shall not receive any such information required to be provided by Section 3(g), (h), or (i) above by the required date, the Dissemination Agent shall not be required to send a notice to EMMA regarding such failure.

SECTION 4. Content of Annual and Quarterly Reports.

(a) *Audited Financial Statements:* Each Annual Report shall contain Audited Financial Statements, as provided pursuant to Section 3(a). If Audited Financial Statements of the Lessee, the Borrower and/or the Members are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the Lessee's, the Borrower's and/or the Members', as applicable,

audited financial statements, and the Audited Financial Statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Additional Annual Report Information:* For the Fiscal Years ended June 30, 2023 and thereafter, the Borrower and the Lessee shall provide an executed Certificate for Annual Filing of Certain Charter School Operating Covenants completed substantially in the form attached hereto as Exhibit A.

(c) *Quarterly Financial Information:* Each Quarterly Report shall contain quarterly financial information and operating information of the Lessee, with respect to the Schools, including (i) the unaudited financial statements and operating data for the previous fiscal quarter of the type and in the format provided in audited financial statements of the Lessee with respect to the Schools for the prior Fiscal Year, (ii) a year-to-date comparison of the revenues and expenditures in the unaudited financial statements to the annual budget, (iii) the student enrollment number and the waitlist number, each by grade, for the most recently completed quarter, and (iv) for the fiscal quarter ending June 30 of each Fiscal Year, a copy of the Lessee's budget with respect to each of the Schools for the subsequent Fiscal Year.

(d) *Notice of Charter Non-Compliance:* Unless previously disseminated, the next Quarterly Report to be disseminated shall contain a copy or complete description of any notice, report or communication with respect to charter non-compliance that would allow the Lessee's charter authorizer to begin any process or proceedings toward charter revocation or which indicate an intent not to renew any such charter.

(e) *Inclusion by Reference:* The items listed above may be included by specific reference to other documents, including materials which have been submitted to EMMA or the SEC. The Borrower and the Lessee shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Borrower and the Lessee shall give, or upon delivery of the information to the Dissemination Agent, the Dissemination Agent shall give, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds, under applicable federal securities laws in a timely manner not in excess of ten (10) Business Days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) (i) Adverse tax opinions, (ii) the issuance by the Internal Revenue Service of proposed or final determinations of taxability of the Series 2023A Bonds, (iii) Notices of Proposed Issue (IRS Form 5701-TEB), (iv) other material notices or determinations with respect to the tax status of the Series 2023A Bonds, or (v) other material events affecting the tax-exempt status of the Series 2023A Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) (i) Bond calls, if material, and (ii) tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Series 2023 Bonds, if material;

(11) Rating changes;

(12) Failure to provide annual or quarterly financial information as required;

(13) Bankruptcy, insolvency, receivership or similar event of the Borrower, the Lessee or any Member, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Borrower, the Lessee or any Member in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, the Lessee or any Member, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental entity having supervision or jurisdiction over substantially all of the assets or business of the Borrower, the Lessee or any Member;

(14) The consummation of a merger, consolidation, or acquisition involving the Borrower, the Lessee or any Member or the sale of all or substantially all of the assets of the Borrower, the Lessee or any Member, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(15) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(16) Incurrence by the Borrower, the Lessee or any Member of a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii), excluding municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final offering document (as defined in the Rule) has been provided to the MSRB consistent with the Rule (each, a “Financial Obligation”), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, the Lessee or any Member, any of which affect security holders, if material; and

(17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, the Lessee or any Member, any of which reflect financial difficulties.

(b) The Borrower and the Lessee agree that their determination of whether any event listed in subsection (a) above is material shall be made in accordance with federal securities law.

(c) The Borrower and the Lessee shall promptly notify the Dissemination Agent in writing of the occurrence of any of the Listed Events.

(d) If the Listed Event must be reported without regard to whether or not it is material under applicable federal securities laws, such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (g).

(e) If materiality is a condition precedent to the requirement that the Listed Event be reported, and the Borrower and the Lessee determine that knowledge of the occurrence of the Listed Event is material under applicable federal securities laws, such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (g).

(f) If materiality is a condition precedent to the requirement that the Listed Event be reported, and the Borrower and the Lessee determine that knowledge of the occurrence of the Listed Event is not material under applicable federal securities laws, such notice shall instruct the Dissemination Agent not to report the occurrence pursuant to subsection (g).

(g) If the Dissemination Agent has been instructed by the Borrower and the Lessee to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA.

SECTION 6. Termination of Reporting Obligation. The Borrower’s, the Lessee’s and the Dissemination Agent’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Series 2023 Bonds. If such termination occurs prior to the final maturity of the Series 2023 Bonds, the Borrower and the Lessee shall give notice of such termination in the same manner as for a Listed Event under Section 5(d). If the Borrower’s or the Lessee’s obligations under the Master Indenture or the Loan Agreement are assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Agreement relating thereto in the same manner as if it were the

Borrower or the Lessee, as applicable, and the Borrower or the Lessee, as applicable, shall have no further responsibility hereunder with respect thereto.

The Dissemination Agent shall be fully discharged at the time any such termination is effective. Also, this Disclosure Agreement shall terminate automatically upon payment or provisions for payment of the Series 2023 Bonds. This Disclosure Agreement shall terminate when all of the Series 2023 Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

SECTION 7. Dissemination Agent. The Borrower and the Lessee may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Campanile Group, Inc. The Dissemination Agent shall have no obligation to disclose information about the Series 2023 Bonds except as expressly provided herein. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower or the Lessee, apart from the relationship created by the Rule, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Borrower or the Lessee. The Dissemination Agent may resign at any time by providing at least thirty (30) days written notice to the Borrower, the Lessee and the Bond Trustee.

SECTION 8. Investor Calls. On or before each [February 15], commencing on or before [February 15, 2024], the Borrower and the Lessee shall arrange a conference call with Registered Owners, Beneficial Owners, and potential purchasers of the Series 2023 Bonds, regarding performance of the Lessee and the School for the period ending with the preceding June 30. The Borrower and the Lessee shall provide at least 15 days' notice of such calls to EMMA.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower, the Lessee and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Borrower and the Lessee, provided that the Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(d), 4 or 5(a), it may only be made (1) in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (as defined in the Rule) with respect to the Series 2023 Bonds, or the type of business conducted, or (2) with the approval set forth in (c)(i) below;

(b) This Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the Series 2023 Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Registered Owners of the Series 2023 Bonds in the same manner as provided in the Bond Indenture for amendments to such Bond Indenture with the consent of Registered Owners, or (ii) does not, in the opinion of Bond Counsel, materially impair the interests of the Registered Owners or Beneficial Owners of the Series 2023 Bonds.

Notwithstanding the foregoing, this Disclosure Agreement may be amended by mutual agreement of the Borrower, the Lessee, and the Dissemination Agent without the conditions of this Section 9(a), (b), and (c) having been met if the sole purpose of the amendment is to require that the Borrower and/or the Lessee provide disclosure in addition to the disclosure the Borrower and/or the Lessee are required to provide pursuant to this Disclosure Agreement prior to the effectiveness of any such amendment.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower and the Lessee shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower and the Lessee. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(g), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower and the Lessee from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower and the Lessee choose to include any information in any Annual Report or Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Borrower and the Lessee shall have no obligation under this Agreement to update such information or include it in any future Annual Report or Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Borrower and the Lessee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the right of any Registered Owner to challenge the timely filing, failure to file or the adequacy of the information furnished pursuant to this Disclosure Agreement shall be limited to an action by or on behalf of Registered Owners representing at least 25% of the aggregate outstanding principal amount of the Series 2023 Bonds. This Disclosure Agreement is also enforceable on behalf of the Registered Owners of the Series 2023 Bonds by the Bond Trustee, and the Bond Trustee may, and upon the written direction of the Registered Owners of not less than 25% of the aggregate outstanding principal amount of the Series 2023 Bonds shall, proceed to protect and enforce the rights of the Registered Owners of the Series 2023 Bonds pursuant to this Disclosure Agreement; provided that in all cases the Bond Trustee shall be entitled to the indemnification and other provisions of the

Bond Indenture with regard to any actions, and prior to proceeding at the request or direction of the Underwriter, the Bond Trustee may require the same types of indemnification and related protections from the Underwriter to which the Bond Trustee would otherwise be entitled under the Bond Indenture if so requested or directed by the Registered Owners. Any failure by the Borrower and the Lessee to comply with the provisions of this Disclosure Agreement shall not be an Event of Default under the Master Indenture, the Leases, the Loan Agreement or the Bond Indenture. In no event shall any violation of this Disclosure Agreement, by itself, constitute a violation of any other laws, including other applicable securities laws.

The Registered Owners' and the Bond Trustee's rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel the Borrower and the Lessee to perform under this Disclosure Agreement, and their directors, officers and employees shall incur no liability under this Disclosure Agreement by reason of any act or failure to act hereunder. Without limiting the generality of the foregoing, neither the commencement nor the successful completion of an action to compel performance under this Section shall entitle the Trustee or any other person to attorneys' fees, financial damages of any sort or any other relief other than an order or injunction compelling performance; provided that the Bond Trustee shall nevertheless be entitled to attorneys' fees and such other rights and amounts as provided in the Bond Indenture.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Borrower and the Lessee agree to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including reasonable attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Borrower and the Lessee for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Borrower and the Lessee from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Borrower and the Lessee hereunder and shall not be deemed to be acting in any fiduciary capacity for the Borrower, the Lessee, the Registered Owners, Beneficial Owners or any other party. The obligations of the Borrower and the Lessee under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2023 Bonds.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Borrower:	Grupo Nuevo Los Angeles 3435 W. Temple Street Los Angeles, CA 90026 Attention: [____] Telephone: [____] Email: [____]
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To the Lessee: Camino Nuevo Charter Academy
3435 W. Temple Street
Los Angeles, CA 90026
Attention: [____]
Telephone: [____]
Email: [____]

To the Bond Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department
Telephone: [____]
Email: [____]

To the Dissemination Agent: Campanile Group, Inc.
668 N. Coast Highway #317.
Laguna Beach, California 92651
Attention: John Phan
Telephone: (323) 270-7119
Email: jphan@campanilegroup.com

To the Underwriter: RBC Capital Markets, LLC
777 Figueroa St., Suite 850
Los Angeles, CA 90017
Attention: John Solarczyk, Managing Director
Telephone: (213) 362-4115
Email: john.solarczyk@rbccm.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Bond Trustee, the Dissemination Agent, the Underwriter, Registered Owners and Beneficial Owners from time to time of the Series 2023 Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

SECTION 17. Delivery to the MSRB. Any filings required to be made with the MSRB shall be made utilizing EMMA.

SECTION 18. Choice of Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of California, provided that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 19. Electronic Signatures. The parties agree that the electronic signature of a party to this Disclosure Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Disclosure Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

[Remainder of page intentionally left blank; Signature pages to follow]

Dated as of the date first written above.

GRUPO NUEVO LOS ANGELES, a California nonprofit public benefit corporation, on its own behalf and on behalf of each member of the Obligated Group

By: _____
[Name, Title]

CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation

By: _____
[Name, Title]

[CSFA/Camino Nuevo Charter Academy Series 2023 Bonds – Continuing Disclosure Agreement]

Dated as of the date first written above.

CAMPANILE GROUP, INC.,
as Dissemination Agent

By: _____
Authorized Signatory

[CSFA/Camino Nuevo Charter Academy Series 2023 Bonds – Continuing Disclosure Agreement]

EXHIBIT A**FORM OF CERTIFICATE FOR ANNUAL FILING
OF CERTAIN CHARTER SCHOOL OPERATING COVENANTS**

Name of Issuer: California School Finance Authority

Name of Issue: Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023B (Taxable)

Name of Borrower: Grupo Nuevo Los Angeles

Name of Lessee: Camino Nuevo Charter Academy

Date of Issuance: [____], 2023

NOTICE IS HEREBY GIVEN that [the Borrower and] the Lessee [are][is] providing to the Dissemination Agent the following operational information as required under Section 4 of the Continuing Disclosure Agreement, dated as of [____] 1, 2023 (the “Disclosure Agreement”), between the Dissemination Agent, the Lessee and Borrower. The Disclosure Agreement requires that [the Borrower and] the Lessee provide this information to the Dissemination Agent no later than 180 days following the end of each of the Borrower’s and the Lessee’s preceding Fiscal Years. Defined terms used in this certificate and not defined herein shall have the meanings granted to such terms in the Disclosure Agreement or if not defined therein, in the Master Indenture. The information contained below is unaudited but is derived from the Audited Financial Statements.

1. Financial Covenants As of June 30, 20__ :
 - (a) Consolidated Days Cash on Hand was __ days, which [does/does not] comply with the liquidity covenant of the Leases.
 - (b) [To be completed for each Lease] The Lessee’s Payment Coverage Ratio pursuant to the Lease for the Fiscal Year ended June 30, 20__ was __x.
2. The following information with respect to each School:
 - (a) Enrollment by grade (actual for prior and projected for two following years). (See Table 15 in Appendix A to the Limited Offering Memorandum).
 - (b) Student retention (prior year). (See Table 17 in Appendix A to the Limited Offering Memorandum).
 - (c) Waitlist by grade. (See Table 16 in Appendix A to the Limited Offering Memorandum).

(d) The State’s Smarter Balanced Assessment Consortium results (prior year), indicating for each English language arts and literacy (“ELA/L”) and mathematics (“Math”) the aggregate percentages of students meeting or exceeding the State’s standards.

This certificate is being provided by the Borrower and the Lessee to the Dissemination Agent [by][after] 180 days following the Fiscal Year ending June 30, 20__.

The undersigned certifies that the Audited Financial Statements and this certificate comply with the requirements of Section 4 of the Disclosure Agreement.

Dated: _____

GRUPO NUEVO LOS ANGELES, a California nonprofit public benefit corporation, on its own behalf and on behalf of each member of the Obligated Group

By: _____
Its: _____

CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation

By: _____
Its: _____

EXHIBIT B

QUARTERLY REPORT CERTIFICATE

Name of Issuer: California School Finance Authority

Name of Issue: Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023B (Taxable)

Name of Borrower: Grupo Nuevo Los Angeles

Name of Lessee: Camino Nuevo Charter Academy

Date of Issuance: [____], 2023

Pursuant to the Continuing Disclosure Agreement, dated as of [____] 1, 2023, between the Lessee, the Borrower, and the Dissemination Agent, the undersigned representatives of the Lessee and the Borrower does hereby certify that the enclosed unaudited financial statements of the Lessee for the quarter ended _____, 20__, complies with the requirements of Section 3 of the Continuing Disclosure Agreement.

GRUPO NUEVO LOS ANGELES, a California nonprofit public benefit corporation, on its own behalf and on behalf of each member of the Obligated Group

By: _____
 Its:]CAMINO NUEVO CHARTER ACADEMY, a California nonprofit public benefit corporation

By: _____
 Its: _____

EXHIBIT C

NOTICE TO THE MSRB OF FAILURE TO FILE [ANNUAL/QUARTERLY] REPORT

Name of Issuer: California School Finance Authority

Name of Issue: Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group), Series 2023B (Taxable)

Name of Borrower: Grupo Nuevo Los Angeles

Name of Lessee: Camino Nuevo Charter Academy

Date of Issuance: [____], 2023

NOTICE IS HEREBY GIVEN that the Borrower and the Lessee have not provided an [Annual/Quarterly] Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of [____] 1, 2023, among the Borrower, the Lessee and the undersigned, with respect to the Bonds. The Borrower and the Lessee have notified the Dissemination Agent that they anticipate that the [Annual/Quarterly] Report will be filed by _____.

Dated: _____

CAMPANILE GROUP, INC.,
as Dissemination Agent

By: _____
Authorized Signatory

cc: Borrower and Lessee

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [____], 2023**NEW ISSUES—FULL BOOK-ENTRY****Rating: S&P: [__]
(See “RATING” herein)**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2023A Bonds (including any original issue discount properly allocable to an owner of a Series 2023A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on individual. For tax years beginning after December 31, 2022, interest on the Series 2023A Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that interest on the Series 2023 Bonds is exempt from State of California personal income taxes. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

\$[____]*
**CALIFORNIA SCHOOL FINANCE AUTHORITY
 CHARTER SCHOOL REVENUE BONDS
 (CAMINO NUEVO CHARTER ACADEMY -
 OBLIGATED GROUP)
 SERIES 2023A**

\$[____]*
**CALIFORNIA SCHOOL FINANCE AUTHORITY
 CHARTER SCHOOL REVENUE BONDS
 (CAMINO NUEVO CHARTER ACADEMY -
 OBLIGATED GROUP)
 SERIES 2023B (TAXABLE)**

Dated: Date of Delivery**Due: July 1 as shown on page (i)**

This cover page contains information for general reference only. It is not intended as a summary of these issues. Investment in the Series 2023 Bonds involves a significant degree of risk and is speculative in nature. Investors must read the entire Limited Offering Memorandum to obtain information essential to making an informed investment decision. Capitalized terms used, but not defined on this cover page have the meanings assigned to them in the Limited Offering Memorandum or in Appendices D and E thereto.

The California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A, in the aggregate principal amount of \$[____]* (the “Series 2023A Bonds” or the “Tax-Exempt Bonds”) and the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable), in the aggregate principal amount of \$415,000* (the “Series 2023B Bonds” or the “Taxable Bonds” and, together with the Series 2023A Bonds, the “Series 2023 Bonds”) will be issued by the California School Finance Authority (the “Authority”) pursuant to an Indenture, dated as of [____] 1, 2023 (the “Bond Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Bond Trustee”). The Authority will loan the proceeds of the Series 2023 Bonds to Grupo Nuevo Los Angeles (the “Borrower”), a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), pursuant to a Loan Agreement, dated as of [____] 1, 2023 (the “Loan Agreement”), by and between the Authority and the Borrower and approved and acknowledged by the Landlords (as defined herein).

The Series 2023 Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Bond Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Series 2023 Bonds (“Obligation No. 1”) issued by the Borrower in an amount equal to the aggregate principal amount of the Series 2023 Bonds pursuant to a Master Indenture of Trust, dated as of [____] 1, 2023 (the “Original Master Indenture”), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [____] 1, 2023 (the “First Supplemental Master Indenture” and, together with the Original Master Indenture, the “Master Indenture”), by and between the Borrower, as representative of the Obligated Group, the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee thereunder (the “Master Trustee”). The initial Members of the Obligated Group (each a “Member”) are Fifteenth and Ardmore LLC, a California limited liability company, 3500 West Temple LLC, a California limited liability company, GNLA 3435 W Temple LLC, a California limited liability company, and GNLA 697 S Burlington LLC, a California limited liability company (each a “Landlord” and collectively, the “Landlords”), the sole member of each of which is the Borrower.

The proceeds of the Series 2023 Bonds will be used to (1) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping (A) an educational facility known as Camino Nuevo Elementary #3, located at 2755 W 15th St, Los Angeles, CA 90006 (“Eisner Middle Campus”), (B) administrative offices, located at 3435 W. Temple St., Los Angeles, CA 90026 (“Head Office Facility”), (C) an educational facility known as Camino Nuevo High School #2, located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004 (“Dalzell High Campus”) and (D) an educational facility known as Camino Nuevo Charter Academy, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (“Burlington Campus” and collectively with Eisner Middle Campus, Head Office Facility, and Dalzell High, the “Facilities”); (2) finance certain capital improvements to the Facilities; (3) pay capitalized interest on the Series 2023 Bonds; (4) fund a debt service reserve fund with respect to the Series 2023 Bonds; (5) fund related working capital; and (6) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds (collectively, the “Project”). A deposit to the Reserve Account for the Series 2023 Bonds in an amount equal to the Reserve Account Requirement will be funded by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority.

The Series 2023 Bonds are limited obligations of the Authority payable from Payments received under the Bond Indenture (including amounts payable under the Leases) and other amounts held in the funds established by the Bond Indenture (except the Rebate Fund) and payments to be made pursuant to Obligation No. 1. The obligations of the Borrower under the Loan Agreement are payable from the Payments required to be deposited with the Bond Trustee pursuant to the Bond Indenture.

The Facilities will be leased to Camino Nuevo Charter Academy (the “Lessee”), a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Code, pursuant to certain lease agreements (the “Leases”), by and between the Borrower and the applicable Landlord, and will be used by the Lessee for the operation of the Schools. The Lessee will make payments of Rent under the Leases from revenues derived solely from the Schools, and any other charter school operated by the Lessee in the Facilities. See “THE LEASES” in the Limited Offering Memorandum.

Interest on the Series 2023 Bonds will be payable semiannually on each January 1 and July 1, commencing [____]*. The Series 2023 Bonds are being issued as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). DTC will act as securities depository for the Series 2023 Bonds. Purchases of beneficial interests in the Series 2023 Bonds will be made in book-entry-only form (without physical certificates) in initial minimum denominations of \$250,000 and any integral multiple of \$5,000 in excess thereof. For so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2023 Bonds, (i) payments of the principal of and premium, if any, and interest on such Series 2023 Bonds will be made directly to Cede & Co. for payment to DTC participants for subsequent disbursement to the beneficial owners, and (ii) all notices, including any notice of redemption will be mailed only to Cede & Co. See “APPENDIX G – BOOK-ENTRY SYSTEM” attached hereto.

The Series 2023 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described under “THE SERIES 2023 BONDS – Redemption” herein.

* Preliminary subject to change.

THE PURCHASE AND HOLDING OF THE SERIES 2023 BONDS INVOLVE RISKS THAT MAY NOT BE APPROPRIATE FOR CERTAIN INVESTORS. THE SERIES 2023 BONDS ARE TO BE OFFERED AND SOLD (INCLUDING IN SECONDARY MARKET TRANSACTIONS) ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR "ACCREDITED INVESTORS" (EACH AS DEFINED HEREIN). IN ADDITION, THE INITIAL PURCHASERS OF THE SERIES 2023 BONDS WILL BE REQUIRED TO SUBMIT AN INVESTOR LETTER TO THE AUTHORITY AND THE BOND TRUSTEE. SEE "NOTICE TO INVESTORS" AND "TRANSFER RESTRICTIONS" HEREIN.

THE SERIES 2023 BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA (THE "STATE") OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2023 BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE ISSUANCE OF THE SERIES 2023 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE BOND INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICES (DEFINED HEREIN) OR TO MAKE FUNDS AVAILABLE TO THE OBLIGATED GROUP SCHOOLS IN ANY AMOUNT OR AT ANY TIME.

The Series 2023 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to prior sale, modification or withdrawal of the offer without notice, and subject to the approval of legality by Kutak Rock LLP, Bond Counsel to the Authority, the approval of certain matters for the Underwriter by Orrick, Herrington & Sutcliffe LLP, as Underwriter's Counsel, the approval of certain matters for the Borrower, the Lessee and the Landlords by Musick, Peeler & Garrett LLP. It is expected that the Series 2023 Bonds in definitive form will be available for delivery through the facilities of The Depository Trust Company, on or about _____, 2023.

Honorable Fiona Ma
Treasurer of the State of California
as Agent for Sale

RBC CAPITAL MARKETS

Dated: _____ 2023

MATURITY SCHEDULE

\$[____]*
**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023A**

\$ _____ % Term Bond due July 1, 20__ ; Price: ___%; Yield: ___%; CUSIP⁽¹⁾
\$ _____ % Term Bond due July 1, 20__ ; Price: ___%; Yield: ___%; CUSIP⁽¹⁾
\$ _____ % Term Bond due July 1, 20__ ; Price: ___%; Yield: ___%; CUSIP⁽¹⁾
\$ _____ % Term Bond due July 1, 20__ ; Price: ___%; Yield: ___%; CUSIP⁽¹⁾

\$[____]*
**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023B (TAXABLE)**

\$ _____ % Term Bond due July 1, 20__ ; Price: ___%; Yield: ___%; CUSIP⁽¹⁾

* Preliminary, subject to change.

⁽¹⁾ The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the Borrower, the Lessee, the Underwriter or the Bond Trustee, and are included solely for the convenience of the holders of the Series 2023 Bonds. None of the Authority, the Borrower, the Lessee, the Underwriter or the Bond Trustee is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Series 2023 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2023 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities. CUSIP Global Services is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.

This Limited Offering Memorandum does not constitute an offer to sell the Series 2023 Bonds or the solicitation of an offer to buy, nor shall there be any sale of the Series 2023 Bonds by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. No dealer, salesperson or any other person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the Series 2023 Bonds, and, if given or made, such information or representation must not be relied upon.

The information set forth herein under the headings “THE AUTHORITY” and “ABSENCE OF MATERIAL LITIGATION – The Authority” has been furnished by the Authority. All other information set forth herein has been obtained from the Lessee, the Borrower, and other sources that are believed to be reliable. The adequacy, accuracy or completeness of such information is not guaranteed by, and is not to be construed as a representation of, the Authority or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the Authority, The Depository Trust Company, the Lessee or the Borrower since the date hereof.

References to website addresses presented herein, including the Appendices hereto, are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2023 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2023 BONDS OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING
STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM**

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements.” Such statements generally are identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the headings “CERTAIN RISK FACTORS,” and “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” in this Limited Offering Memorandum. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the Borrower, the Lessee or the Obligated Group plans to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

NOTICE TO INVESTORS

The Series 2023 Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors (each as defined herein). The Bond Indenture under which the Series 2023 Bonds will be issued contains provisions limiting transfers of the Series 2023 Bonds and beneficial ownership interests in the Series 2023 Bonds only to Qualified Institutional Buyers or Accredited Investors. In addition, the face of each Series 2023 Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Bond Indenture and the initial purchasers of the Series 2023 Bonds will be required to execute and deliver to the Authority and the Bond Trustee an investor letter or bondholder representative letter, as appropriate, in the form attached hereto as APPENDIX I.

Each purchaser of any Series 2023 Bonds or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the Authority, the Borrower, the Underwriter and the Bond Trustee as follows:

1. That the Series 2023 Bonds are payable solely from certain revenues derived by the Authority under the Loan Agreement from amounts received by the Bond Trustee pursuant to the Intercepts (as defined herein), and from certain funds and accounts established and maintained pursuant to the Bond Indenture;

2. That it is a Qualified Institutional Buyer or an Accredited Investor and that it is purchasing the Series 2023 Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act") or other applicable securities laws;

3. That the Series 2023 Bonds (a) have not been registered under the Securities Act and are not registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) may not be readily marketable;

4. That none of the Authority or any of its Board members, officers or employees takes any responsibility for, and the purchaser is not relying upon any such parties with respect to the information appearing anywhere in this Limited Offering Memorandum, other than the information under the headings "THE AUTHORITY," and "ABSENCE OF MATERIAL LITIGATION – The Authority" (collectively, the "Authority's Portion" of the Limited Offering Memorandum) and that none of such parties have participated in the preparation of this Limited Offering Memorandum;

5. That the Series 2023 Bonds and beneficial ownership interests therein may only be transferred to Qualified Institutional Buyers or Accredited Investors; and

6. That the Authority, the Borrower, the Lessee, the Bond Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

See "TRANSFER RESTRICTIONS" herein.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
GENERAL	1
THE SERIES 2023 BONDS	1
AUTHORITY FOR ISSUANCE	2
USE OF PROCEEDS.....	2
THE BORROWER.....	3
THE LANDLORDS.....	ERROR! BOOKMARK NOT DEFINED.
THE LESSEE AND THE SCHOOLS	3
SECURITY FOR THE SERIES 2023 BONDS	3
REDEMPTION.....	4
CERTAIN RISK FACTORS	4
LIMITED DUTIES OF THE TRUSTEES.....	4
MISCELLANEOUS.....	5
LIMITED OFFERING OF SERIES 2023 BONDS.....	5
THE AUTHORITY	6
THE SERIES 2023 BONDS.....	6
GENERAL	6
BOOK-ENTRY ONLY SYSTEM.....	7
TRANSFER OF SERIES 2023 BONDS	7
EXCHANGE OF SERIES 2023 BONDS	7
REDEMPTION.....	7
DEFEASANCE	12
TRANSFER RESTRICTIONS.....	13
ESTIMATED SOURCES AND USES OF FUNDS	14
PLAN OF FINANCE.....	14
REFINANCE PRIOR OBLIGATIONS	14
THE LEASES	15
DEBT SERVICE SCHEDULE.....	16
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS	17
LIMITED OBLIGATIONS OF THE AUTHORITY	17
BOND INDENTURE.....	17
THE LOAN AGREEMENT	22
THE MASTER INDENTURE	23
DEEDS OF TRUST.....	32
ADDITIONAL LEASES GOVERNED BY THE MASTER INDENTURE.....	33
THE LEASES	33
GENERAL	33
PAYMENT OF RENT	34
CERTAIN COVENANTS UNDER THE LEASES.....	35
CERTAIN RISK FACTORS.....	39
RISK OF LOSS	40
ABSENCE OF RATING	ERROR! BOOKMARK NOT DEFINED.
LIMITED LIABILITY OF THE BORROWER.....	40
LIMITED LIABILITY OF THE LESSEE.....	40
OTHER LESSEE SCHOOLS	41
SUFFICIENCY OF REVENUES	41
RISKS RELATED TO INFECTIOUS VIRUS AND/OR DISEASE	42
OPERATING HISTORY; RELIANCE ON PROJECTIONS	42
DEPENDENCE ON STATE AID PAYMENTS THAT ARE SUBJECT TO ANNUAL APPROPRIATION AND POLITICAL FACTORS.....	43
SB 740 FUNDING.....	43

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
POSSIBLE OFFSETS TO STATE APPORTIONMENT	44
COMPETITION FOR STUDENTS; SCHOOL CHOICE INITIATIVES	44
DEFAULT UNDER THE LEASES; NO ASSURANCE REGARDING SUBSEQUENT TENANT	45
SURVIVAL OF LEASES AFTER A BOND DEFAULT AND FORECLOSURE	45
ADDITIONAL INDEBTEDNESS AND ADDITIONAL SCHOOL INDEBTEDNESS	45
ADDITION AND REMOVAL OF MEMBERS	46
RESERVE ACCOUNT	46
PURCHASES AND TRANSFERS OF SERIES 2023 BONDS RESTRICTED TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS; LIMITED MARKET	46
RISKS RELATED TO LIMITED DUTIES OF THE TRUSTEES.....	46
TAX RELATED ISSUES	47
FACTORS THAT COULD AFFECT THE SECURITY INTEREST IN THE FACILITIES; SUPERIOR LIENS.....	48
VALUE OF PROPERTY MAY FLUCTUATE; LIMITATIONS OF APPRAISALS	49
LIMITATIONS ON VALUE OF THE FACILITIES AND TO REMEDIES UNDER THE DEEDS OF TRUST	49
ENVIRONMENTAL REGULATION.....	51
BANKRUPTCY.....	52
FACTORS ASSOCIATED WITH EDUCATION	52
DEPENDENCY OF STATE FINANCES; STATE FINANCIAL DIFFICULTIES	52
BUDGET DELAYS AND RESTRICTIONS ON DISBURSEMENT OF STATE FUNDS DURING A BUDGET IMPASSE	53
CONSTRUCTION RISKS; CONTINGENCY PLANS.....	ERROR! BOOKMARK NOT DEFINED.
CREDIT ENHANCEMENT GRANT	53
KEY MANAGEMENT	54
OTHER LIMITATIONS ON ENFORCEABILITY OF REMEDIES	54
SPECIFIC RISKS OF CHARTER SCHOOLS.....	54
LITIGATION	56
REPUTATIONAL RISK	57
FAILURE TO PROVIDE ONGOING DISCLOSURE.....	57
USE OF FACILITIES	57
CYBER SECURITY.....	57
CAMPUS SECURITY	57
SUMMARY.....	58
ABSENCE OF MATERIAL LITIGATION	58
THE AUTHORITY	58
THE BORROWER, THE LANDLORDS, AND THE LESSEE	58
TAX MATTERS	58
THE SERIES 2023A BONDS.....	58
THE SERIES 2023B BONDS.....	60
CHANGES IN FEDERAL AND STATE TAX LAW	63
MUNICIPAL ADVISOR	64
SPECIAL RELATIONSHIPS	64
FINANCIAL STATEMENTS	64
APPROVAL OF LEGALITY	64
RATING	65
LIMITED OFFERING	65
CONTINUING DISCLOSURE	65
UNDERWRITING	65
MISCELLANEOUS	66
CERTIFICATION	1
APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS.....	A-1

TABLE OF CONTENTS (cont'd)

	<u>Page</u>
APPENDIX B – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE LESSEE FOR THE FISCAL YEARS ENDED JUNE 30, []	B-1
APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA	C-1
APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS.....	D-1
APPENDIX E – SUMMARY OF THE LEASES	E-1
APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT	F-1
APPENDIX G – BOOK-ENTRY SYSTEM.....	G-1
APPENDIX H – FORM OF OPINION OF BOND COUNSEL	H-1
APPENDIX I – FORMS OF INVESTOR LETTER.....	I-1

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**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY -
OBLIGATED GROUP)
SERIES 2023A**

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**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY -
OBLIGATED GROUP)
SERIES 2023B (TAXABLE)**

INTRODUCTION

General

This Limited Offering Memorandum, including the cover page, the inside cover page, page (i), and Appendices hereto (the “Limited Offering Memorandum”), is provided to furnish information with respect to the sale and delivery of (i) the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A, in the aggregate principal amount of \$[]* (the “Series 2023A Bonds” or the “Tax-Exempt Bonds”) and the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable), in the aggregate principal amount of \$[]* (the “Series 2023B Bonds” or the “Taxable Bonds” and, together with the Series 2023A Bonds, the “Series 2023 Bonds”) issued by the California School Finance Authority (the “Authority”). Any capitalized terms in this Limited Offering Memorandum that are not defined herein have the meanings assigned to them in “APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS” and “APPENDIX E – SUMMARY OF THE LEASES” hereto.

The Series 2023 Bonds

The Series 2023 Bonds will be issued pursuant to Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (the “Act”) and an Indenture, dated as of [] 1, 2023 (the “Bond Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Bond Trustee”). The Series 2023 Bonds will bear interest payable on January 1 and July 1 of each year, commencing []* (each such date, an “Interest Payment Date”) and will be subject to optional, mandatory and extraordinary redemption prior to maturity as set forth under “THE SERIES 2023 BONDS – Redemption” herein.

The proceeds of the Series 2023 Bonds will be loaned to Grupo Nuevo Los Angeles (the “Borrower”), a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), pursuant to a Loan Agreement, dated as of [] 1, 2023 (the “Loan Agreement”), by and between the Authority and the Borrower and approved and acknowledged by the Landlords (as defined herein). The Landlords will lease the applicable Facilities (as hereinafter defined) to Camino Nuevo Charter Academy (the “Lessee”), a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Code, pursuant to the following lease agreements, each by and between the Lessee and the applicable Landlord and dated as of [] 1, 2023, (collectively, the “Leases”): (i) those certain Lease Agreements, dated as of [] 1, 2023, between GNLA 3435 W Temple LLC and the Lessee with respect to the Head Office Facility (as hereinafter defined); (ii) those certain Lease Agreements, dated as of [] 1, 2023, between Fifteenth and Ardmore LLC and the Lessee with respect to the Eisner Middle Campus (as hereinafter defined); (iii) those certain Lease Agreements, dated as of [] 1, 2023, between 3500 West Temple LLC and the Lessee with respect to the Dalzell High Campus; and (iv) those certain Lease Agreements, dated as of [] 1, 2023, between GNLA 697 S Burlington LLC and the Lessee with respect to the Burlington Campus. See “THE LEASES” herein and “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto. GNLA 3435 W Temple LLC, Fifteenth and Ardmore LLC, 3500 West Temple LLC and GNLA 697 S Burlington LLC are referred to collectively herein as the “Landlords”.

The Series 2023 Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Bond Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the

* Preliminary subject to change.

Series 2023 Bonds (“Obligation No. 1”) issued by the Borrower in an amount equal to the aggregate principal amount of the Series 2023 Bonds pursuant to a Master Indenture of Trust, dated as of [____] 1, 2023 (the “Original Master Indenture”), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [____] 1, 2023 (the “First Supplemental Master Indenture” and, together with the Original Master Indenture, the “Master Indenture”), by and between the Borrower, as representative of the Obligated Group, the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee thereunder (the “Master Trustee”). See “THE SERIES 2023 BONDS” herein. The initial Members of the Obligated Group are the Landlords.

The Series 2023 Bonds will be issued in initial minimum denominations of \$250,000 and any integral multiple of \$5,000 in excess thereof and in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), and beneficial ownership interests in the Series 2023 Bonds are to be sold (including secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. Pursuant to the Bond Indenture, “Qualified Institutional Buyer” means a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “Securities Act”). Pursuant to the Bond Indenture, “Accredited Investor” means an “accredited investor” as described in Section (a) of Rule 501 of Regulation D under the Securities Act. The Bond Indenture and the Series 2023 Bonds contain provisions limiting transfers of the Series 2023 Bonds and beneficial ownership interests in the Series 2023 Bonds to Qualified Institutional Buyers or Accredited Investors. In addition, each initial purchaser of the Series 2023 Bonds must execute an investor letter or bondholder representative letter, as appropriate, in the form of “APPENDIX I – FORMS OF INVESTOR LETTER” in connection with its initial purchase of the Series 2023 Bonds. The face of each Series 2023 Bond will contain a legend indicating that such Series 2023 Bond is subject to the transfer restrictions set forth in the Bond Indenture. See “TRANSFER RESTRICTIONS” and “CERTAIN RISK FACTORS – Purchases and Transfers of Series 2023 Bonds Restricted to Qualified Institutional Buyers and Accredited Investors” herein.

Authority for Issuance

The Series 2023 Bonds will be issued by the Authority pursuant to the Act, a resolution of the Authority, and the Bond Indenture. See “THE AUTHORITY” herein.

Use of Proceeds

The proceeds of the Series 2023 Bonds will be used to (1) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping (A) an educational facility known as Camino Nuevo Elementary #3, located at 2755 W 15th St, Los Angeles, CA 90006 (“Eisner Middle Campus”), (B) administrative offices, located at 3435 W. Temple St., Los Angeles, CA 90026 (“Head Office Facility”), (C) an educational facility known as Camino Nuevo High School #2, located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004 (“Dalzell High Campus”) and (D) an educational facility known as Camino Nuevo Charter Academy, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (“Burlington Campus” and collectively with Eisner Middle Campus, Head Office Facility, and Dalzell High Campus, the “Facilities”); (2) finance certain capital improvements to the Facilities; (3) pay capitalized interest on the Series 2023 Bonds; (4) fund a debt service reserve fund with respect to the Series 2023 Bonds; (5) fund related working capital; and (6) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds (collectively, the “Project”). A deposit to the Reserve Account for the Series 2023 Bonds in an amount of the Reserve Account Requirement will be funded by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – Bond Indenture – Reserve Account” herein.

On the date of issuance of the Series 2023 Bonds (the “Closing Date”), the Facilities will be acquired by the Borrower and will be leased to the Lessee pursuant to the Leases. The Facilities will be used by the Lessee for the operation of the public charter schools known as Camino Nuevo High #2 (Dalzell Lance High School) (the “High School”), Camino Nuevo Elementary #3 (Jane B. Eisner) (the “Middle School”), and Camino Nuevo Charter Academy (Burlington) (“CNCA”). The High School, the Middle School and CNCA are referred to herein collectively as the “Schools.”

See “PLAN OF FINANCE” herein and “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto.

The Borrower

The Borrower is a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Code, and was formed in 2012 to support the charter schools operated by the Lessee by holding title to property and managing, operating and leasing property. The Borrower will use a portion of the proceeds of the Series 2023 Bonds to complete the Project. For more information regarding the Borrower, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” hereto.

The Lessee and the Schools

[The Lessee was founded in 2012 and currently operates five charter schools on six sites, including CNCA, the Middle School, the High School, Camino Nuevo Charter Academy #2 (Kayne Siart) (“CNCA #2”), Camino Nuevo Elementary #3 (Jose A. Castellanos) (“Castellanos”) and Camino Nuevo Charter Academy #4 (Sandra Cisneros) (“CNCA #4”). Revenues of CNCA #4, Castellanos and CNCA #4 are not security for the Series 2023 Bonds or for the obligations of the Borrower under the Loan Agreement or for the obligations of the Obligated Group under Obligation No. 1.] *[To confirm structure/included schools/pledged revenues]*

For more information regarding the Lessee and the Schools, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOL” hereto.

Security for the Series 2023 Bonds

The Series 2023 Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Bond Trustee pursuant to the Loan Agreement, the Intercepts (as defined below), and the Obligations issued by the Borrower in an amount equal to the aggregate principal amount of the Series 2023 Bonds pursuant to the Master Indenture.

Pursuant to and to the extent described in the Bond Indenture, the Authority assigns to the Bond Trustee certain of the Authority’s rights under the Loan Agreement, including the right to receive payments thereunder, but excluding any deposits to the Rebate Fund. Pursuant to the Loan Agreement, the Borrower certifies that it will cause the Lessee to make payments of Rent under the Leases directly to the Bond Trustee for deposit in the Revenue Fund. Payment of management fees to the Lessee from the revenues of the Schools will be subordinated to the obligation to pay Rent under the Leases. See “THE LEASES” herein. Pursuant to the Deeds of Trust (as defined herein), the Landlords grant to the Master Trustee first priority liens on their respective fee simple interests in the Facilities. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS” herein.

State Intercept Program. In connection with the issuance of the Series 2023 Bonds, the Lessee will provide instructions to the State Controller’s Office (the “State Controller”) to make apportionments (each an “Intercept”) to the Bond Trustee with respect to the Schools, in amounts and on dates provided in a written notice (each an “Intercept Notice”), which amounts are expected to be sufficient in the aggregate to repay the Series 2023 Bonds and pay necessary and incidental costs. Funds received by the Bond Trustee pursuant to the Intercepts constitute Payments (as defined in the Bond Indenture) and will be held in trust and will be disbursed, allocated and applied solely for the uses and purposes set forth in the applicable Bond Indenture, including the payment of debt service on the Series 2023 Bonds. Under the laws of the State of California (the “State”), except as described therein, no party, including the Lessee, the Borrower or any of their respective creditors will have any claim to the money apportioned or anticipated to be apportioned to the Bond Trustee by the State Controller pursuant to the Intercepts. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS” and “CERTAIN RISK FACTORS – Bankruptcy” below.

Limited Obligations. The Series 2023 Bonds are limited obligations of the Authority. The Authority is not obligated to advance any moneys derived from any source other than Payments (as defined in the Bond Indenture) and other assets pledged under the Bond Indenture, whether for the payment of the principal or redemption price of

or interest on the Series 2023 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS” herein.

Obligated Group and Related Parties. The initial Members of the Obligated Group are the Landlords. The Landlords will lease the applicable Facilities to the Lessee pursuant to the Leases. Each Landlord is a California limited liability company the sole member of which is the Borrower. Each Landlord (other than GNLA 3435 W Temple LLC) owns and currently leases the applicable Facilities (other than the Head Office Facility) to the Lessee, and such leases will be amended and restated and/or succeeded by the Leases. The Borrower currently owns the Head Office Facility, on or prior to the issuance of the Series 2023 Bonds, ownership of the Head Office Facility will be transferred to GNLA 3435 W Temple LLC. For more information regarding the Landlords, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” hereto.

In connection with the issuance of the Series 2023 Bonds, the Borrower, as representative of the Obligated Group, and the Landlords, as the initial Members of the Obligated Group, will enter into the Master Indenture with the Master Trustee. Under the Master Indenture, each member jointly and severally covenants and agrees (a) to pay or cause to be paid promptly all required payments at the place, on the dates and in the manner provided in the Master Indenture and related supplements and obligations and (b) to faithfully observe and perform all of the conditions, covenants and requirements of the Master Indenture and related supplements and obligations.

Initially, the Landlords will be the only Members of the Obligated Group. The Borrower is the Obligated Group Representative but is not a Member of the Obligated Group. Although additional members may be added to the Obligated Group in connection with future projects and financings, the Borrower, the Lessee and the Members make no assurances that additional members will be added to the Obligated Group. Additionally, Members withdraw from the Obligated Group as set forth in the Master Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture” herein.

For additional information regarding the Borrower, the Lessee and the Schools, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto.

Redemption

The Series 2023 Bonds will be subject to optional redemption, extraordinary redemption, and mandatory sinking fund redemption as described below under “THE SERIES 2023 BONDS – Redemption.”

Certain Risk Factors

The Series 2023 Bonds may not be a suitable investment for all investors. Prospective purchasers of the Series 2023 Bonds should read this entire Limited Offering Memorandum, including the appendices and the information under the section “CERTAIN RISK FACTORS” before making an investment in the Series 2023 Bonds.

Limited Duties of the Trustees

The Bond Trustee. Under the terms of the Bond Indenture, the Bond Trustee will not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in the Bond Indenture or of any of the documents executed in connection with the Series 2023 Bonds or as to the existence of an Event of Default under the Bond Indenture. Additionally, neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates will be responsible for nor have any duty to monitor the performance or any action of the Authority, the Borrower, or any of their directors, members, officers, agents, affiliates or employee, nor will the Bond Trustee have any liability in connection with the malfeasance or nonfeasance by any such party. The Bond Trustee may assume performance by all such Persons of their respective obligations. The Bond Trustee will have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person. Further, the Bond Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent,

order, judgment, decree, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Master Trustee. Under the terms of the Master Indenture, the Master Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or document. Additionally, the Master Trustee may rely and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties.

Miscellaneous

This Limited Offering Memorandum contains brief descriptions of, among other things, the Series 2023 Bonds, the Bond Indenture, the Loan Agreement, the Leases, the Master Indenture, the First Supplemental Master Indenture, Obligation No. 1, the Borrower, the Landlords, the Lessee and the Schools. All references in this Limited Offering Memorandum to documents are qualified in their entirety by reference to such documents, and references to the Series 2023 Bonds are qualified in their entirety by reference to the form of the Series 2023 Bonds included in the Bond Indenture. The Lessee maintains a website providing additional information about itself and its operations. The information on such website is not included as part of, or incorporated by any reference in, this Limited Offering Memorandum.

Limited Offering of Series 2023 Bonds

The Series 2023 Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. The Bond Indenture contains provisions limiting transfers of the Series 2023 Bonds and beneficial ownership interests in the Series 2023 Bonds only to Qualified Institutional Buyers or Accredited Investors. In addition, the face of each Series 2023 Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Bond Indenture and the initial purchasers of the Series 2023 Bonds will be required to execute and deliver to the Authority and the Bond Trustee an investor letter or bondholder representative letter, as appropriate, in the form attached hereto as APPENDIX I. See “TRANSFER RESTRICTIONS” herein.

Each purchaser of any Series 2023 Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the Authority, the Borrower, the Underwriter and the Bond Trustee as follows:

1. That the Series 2023 Bonds are payable solely from certain revenues derived by the Authority under the Loan Agreement from amounts received by the Bond Trustee pursuant to the Intercepts, and from certain funds and accounts established and maintained pursuant to the Bond Indenture;
2. That it is a Qualified Institutional Buyer or an Accredited Investor and that it is purchasing the Series 2023 Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act or other applicable securities laws;
3. That the Series 2023 Bonds (a) have not been registered under the Securities Act of 1933 and are not registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) may not be readily marketable;
4. That none of the Authority or any of its Board members, officers or employees takes any responsibility for, and the purchaser is not relying upon any such parties with respect to the information appearing anywhere in this Limited Offering Memorandum, other than the information under the headings “THE AUTHORITY,” and “ABSENCE OF MATERIAL LITIGATION – The Authority,” and that none of such parties have participated in the preparation of this Limited Offering Memorandum;

5. That the Series 2023 Bonds and beneficial ownership interests therein may only be transferred to Qualified Institutional Buyers or Accredited Investors; and

6. That the Authority, the Borrower, the Lessee, the Bond Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

THE AUTHORITY

The Authority is a public instrumentality of the State of California created pursuant to provisions of the Act. The Authority is authorized to issue the Series 2023 Bonds under the Act and to make the loan contemplated by the Loan Agreement and to secure the Series 2023 Bonds by a pledge of the Payments and certain other funds and accounts as provided in the Bond Indenture.

THE SERIES 2023 BONDS

The following is a summary of certain provisions of the Series 2023 Bonds. Reference is made to the Series 2023 Bonds for the complete text thereof and to the Bond Indenture for all of the provisions relating to the Series 2023 Bonds. The discussion herein is qualified by such reference.

General

The Series 2023 Bonds are being issued pursuant to the Bond Indenture in the aggregate principal amount set forth on the cover of this Limited Offering Memorandum. The Series 2023 Bonds will initially be delivered as registered bonds in minimum denominations of \$250,000 and any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”), and will be transferable and exchangeable only as set forth in the Bond Indenture and as described herein. See “TRANSFER RESTRICTIONS” herein. The Series 2023 Bonds will be dated the date of issuance and will bear interest at the rates set forth on page (i) hereof from their dated date. Interest on the Series 2023 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable in arrears on each Interest Payment Date. The Series 2023 Bonds will mature in the amounts and in each of the years as set forth on page (i) hereof.

The Series 2023 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC, and will be evidenced by one Bond for each maturity of a Series in the total aggregate principal amount of the Series 2023 Bonds of such maturity. Registered ownership of the Series 2023 Bonds, or any portion thereof, may not thereafter be transferred except as set forth in the Bond Indenture. So long as Cede & Co. is the registered owner of the Series 2023 Bonds, as nominee of DTC, references herein to the Bondholders, holders or registered owners will mean Cede & Co. as aforesaid and will not mean the “beneficial owners” of the Series 2023 Bonds.

The principal and redemption price of and interest on the Series 2023 Bonds will be payable in lawful money of the United States of America upon surrender at the principal corporate trust office of the Bond Trustee. The interest on any Series 2023 Bond will be payable to the person whose name appears on the registration books of the Bond Trustee as the registered owner thereof as of the close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date (the “Record Date”), such interest to be paid by check mailed by first class mail, postage prepaid, on the Interest Payment Date, to the registered owner at his or her address as it appears on such registration books. Notwithstanding the foregoing, however, any Holder of \$1,000,000 or more in an aggregate principal amount of the Series 2023 Bonds will be entitled to receive payments of interest on the Series 2023 Bonds held by it by wire transfer of immediately available funds to such bank or trust company located within the United States of America as such Holder will designate in writing to the Bond Trustee by the applicable Record Date for such payment. So long as Cede & Co. is the registered owner of the Series 2023 Bonds, principal of and interest on the Series 2023 Bonds are payable in same day funds by the Bond Trustee to Cede & Co., as nominee for DTC, and the payment of principal or redemption price shall be made without presentment.

Any interest not punctually paid or duly provided for will thereafter cease to be payable to the Bondholder on such Record Date and will be paid to the person in whose name the Bond is registered at the close of business on

the date established by the Bond Trustee pursuant to the Bond Indenture as a record date for the payment of defaulted interest on the Series 2023 Bonds (the “Special Record Date”). The Special Record Date will be fixed by the Bond Trustee, notice thereof being given to the Bondholders not less than 10 days prior to such Special Record Date.

Book-Entry Only System

DTC will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully registered securities without coupons in Authorized Denominations. The Series 2023 Bonds will be registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of a Series of Bonds set forth on page (i) of this Limited Offering Memorandum, and will be deposited with DTC. For additional information regarding DTC and its book-entry only system, see “APPENDIX G – BOOK-ENTRY SYSTEM” attached hereto.

Transfer of Series 2023 Bonds

Beneficial ownership interests in the Series 2023 Bonds may not be purchased by, or transferred to, any person except a Qualified Institutional Buyer or an Accredited Investor. The registration of any Series 2023 Bond may be transferred upon the books required to be kept by the Bond Trustee, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of any such Series 2023 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Bond Trustee. The Bond Trustee will require the Holder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Holder for any such transfer. The Bond Trustee will not be required to register the transfer of any Series 2023 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2023 Bond selected for redemption in whole or in part as provided in the Bond Indenture or during the period established by the Bond Trustee for selection of Series 2023 Bonds for redemption and after a Bond has been selected for redemption. The Series 2023 Bonds are subject to certain transfer restrictions under the Bond Indenture, as described herein under “TRANSFER RESTRICTIONS.”

Exchange of Series 2023 Bonds

Series 2023 Bonds may be exchanged at the principal corporate trust office of the Bond Trustee for a like aggregate principal amount of the Series 2023 Bonds of the same maturity of other Authorized Denominations. The Bond Trustee will require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, and there will be no other charge to any Holder for any such exchange. No exchange of Series 2023 Bonds will be required to be made during the period established by the Bond Trustee for selection of Series 2023 Bonds for redemption and after a Series 2023 Bond has been selected for redemption.

Redemption

Optional Redemption.* The Series 2023A Bonds are subject to redemption prior to their respective stated maturities, at the option of the Borrower from any amounts in the Redemption Fund, in whole or in part on any date on or after July 1, 20__, at a redemption price equal to 100%* of the principal amount of the Series 2023A Bonds called for redemption, plus accrued interest to the date fixed for redemption.

The Series 2023B Bonds *are not* subject to redemption prior to their respective stated maturities at the option of the Borrower.

Extraordinary Optional Redemption from Insurance and Condemnation Proceeds. The Series 2023 Bonds are subject to redemption prior to their stated maturity, at the option of the Borrower, as a whole or in part on

* Preliminary, subject to change.

any date from moneys required to be transferred from the Insurance and Condemnation Proceeds Fund to the Special Redemption Account at a redemption price equal to 100% of the principal amount of the Series 2023 Bonds called for redemption, together with interest accrued thereon to the date of redemption[, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis].

Extraordinary Mandatory Redemption due to Change of Use. The Series 2023 Bonds are subject to redemption prior to their stated maturity, as a whole or in part, on any date from Loan prepayments made by the Borrower in the event the Project is used or operated in any manner that violates the provisions of the Act, at a redemption price equal to 100% of the principal amount of the Series 2023 Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis, on the earliest date for which notice of redemption can reasonably be given in accordance with the Bond Indenture.

Extraordinary Optional Redemption Relating to Revocation or Non-Renewal of School Charter. The Series 2023 Bonds are subject to redemption in whole prior to their stated maturity, on any date, at the option of the Borrower, in the event the charter of an Obligated Group School is revoked or not renewed by its authorizer and the Obligated Group School has no further appeal rights, at a redemption price equal to the principal amount thereof together with interest accrued thereon to the date fixed for redemption, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis.

Mandatory Sinking Account Redemption. The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023A Term Bonds Maturing July 1, 20__

Mandatory Redemption Date (July 1)	Principal Amount

[†] Maturity Date.

The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023A Term Bonds Maturing July 1, 20__

Mandatory Redemption Date (July 1)	Principal Amount

[†] Maturity Date.

The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023A Term Bonds Maturing July 1, 20__

Mandatory Redemption Date (July 1)	Principal Amount
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† Maturity Date.

The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023A Term Bonds Maturing July 1, 20__

Mandatory Redemption Date (July 1)	Principal Amount
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† Maturity Date.

The Series 2023B Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023B Term Bonds Maturing July 1, 20__

Mandatory Redemption Date (July 1)	Principal Amount
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† Maturity Date.

Notice of Redemption. In connection with the redemption of Series 2023 Bonds (other than mandatory sinking fund redemption) the Borrower will give notice of redemption to the Bond Trustee (with a copy to the Authority) not less than 30 days prior to the redemption date (or such shorter notice the Bond Trustee may approve). Notice of redemption of any Series 2023 Bonds will be given by the Bond Trustee upon the written request of the

Borrower. Notice of any redemption of Series 2023 Bonds will be mailed postage prepaid by the Bond Trustee not less than 30 nor more than 60 days prior to the redemption date by first class mail to the respective Holders thereof at the addresses appearing on the Bond registration books described in the Bond Indenture. Each notice of redemption will contain all of the following information: (a) the date of such notice; (b) the name of the Series 2023 Bonds and the date of issue of the Series 2023 Bonds; (c) the redemption date; (d) the redemption price; (e) the dates of maturity of the Series 2023 Bonds to be redeemed; (f) if less than all of the Series 2023 Bonds of any maturity are to be redeemed, the distinctive numbers of the Series 2023 Bonds of each maturity to be redeemed; (g) in the case of Series 2023 Bonds redeemed in part only, the respective portions of the principal amount of the Series 2023 Bonds of each maturity to be redeemed; (h) the CUSIP number, if any, of each maturity of Series 2023 Bonds to be redeemed; (i) a statement that such Series 2023 Bonds must be surrendered by the Holders at the principal corporate trust office of the Bond Trustee, or at such other place or places designated by the Bond Trustee; (j) a statement that such redemption is conditioned upon the receipt by the Bond Trustee, on or prior to the redemption date, of moneys sufficient to pay the redemption price or upon the happening of such other event as is set forth in such Conditional Notice (as defined herein), and if such moneys are not so received said notice will be rescinded and the redemption will be cancelled; (k) a statement that any such redemption notice can be rescinded as provided in the Bond Indenture; and (l) notice that further interest on such Series 2023 Bonds, if any, will not accrue from and after the designated redemption date.

Such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers provided therein or on the Series 2023 Bonds.

If money is not received as described in the Bond Indenture, the Bond Trustee, within a reasonable time after the date on which such redemption was to occur, shall give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of the Series 2023 Bonds pursuant to the notice of redemption. Failure of the Bond Trustee to give such notice or any defect therein will not in any way impair or affect the validity of the proceedings for redemption.

Any notice of optional redemption may state that such redemption will be conditioned (“Conditional Notice”) upon the receipt by the Bond Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Series 2023 Bonds to be redeemed or upon the occurrence of such other event or condition as shall be set forth in such Conditional Notice, and that, if such moneys shall not have been so received, or if such other event or condition shall have occurred or failed to occur (as the case may be), such Conditional Notice shall be of no force and effect and the redemption of the Series 2023 Bonds specified in the Conditional Notice shall no longer be required. The Bond Trustee will within a reasonable time thereafter give notice, in the manner in which the original Conditional Notice was given, of the cancellation of such redemption.

Notwithstanding the foregoing, in connection with the redemption of any Series 2023 Bonds held through the book-entry-only system of DTC, in the event of any conflict between the notice requirements of the Bond Indenture and the requirements and procedures of DTC, the requirements and procedures of DTC will control.

Effect of Notice. A certificate of the Bond Trustee or the Borrower that notice of call and redemption has been given to Holders as provided in the Bond Indenture and as may be further required in the Continuing Disclosure Agreement will be conclusive as against all parties. The actual receipt by the Holder of any Series 2023 Bond or any other party of notice of redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Series 2023 Bonds or the cessation of interest, if any, on the date fixed for redemption.

When notice of redemption has been given as provided for in the Bond Indenture, and when the redemption price of the Series 2023 Bonds called for redemption being on deposit or otherwise available to the Bond Trustee, the Series 2023 Bonds designated for redemption will become due and payable on the specified redemption date and interest, if any, will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Series 2023 Bonds at the place specified in the notice of redemption, such Series 2023 Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The Holders of such Series 2023 Bonds so called for redemption after such redemption date will look for the payment of such Series 2023 Bonds and the

redemption premium thereon, if any, only to the escrow fund established for such purpose. All Series 2023 Bonds redeemed will be cancelled forthwith by the Bond Trustee and will not be reissued.

Right to Rescind Notice of Extraordinary Redemption. Upon written notice, or oral notice, promptly confirmed by written notice, from the Borrower that the Borrower has cured the conditions that caused the Series 2023 Bonds to be subject to extraordinary redemption for the reasons described in this section (captioned “Redemption”), the Borrower may rescind any extraordinary redemption and notice thereof on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Holders of the Series 2023 Bonds so called for redemption, with a copy to the Bond Trustee. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Holder of any Series 2023 Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Funds for Redemption. Prior to or on the redemption date of any Series 2023 Bonds there will be available in the Redemption Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as provided, if any, the Series 2023 Bonds designated in said notice of redemption. Such monies so set aside in the Redemption Fund or in the escrow fund established for such purpose will be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Series 2023 Bonds to be redeemed upon presentation and surrender of such Series 2023 Bonds, provided that all monies in the Redemption Fund will be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date will be paid from the Redemption Fund, unless otherwise provided for to be paid from an escrow fund established for such purpose. If, after all of the Series 2023 Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Redemption Fund or otherwise held in trust for the payment of redemption price of the Series 2023 Bonds, said monies will be held in or returned or transferred to the Redemption Fund for payment of any Outstanding Bonds of the Borrower payable from said fund; provided, however, that if said monies are part of the proceeds of refunding bonds of the Borrower, said monies will be transferred to the fund created for the payment of principal of and interest on such Series 2023 Bonds. If no such refunding bonds of the Borrower are at such time Outstanding, said monies will be transferred to the general fund of the Borrower as provided and permitted by law.

Selection of Series 2023 Bonds for Redemption. When any redemption is made pursuant to any of the provisions of the Bond Indenture and less than all of the Outstanding Series 2023 Bonds are to be redeemed, the Bond Trustee shall select the Series 2023 Bonds to be redeemed from the Outstanding Series 2023 Bonds not previously called for redemption, by lot within a maturity and, if from more than one maturity, in inverse order of maturity or in such other order of maturity as shall be specified in a Request of the Borrower and the Mandatory Sinking Account Payments shall be reduced pro-rata.

In no event will Series 2023 Bonds be redeemed in amounts other than whole multiples of Authorized Denominations. For purposes of redeeming Series 2023 Bonds in denominations greater than minimum Authorized Denominations, the Bond Trustee will assign to such Series 2023 Bonds a distinctive number for each such principal amount and, in selecting Series 2023 Bonds for redemption by lot, will treat such amounts as separate Series 2023 Bonds. The Bond Trustee will promptly notify the Authority and the Borrower in writing of the numbers of the Series 2023 Bonds selected for redemption.

“Outstanding” under the Bond Indenture means all Series 2023 Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Trustee under the Bond Indenture except: (a) Series 2023 Bonds theretofore canceled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (b) Series 2023 Bonds with respect to which all liability of the Authority has been discharged in accordance with the Bond Indenture; and (c) Series 2023 Bonds for the transfer or exchange of which, or in lieu of or in substitution for which other Series 2023 Bonds have been authenticated and delivered by the Bond Trustee pursuant to the Bond Indenture.

Purchase in Lieu of Redemption. Under the Bond Indenture, the Borrower has the option to cause the Series 2023 Bonds to be purchased in lieu of any scheduled redemption pursuant to the Bond Indenture. Such option may be exercised by delivery to the Bond Trustee on or prior to the Business Day preceding the scheduled redemption date of a written notice of the Borrower, specifying that the Series 2023 Bonds shall not be redeemed, but instead shall be purchased by the Borrower. Upon delivery of such notice, the Series 2023 Bonds shall not be

redeemed but shall instead be subject to purchase by the Borrower at the applicable redemption price, which shall be payable on the date that would have been the redemption date. The principal amount of Series 2023 Bonds so purchased in lieu of redemption shall be applied as a credit to the next Mandatory Sinking Account Payment for the applicable series of Series 2023 Bonds. The Borrower may at any time surrender to the Bond Trustee for cancellation by it any Bonds previously issued and delivered, which the Borrower may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, will be deemed to be paid and retired.

Defeasance

Discharge of Bond Indenture. Series 2023 Bonds may be paid or caused to be paid in any of the following ways, provided that the Borrower also pays or causes to be paid any other sums payable under the Bond Indenture: (a) by paying or causing to be paid the principal of and interest on the Series 2023 Bonds Outstanding as and when the same become due and payable; (b) by depositing with the Bond Trustee, in trust, at or before maturity, money or securities in the necessary amount to pay or redeem Series 2023 Bonds Outstanding; or (c) by delivering to the Bond Trustee, for cancellation by it, all Series 2023 Bonds Outstanding.

If all Series 2023 Bonds then Outstanding are paid or caused to be paid as provided above and all other sums payable under the Bond Indenture are also paid or caused to be paid, and if the Borrower has paid all Additional Payments and any indemnification owed to the Authority and any other fees and expenses payable to the Authority under the Loan Agreement, then and in that case, at the election of the Borrower (evidenced by a Certificate of the Borrower, filed with the Bond Trustee signifying the intention to discharge all such indebtedness and the Bond Indenture), and notwithstanding that any Series 2023 Bonds have not been surrendered for payment, the Bond Indenture and the pledge of Payments made under the Bond Indenture and all covenants, agreements and other obligations of the Authority under the Bond Indenture will cease, terminate, become void and be completely discharged and satisfied, except as provided in the Bond Indenture. In such event, upon request of the Borrower, the Bond Trustee will cause an accounting for such period or periods as may be requested by the Borrower to be prepared and filed with the Borrower and will execute and deliver to the Borrower all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Bond Trustee will pay over, transfer, assign or deliver to the Borrower all moneys or securities or other property held by it pursuant to the Bond Indenture which are not required for the payment of Series 2023 Bonds not theretofore surrendered for such payment and which are not required for the payment of fees and expenses of the Bond Trustee.

Discharge of Liability on Series 2023 Bonds. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Bond Indenture) to pay any Outstanding Bond, whether upon or prior to its maturity, then all liability in respect of such Series 2023 Bond will cease, terminate, become void and be completely discharged and satisfied, except only that thereafter the Holder thereof will be entitled to payment of the principal of and interest on such Series 2023 Bond, and such payments will be payable under such Series 2023 Bond but only out of the money or securities deposited with the Bond Trustee as aforesaid for its payment; provided further, however, that the provisions of “– Payment of Series 2023 Bonds after Discharge of Bond Indenture” hereinafter will apply in all events.

The Borrower may at any time surrender to the Bond Trustee for cancellation by it any Series 2023 Bonds previously issued and delivered, which the Borrower may have acquired in any manner whatsoever, and such Series 2023 Bonds, upon such surrender and cancellation, will be deemed to be paid and retired.

Deposit of Money or Securities with Bond Trustee. Whenever in the Bond Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the amount necessary to pay any Series 2023 Bonds, such amount (which may include money or securities held by the Bond Trustee in the funds established pursuant to the Bond Indenture) will be equal (taking into account income which will accrue from the investment thereof on the date of deposit of such funds but without taking into account any income from the subsequent reinvestment thereof) to the principal amount of such Series 2023 Bonds and all unpaid interest thereon to maturity, and will be: (a) lawful money of the United States of America; or (b) noncallable bonds, bills and bonds issued by the Department of the Treasury (including without limitation (1) obligations issued or held in book-entry form on the books of the Department of the Treasury and (2) the interest component of Resolution Funding Corporation strips for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form), United States Treasury Obligations State and Local Government Series and

Zero Coupon United States Treasury Bonds; provided, in each case, that the Bond Trustee will have been irrevocably instructed (by the terms of the Bond Indenture or by request of the Borrower) to apply such money to the payment of such principal of and interest on such Series 2023 Bonds and provided, further, that the Bond Trustee will have received (i) an Opinion of Bond Counsel to the effect that such deposit will not cause interest on the Tax-Exempt Bonds to be included in the gross income of the holder thereof for federal income tax purposes and that the Series 2023 Bonds to be discharged are no longer Outstanding; and (ii) a verification report of a firm of certified public accountants or other financial services firm acceptable to the Bond Trustee verifying that the money or securities so deposited or held together with earnings thereon will be sufficient to make all payments of principal of and interest on the Series 2023 Bonds to be discharged to and including their maturity date.

Payment of Bonds after Discharge of Bond Indenture. Notwithstanding any provision of the Bond Indenture, and subject to applicable escheat laws, any moneys (including interest) held by the Bond Trustee in trust for the payment of the principal of or interest on any Series 2023 Bonds and remaining unclaimed for one year after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or by declaration as provided in the Bond Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Series 2023 Bonds became due and payable, will be repaid to the Borrower free from the trusts created by the Bond Indenture, and all liability of the Bond Trustee with respect to such moneys will thereupon cease; provided, however, that before the repayment of such moneys to the Borrower as aforesaid, the Bond Trustee may (at the cost of the Borrower) first mail to the holders of Series 2023 Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Bond Trustee, a notice, in such form as may be deemed appropriate by the Bond Trustee, with respect to the Series 2023 Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Borrower of the moneys held for the payment thereof.

TRANSFER RESTRICTIONS

The Series 2023 Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. The foregoing limitation will cease to apply (without notice to or consent of any Bondholder) upon and after receipt by the Bond Trustee from the Borrower of a rating letter by Fitch, S&P or Moody's indicating that the Series 2023 Bonds are rated "A-" or "A3," as applicable, or better. The Bond Trustee will as soon as practicable, but in no event more than ten calendar days after receipt by the Bond Trustee of such rating letter, notify each Bondholder that (i) the restrictions set forth in the Bond Indenture requiring that the Beneficial Owners of the Series 2023 Bonds be Qualified Institutional Buyers or Accredited Investors will be of no further force or effect and (ii) the Authorized Denominations of the Series 2023 Bonds will be \$5,000 and any multiple in excess thereof. Pursuant to the Bond Indenture, "Qualified Institutional Buyer" means a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act. Pursuant to the Bond Indenture, "Accredited Investor" means an "accredited investor" as described in Section (a) of Rule 501 of Regulation D under the Securities Act.

In addition, the face of each Series 2023 Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Bond Indenture. See "CERTAIN RISK FACTORS – Purchases and Transfers of Series 2023 Bonds Restricted to Qualified Institutional Buyers and Accredited Investors" herein. On or prior to the date of delivery of the Series 2023 Bonds, the initial purchasers of the Series 2023 Bonds will be required to execute and deliver to the Authority and the Bond Trustee an investor letter or bondholder representative letter, as appropriate, in the form attached hereto as APPENDIX I.

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ESTIMATED SOURCES AND USES OF FUNDS*

The following table sets forth the estimated sources and uses of funds related to the Series 2023 Bonds.

	Series 2023A Bonds	Series 2023B Bonds	Total³
Sources:			
Par Amount of Series 2023 Bonds			
[Plus/Minus] Original Issue [Premium/Discount]			
Wire from the Authority ¹			
Total Sources			
Uses:			
Repay Prior Obligations			
Project Fund			
Grant-Funded Reserve Subaccount ¹			
Costs of Issuance ²			
Total Uses³			

¹ Grant pursuant to Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority, for deposit in Grant-Funded Reserve Subaccount. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – Reserve Account.” See also “CERTAIN RISK FACTORS – Reserve Account.”
² Includes costs of issuing the Series 2023 Bonds and Underwriter’s discount.
³ Totals may not foot due to rounding.

PLAN OF FINANCE

The proceeds of the Series 2023 Bonds will be used to (1) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Facilities; (2) finance certain capital improvements to the Facilities; (3) pay capitalized interest on the Bonds; (4) fund a debt service reserve fund with respect to the Series 2023 Bonds; (5) fund related working capital; and (6) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds. A deposit to the Reserve Account for the Series 2023 Bonds in an amount of the Reserve Account Requirement will be funded by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority.

Refinance Prior Obligations

Series 2013 Refunded Bonds. A portion of the proceeds of the Series 2023 Bonds will be applied to redeem the outstanding California School Finance Authority School Finance Variable Rate Demand Revenue Bonds (Camino Nuevo-3500 West Temple LLC Project) Series 2013 (the “Series 2013 Refunded Bonds”), outstanding in the principal amount of \$[____], on or about the date of issuance of the Series 2023 Bonds.

The proceeds of the Series 2013 Bonds were loaned to 3500 West Temple LLC and were applied to finance and refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Dalzell High Campus.

* Preliminary, subject to change.

Series 2017 Refunded Bonds. A portion of the proceeds of the Series 2023 Bonds will be applied to redeem the outstanding \$[_____] principal amount California School Finance Authority School Finance Variable Rate Demand Revenue Bonds (Camino Nuevo-[GNLA 697 S Burlington LLC Project]) Series 2017 (the “Series 2017 Refunded Bonds”), outstanding in the principal amount of \$[_____] , on or about the date of issuance of the Series 2023 Bonds.

The proceeds of the Series 2017 Bonds were loaned to GNLA 697 S Burlington LLC and were applied to finance and refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Burlington Campus.

Other Prior Obligations. Fifteenth and Ardmore LLC has an outstanding loan in the original principal amount of \$1,629,670.25 from Wells Fargo Bank, National Association (the “Eisner Middle Campus Loan”), the proceeds of which were applied to [_____]. On the Closing Date, a portion of the proceeds of the Series 2023 Bonds will be applied to repay the outstanding balance of principal and interest for the Eisner Middle Campus Loan, equal to approximately \$[1,223,814] as of March 1, 2023.

The Borrower has an outstanding loan in the original principal amount of \$920,000 from Wells Fargo Bank, National Association (the “Head Office Facility Loan”), the proceeds of which were applied to [refinance a loan on the property at which the Head Office Facility is located]. On the Closing Date, a portion of the proceeds of the Series 2023 Bonds will be applied to repay the outstanding balance of principal and interest for the Head Office Facility Loan, equal to approximately \$[701,225] as of March 1, 2023.

For more information regarding the Facilities and the Project, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE FACILITIES” and “ – THE FACILITIES AND THE PROJECT” attached hereto.

The Leases

On the Closing Date, the Landlords will lease the applicable Facilities to the Lessee pursuant to the Leases for the operation of the Schools. The primary source of Gross Revenues for the Members of the Obligated Group are the payments of Rent received pursuant to the Leases. See “THE LEASES” herein and “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto.

DEBT SERVICE SCHEDULE

The following table sets forth, for each year ended July 1, the amounts required each year to be paid with respect to the Series 2023 Bonds, assuming no prepayment other than for mandatory sinking fund redemptions. As of the Closing Date, the Borrower and the Lessee will have no outstanding Indebtedness other than in connection with the Series 2023 Bonds.

Year Ending July 1	Series 2023A Bonds		Series 2023B Bonds		Total Series 2023 Bonds Debt Service⁽¹⁾
	Principal	Interest	Principal	Interest	
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
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2049					
2050					
2051					
2052					
2053					
2054					
2055					
2056					
2057					
2058					
2059					
2060					
2061					
2062					
Totals⁽¹⁾					

⁽¹⁾ Totals may not foot due to rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS

Limited Obligations of the Authority

The Series 2023 Bonds and interest thereon constitute special, limited obligations of the Authority and are payable solely from certain revenues received under the Bond Indenture and from certain funds and accounts established and maintained under the Bond Indenture. The Authority is not obligated to advance any moneys derived from any source whatsoever for the payment of the principal or redemption price or interest with respect to the Series 2023 Bonds.

THE SERIES 2023 BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2023 BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE ISSUANCE OF THE SERIES 2023 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE BOND INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICES OR TO MAKE FUNDS AVAILABLE TO THE OBLIGATED GROUP SCHOOLS IN ANY AMOUNT OR AT ANY TIME.

Bond Indenture

Pledge of Payments and Other Amounts. In the Bond Indenture, the Authority pledges to secure the payment of the principal of and interest on the Series 2023 Bonds in accordance with their terms and the provisions of the Bond Indenture, all of the Payments (except Payments described in clause (i) of the definition thereof) and any other amounts (excluding proceeds of the sale of Series 2023 Bonds) held in any fund or account (other than the Rebate Fund) established pursuant to the Bond Indenture. Said pledge will constitute a lien on and security interest in such assets and will attach and be valid and binding from and after delivery of the Series 2023 Bonds, without any physical delivery thereof or further act.

“Payments,” under the Bond Indenture, means (i) all moneys (except any money received to be used for the payment of Administrative Fees and Expenses) received by the Bond Trustee with respect to the Intercepts, (ii) all moneys, if any, received by the Bond Trustee directly from, or on behalf of, the Borrower, pursuant to the Loan Agreement (excluding Additional Payments not directed to be deposited into any fund or account created and held under the Bond Indenture) or Obligation No. 1, and (iii) all income derived from the investment of any money in any fund or account established pursuant to the Bond Indenture. See “APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS – BOND INDENTURE” attached hereto.

State Intercept Program. In connection with the issuance of the Series 2023 Bonds, the Lessee will provide instructions to the State Controller to make the Intercepts to the Bond Trustee with respect to the Schools in amounts and on dates provided in the Intercept Notices which amounts are expected to be sufficient in the aggregate to repay the Series 2023 Bonds and pay necessary and incidental costs. Funds received by the Bond Trustee pursuant to the Intercepts constitute Payments (as defined in the Bond Indenture) and will be held in trust and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Bond Indenture, including if necessary, the payment of debt service on the Series 2023 Bonds. Under the laws of the State, no party, including the Lessee, the Borrower or any of their respective creditors will have any claim to the money apportioned or anticipated to be apportioned to the Bond Trustee by the State Controller pursuant to the Intercepts.

In addition, the Loan Agreement provides that notwithstanding any provision of the Loan Agreement to the contrary, the Borrower will instruct or cause each Landlord to instruct the Lessee to pay any shortfall in Base Rent

(as defined in each Lease) directly to the Bond Trustee for deposit in the Revenue Fund. See “APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS – LOAN AGREEMENT” attached hereto.

Rent under the Leases is payable by the Lessee solely from the Gross School Revenues, as defined in each of the Leases, which are derived from the operations of the Schools, and any other schools operated by the Lessee that may operate in the Facilities leased from Members of the Obligated Group in the future, as well as any revenues received by the Lessee relating to the sublease or joint occupancy of the Facilities with a third party. See “THE LEASES – Payment of Rent” and “– Certain Covenants Under the Leases” herein. Revenues generated from any other schools whose charters are held and/or that are operated and/or managed by the Lessee, or assets and revenues generated from sources other than the Project, are not available for payment of Rent or otherwise available to the Authority, Master Trustee, Bond Trustee, Investors and/or Bondholders.

[How will Head Office Facility rent be paid? Out of what schools’ revenues?]

Assignment of Payments and Other Amounts, Loan Agreement, Leases, and Deed of Trust. The Authority assigns to the Bond Trustee, for the benefit of the Holders from time to time of the Series 2023 Bonds, (i) all of the Payments (except Payments described in clause (i) of the definition thereof) and other amounts pledged under “– Pledge of Payments and Other Amounts” above, (ii) all of the right, title and interest of the Authority in, to and under the Loan Agreement (except for the Authority’s right to the payment of the Administrative Fees and Expenses, any Additional Payments, any right to be indemnified, held harmless or defended, any right to receive information, reports, certifications or other documents and any right to notice, consent, approval or inspection under the Bond Indenture or under the Loan Agreement, and the obligation of the Borrower to make deposits pursuant to the Tax Regulatory Agreement). The Authority will also cause Obligation No. 1 to be registered in the name of the Bond Trustee.

The Bond Trustee will be entitled to and will receive all of the assigned Payments, and any such Payments collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Bond Trustee and will forthwith be paid by the Authority to the Bond Trustee. The Bond Trustee will be entitled to and will (subject to the provisions of the Bond Indenture, including its rights and protections thereunder) take all steps, actions and proceedings following any event of default under the Loan Agreement reasonably necessary in its judgment (or as directed by a majority of the Holders) to enforce, either jointly with the Authority or separately, all of the rights of the Authority assigned to the Bond Trustee and all of the obligations of the Borrower under the Loan Agreement.

The Borrower will take all actions necessary for the Bond Trustee to collect directly from the State Controller the amounts set forth in the Intercept Notices on the dates set forth in the Intercept Notices. The Payments described in clause (i) of the definition thereof are assigned to the Bond Trustee, for the benefit of the Holders of the Series 2023 Bonds, by virtue of the filing of the Intercept Notices with the State Controller. The Bond Trustee shall be entitled to and shall receive all of such assigned Payments.

Revenue Fund. The Bond Trustee will establish, maintain and hold in trust a special fund designated as the “Revenue Fund.” All Payments will be promptly deposited by the Bond Trustee upon receipt thereof into the Revenue Fund, and will be held in trust for the benefit of the Holders from time to time of the Series 2023 Bonds but will nevertheless be disbursed, allocated and applied solely for the uses and purposes set forth in the Bond Indenture. The Bond Trustee will establish within the Revenue Fund an Interest Account, a Principal Account, and a Reserve Account for the payment of debt service on the Series 2023 Bonds.

Interest Account. All amounts in the Interest Account will be used and withdrawn by the Bond Trustee solely for the purpose of paying interest on the Series 2023 Bonds as it becomes due and payable (including accrued interest on any Series 2023 Bonds purchased or redeemed prior to maturity pursuant to the Bond Indenture).

Within the Interest Account, the Bond Trustee will establish and maintain the Capitalized Interest Subaccount. The Bond Trustee will make transfers from the Capitalized Interest Subaccount to the Interest Account, on the 5th of each month, in the amounts and in the date ranges specified in the Bond Indenture.

Principal Account. All amounts in the Principal Account will be used and withdrawn by the Bond Trustee solely for the purpose of paying the principal or Mandatory Sinking Account Payments of the Series 2023 Bonds, as provided in the Bond Indenture.

The Bond Trustee will establish and maintain within the Principal Account a separate subaccount for the Series 2023 Bonds, designated as the “_____ Sinking Account,” inserting therein the series and maturity (if more than one such account is established) for each Term Bond. On or before July 1 in each year, the Bond Trustee will transfer the amount deposited in the Principal Account on that date pursuant to the Bond Indenture, as described in “– Allocation of Revenues” below, from the Principal Account to the Sinking Account for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month). With respect to the Sinking Account, on each Mandatory Sinking Account Payment date established for the Sinking Account, the Bond Trustee will transfer the amount deposited in the Principal Account pursuant to the Bond Indenture for the purpose of applying the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Series 2023 Bonds, upon the notice and in the manner provided in the Bond Indenture; provided that, at any time prior to giving such notice of such redemption, the Bond Trustee will apply such moneys to the purchase of Series 2023 Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Borrower may direct, in writing, except that the purchase price (excluding accrued interest) will not exceed the par amount of such Series 2023 Bonds. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Bond Trustee has purchased Series 2023 Bonds with moneys in the Sinking Account, or, during said period and prior to giving said notice of redemption, the Borrower has deposited Series 2023 Bonds with the Bond Trustee, or Series 2023 Bonds were at any time purchased or redeemed by the Bond Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Series 2023 Bonds so purchased or deposited or redeemed will be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. In the event of a redemption of all or a portion of the Series 2023 Bonds, the Borrower will provide the Bond Trustee with a revised sinking fund schedule giving effect to the optional redemption so completed. All Series 2023 Bonds purchased or deposited pursuant to the provisions of the Bond Indenture summarized in this paragraph will be delivered to the Bond Trustee and cancelled. Any amounts remaining in the Sinking Account when all of the Series 2023 Bonds are no longer Outstanding will be withdrawn by the Bond Trustee and transferred to the Revenue Fund. All Series 2023 Bonds purchased from the Sinking Account or deposited by the Borrower with the Bond Trustee will be allocated first to the next succeeding Mandatory Sinking Account Payment, then to the remaining Mandatory Sinking Account Payments as the Borrower directs.

The Term Bonds, which are Series 2023 Bonds payable on or before their specified maturity dates from Mandatory Sinking Account Payments, will be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments as set forth in “THE SERIES 2023 BONDS – Redemption – Mandatory Sinking Fund Redemption.”

Reserve Account. Under the Bond Indenture, the Bond Trustee will establish a reserve account (the “Reserve Account”) within the Revenue Fund, and the Bond Trustee will establish and maintain the Bond Reserve Subaccount and the Grant-Funded Reserve Subaccount within the Reserve Account. All amounts in the Reserve Account will be used and withdrawn by the Bond Trustee solely for the purpose of making up any deficiency in the Interest Account or Principal Account that exists on the date when monies on deposit in the Interest Account or the Principal Account are required to be applied, as provided in the Indenture, or (together with any other funds available) for the payment or redemption of all Outstanding Series 2023 Bonds; provided, however, that monies and securities held by the Bond Trustee in the Grant-Funded Reserve Subaccount shall not be used for the redemption of all Series 2023 Bonds then Outstanding as set forth under “THE SERIES 2023 BONDS – Redemption” herein. The Bond Trustee will draw from the Bond Reserve Subaccount until exhausted prior to making any draw from the Grant-Funded Reserve Subaccount. The Reserve Account Requirement is sized at maximum annual debt service. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS” herein.

Amounts on deposit in the Reserve Account will be valued by the Bond Trustee at their fair market value each January 1 and July 1 and the Bond Trustee will notify the Borrower of the results of such valuation. If the amount on deposit in the Reserve Account on the first Business Day following such valuation is less than one-hundred percent (100%) of the Reserve Account Requirement (as defined below), the Borrower has agreed in the Loan Agreement to make the deposits to the Reserve Account required by the Bond Indenture. If the amount on

deposit in the Reserve Account on the first Business Day following such valuation is greater than the Reserve Account Requirement, then (i) the amount of money on deposit in the Grant-Funded Reserve Subaccount greater than the Reserve Account Requirement will be paid to the Authority free and clear of the lien of the Bond Indenture and (ii) any additional excess will be withdrawn from the Bond Reserve Subaccount of the Reserve Account and transferred to the Revenue Fund. See “CERTAIN RISK FACTORS” herein.

“Reserve Account Requirement” means as of any date of calculation, an amount which will be equal to the least of (i) 10% of the original principal amount of the Series 2023 Bonds, (ii) the maximum annual debt service with respect to the Series 2023 Bonds Outstanding, (iii) 125% of average annual debt service with respect to the Bonds, and (iv) for the last Bond Year only, the total debt service with respect to the Series 2023 Bonds Outstanding. Maximum annual debt service and average annual debt service, for purposes of this definition, will be calculated on the basis of 12-month periods ending on July 1 of any year in which Series 2023 Bonds are Outstanding.

On the date of issuance of the Series 2023 Bonds, \$_____, constituting the Reserve Account Requirement for the Series 2023 Bonds, will be deposited in the Reserve Account. Such deposit is expected to be funded by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority in the amount of the Reserve Account Requirement. [The Reserve Account Requirement on the date of issuance of the Series 2023 Bonds is sized at maximum annual debt service of the Series 2023 Bonds.]

Repair and Replacement Fund. The Bond Trustee will establish, maintain and hold in trust a separate fund designated as the “Repair and Replacement Fund,” which shall be used solely for the purposes set forth in the Bond Indenture. Moneys in the Repair and Replacement Fund to be used to pay for capital items not budgeted as ordinary maintenance and repair costs related to the Facilities shall be disbursed upon receipt of a requisition of the Borrower, and the Bond Trustee is authorized and directed to issue payments for each such disbursement upon receipt of such a requisition. The Bond Trustee may conclusively rely upon such requisition and will have no responsibility or duty to investigate any of the matters set forth therein.

Amounts on deposit in the Repair and Replacement Fund shall be valued by the Bond Trustee at their fair market value each January 1 and July 1, beginning [July 1, 20__], and the Bond Trustee shall notify the Borrower of the results of such valuation in the form of its regular periodic statement. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is less than one hundred percent (100%) of the Repair and Replacement Fund Requirement, the Borrower has agreed in the Loan Agreement to make the deposits in the Repair and Replacement Fund required by the Bond Indenture. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is greater than the Repair and Replacement Fund Requirement, then any additional excess shall be withdrawn from the Repair and Replacement Fund and transferred to the Revenue Fund.

When (i) the amount of principal of, and premium, if any, and interest on the Outstanding Series 2023 Bonds is equal to or less than the sum of the balance of the Revenue Fund, the balance of the Redemption Fund and the balance of the Repair and Replacement Fund, and (ii) all other amounts owed under the Loan Agreement and the Bond Indenture have been paid, moneys held in the Repair and Replacement Fund may be deposited into the Revenue Fund and credited against payments of Loan Repayments required under the Loan Agreement.

Pursuant to the Bond Indenture, the Repair and Replacement Fund Requirement means \$[____]; provided, however, that the Repair and Replacement Fund Requirement will initially be \$0 as of the date of delivery of the Series 2023 Bonds and will increase by \$[____] on the first Business Day of each month commencing [____] 1, 2023, until the Repair and Replacement Fund Requirement equals \$[____].

Working Capital Fund. The Bond Trustee will establish, maintain and hold in trust a separate fund designated as the “Working Capital Fund.” Moneys deposited in the Working Capital Fund shall be withdrawn from such fund pursuant to Requisition(s) of the Borrower substantially in the form attached to the Indenture. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Bond Trustee shall have no duty to confirm the accuracy of such facts.]

Project Fund. The Bond Trustee will establish, maintain and hold in trust a separate fund under the Bond Indenture designated as the “Project Fund.” The moneys in the Project Fund shall be disbursed pursuant to Requisitions of the Borrower, which shall be substantially in the form provided in the Bond Indenture. No moneys in the Project Fund shall be used to pay Costs of Issuance. From time to time, the Borrower may transfer, or cause to be transferred, funds for deposit in the Project Fund prior to the Completion Date.

Upon completion of the Project, the Borrower will deliver a Completion Certificate to the Bond Trustee and make the final requisition of funds from the Project Fund. Any amounts thereafter remaining in such Project Fund shall be transferred by the Bond Trustee, at the direction of the Borrower (i) to the Redemption Fund for the redemption of Series 2023 Bonds pursuant to the Bond Indenture, (ii) to the Interest Account for payment of interest on the Series 2023 Bonds, or (iii) to the Borrower, upon delivery to the Bond Trustee of (A) the Completion Certificate, (B) a written request of the Borrower and (C) delivery of an Opinion of Bond Counsel substantially to the effect that such transfer would not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. Upon such transfer, the Project Fund shall be closed.

Allocation of Payments. Promptly upon receipt, the Bond Trustee will deposit the Payments to the Revenue Fund. On or before the 25th day of each month commencing [] 25, 2023, the Bond Trustee will transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Bond Trustee will establish and maintain within the Revenue Fund), and then to the Repair and Replacement Fund, to the Rebate Fund, and to the Administration Fund, the following amounts, in the following order of priority, the requirements of each such account or fund (including the making up of any deficiencies in any such account resulting from lack of Payments sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority; provided, however, no moneys deposited in the Revenue Fund pursuant to the Intercepts will be deposited to the Rebate Fund:

(1) To the Interest Account, one-sixth of the amount of interest becoming due and payable on the next succeeding Interest Payment Date on all Bonds then Outstanding, until the balance in said account is equal to said aggregate amount of interest; provided that from the date of delivery of the Series 2023 Bonds to the first Interest Payment Date with respect to the Series 2023 Bonds (if less than six months), transfers to the Interest Account shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on such Interest Payment Date;

(2) To the Principal Account, one-twelfth of the aggregate amount of principal becoming due to redeem or pay Series 2023 Bonds or to make Mandatory Sinking Account Payments and payable on the next succeeding Principal Payment Date, until the balance in said Principal Account is equal to said aggregate amount of such principal and Mandatory Sinking Account Payments; provided that from the date of delivery of the Series 2023 Bonds until the first Principal Payment Date with respect to the Series 2023 Bonds (if less than twelve months), transfers to the Principal Account shall be sufficient on a monthly pro rata basis to pay the principal and Mandatory Sinking Account Payments becoming due and payable on said Principal Payment Date;

(3) To the Grant-Funded Reserve Subaccount of the Reserve Account, (a) the greater of (i) the amount designated for deposit to the Grant-Funded Reserve Subaccount of the Reserve Account in a written direction of the Borrower, and (ii) the aggregate, combined amount of all prior withdrawals made from the Grant-Funded Reserve Subaccount of the Reserve Account to make up a deficiency in the Interest Account or the Principal Account, until the balance in the Grant-Funded Reserve Subaccount of the Reserve Account has been restored to its pre-withdrawals level, and (b) in the event the balance in said subaccount shall be less than the amount deposited in such subaccount pursuant to the Bond Indenture due to valuation of the Eligible Securities deposited therein in accordance with the Bond Indenture, the amount necessary to increase the balance in said subaccount to an amount at least equal to the amount deposited in such subaccount pursuant to the Bond Indenture (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(4) To the Bond Reserve Subaccount of Reserve Account, (a) the greater of (i) the amount designated for deposit to the Bond Reserve Subaccount of Reserve Account in a written direction of the Borrower, and (ii) one-half of the aggregate amount of each prior withdrawal from the Reserve Account for the purpose of making up a deficiency in the Interest Account or Principal Account (until deposits on account of such withdrawal are sufficient to fully restore the amount withdrawn), provided that no deposit need be made into the Reserve Account if the

balance in said account is at least equal to the Reserve Account Requirement, and (b) in the event the balance in said account shall be less than the Reserve Account Requirement due to valuation of the Eligible Securities deposited therein in accordance with the Bond Indenture, the amount necessary to increase the balance in said account to an amount at least equal to the Reserve Account Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(5) To the Repair and Replacement Fund, \$[____], [on the 25th day of each month commencing [____] 25, 2023], until the balance therein is at least equal to the Repair and Replacement Fund Requirement, and thereafter (i) the greater of (A) the amount designated for deposit in the Repair and Replacement Fund in a written direction of the Borrower, and (B) one-sixth of the aggregate amount of each prior withdrawal from the Repair and Replacement Fund, provided that no deposit need be made into the Repair and Replacement Fund if the balance in said account is at least equal to the Repair and Replacement Fund Requirement, and (ii) in the event the balance in said account is less than the Repair and Replacement Fund Requirement due to valuation of the Eligible Securities deposited therein in accordance with the Bond Indenture or due to an increase in the Repair and Replacement Fund Requirement, the amount necessary to increase the balance in said account to an amount at least equal to the Repair and Replacement Fund Requirement (until deposits on account of such valuation deficiency, if any, are sufficient to increase the balance in said account to said amount);

(6) To the Rebate Fund, such amounts as are required to be deposited therein by instruction from the Borrower given in accordance with the Bond Indenture (including the Tax Regulatory Agreement); and

(7) To the Administration Fund, an amount equal to one-twelfth of the annual Administrative Fees and Expenses.

Moneys remaining in the Revenue Fund after the foregoing transfers will be transferred on the first Business Day of each month, commencing [____] 1, 2023*, by the Bond Trustee to or at the direction of the Borrower free and clear of the lien of the Bond Indenture.

See “APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS – BOND INDENTURE” and “– LOAN AGREEMENT” attached hereto.

For more information on the Project, the Borrower, the Lessee, and the Schools, see “PLAN OF FINANCE” and “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto.

The Loan Agreement

The Authority and the Borrower will enter into the Loan Agreement to provide for the loan by the Authority to the Borrower of proceeds from the sale of the Series 2023 Bonds. In consideration of the issuance of the Series 2023 Bonds by the Authority and the application of the proceeds thereof as provided in the Bond Indenture, the Borrower agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Authority, Obligation No. 1, pursuant to the Master Indenture and the First Supplemental Master Indenture, concurrently with the issuance and delivery of the Series 2023 Bonds. The Authority will assign its rights in the Loan Agreement (except for the right to receive any Administrative Fees and Expenses, any Additional Payments, any right to be indemnified, held harmless or defended, any right to receive information, reports, certifications or other documents and any right to notice, consent, approval or inspection under the Bond Indenture or under the Loan Agreement, and the obligation of the Borrower to make deposits pursuant to the Tax Regulatory Agreement) to the Bond Trustee. Pursuant to the Loan Agreement, the Borrower agrees to pay, or cause to be paid, the Loan Repayments from Gross Revenues, including Rental Payments, or from any other legally available funds of the Borrower. The Loan Repayments payable by the Borrower under the Loan Agreement are expected to be equal in the aggregate to an amount which, together with other funds in the Revenue Fund then available for the payment of principal and interest on the Series 2023 Bonds, shall be sufficient to provide for the payment in full of the interest on, premium, if any, and principal of the Series 2023 Bonds as the same become due and payable. In addition to

* Preliminary, subject to change.

such Loan Repayments, the Borrower is also required under the Loan Agreement to pay Additional Payments to the Authority, to the Bond Trustee or to the appropriate payee, as the case may be, as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from payments to be received under the Loan Agreement or in any way arising due to the transactions contemplated by the Loan Agreement (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Borrower will have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower will have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee and the Master Trustee, as applicable, for services rendered under the Bond Indenture and the Master Indenture, respectively, and all amounts referred to in the Bond Indenture and Master Indenture, as and when the same become due and payable;

(c) The fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Loan Agreement, the other Borrower Documents or the Bond Indenture;

(d) All fees and expenses of any Rating Agency then rating the Series 2023 Bonds and the Rebate Analyst, and if a deposit is required to be made to the Rebate Fund as a result of any calculation made pursuant to the Bond Indenture, the amount of such deposit, which will be deposited in the Rebate Fund not later than the tenth day of the calendar month immediately following the date on which such calculation was made pursuant to the Bond Indenture;

(e) All amounts necessary for deposit into the Repair and Replacement Fund pursuant to the Bond Indenture;

(f) The annual fee of the Authority and the fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with the Loan Agreement, the other Borrower Documents, the Series 2023 Bonds or the Bond Indenture, including, without limitation, any and all expenses incurred in connection with the authorization, issuance, sale and delivery of any such Series 2023 Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving the Loan Agreement, the other Borrower Documents, the Series 2023 Bonds or the Bond Indenture or any of the other documents contemplated thereby, or in connection with the supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the Loan Agreement and the other Borrower Documents; and

(g) The amount necessary to replenish any fund established under the Bond Indenture, but only to the extent then required under the Bond Indenture.

All such payments will be made by the Borrower from the Gross Revenues or other legally available funds for payment to the Person or Persons entitled to such payments or for deposit to the appropriate fund or account held by the Bond Trustee under the Bond Indenture. See "APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS – THE LOAN AGREEMENT" attached hereto.

The Master Indenture

Joint and Several Obligations of the Obligated Group. Under the Master Indenture, each Member jointly and severally covenants and agrees (a) to pay or cause to be paid promptly all Required Payments at the place, on the dates and in the manner provided in the Master Indenture, the First Supplemental Master Indenture, Obligation

No. 1, and any Related Supplement and any Obligation, and (b) to faithfully observe and perform all of the conditions, covenants and requirements of the Master Indenture, the First Supplemental Master Indenture, Obligation No. 1, and any Related Supplement and any Obligation. Each Member acknowledges and agrees that the time of such payment and performance is of the essence of the obligations under the Master Indenture.

Initially, the Landlords will be the only Members of the Obligated Group. The Borrower will be the Obligated Group Representative but is not a Member of the Obligated Group. The Lessee is not a Member of the Obligated Group, is not a party to the Master Indenture and is obligated solely as lessee under the Leases, in respect of payment from the sources specified therein relating to the Obligated Group Schools and the Facilities*, and is not responsible, party to or otherwise obligated under the Loan Agreement, the Bond Indenture, the Master Indenture, or the First Supplemental Master Indenture, to make payments directly on the Loan, Obligation No. 1, or the Series 2023 Bonds.

Subject to the provisions of the Master Indenture permitting withdrawal from the Obligated Group, the obligation of each Member to make Required Payments is a continuing one and is to remain in effect until all Required Payments have been paid in full in accordance with the Master Indenture. All moneys from time to time received by the Obligated Group Representative or the Master Trustee to reduce liability on Obligations, whether from or on account of the Members or otherwise, will be regarded as payments in gross without any right on the part of any one or more of the Members to claim the benefit of any moneys so received until the whole of the amounts owing on Obligations has been paid or satisfied and so that in the event of any such Member's filing bankruptcy, the Obligated Group Representative or the Master Trustee will be entitled to prove up the total indebtedness or other liability on Obligations Outstanding as to which the liability of such Member has become fixed.

Each such Obligation will be a primary obligation and will not be treated as ancillary to or collateral with any other obligation and will be independent of any other security so that the covenants and agreements of each Member under the Master Indenture will be enforceable without first having recourse to any such security or source of payment and without first taking any steps or proceedings against any other Person. The Obligated Group Representative and the Master Trustee are each empowered to enforce each covenant and agreement of the Master Indenture, and to enforce the making of Required Payments. Each Member will authorize the Obligated Group Representative and the Master Trustee to enforce or refrain from enforcing any covenant and agreement of the Members under the Master Indenture and to make any arrangement or compromise with any particular Member or Members as the Obligated Group Representative or the Master Trustee may deem appropriate, consistent with the Master Indenture and any Related Supplement. Each Member will waive in favor of the Obligated Group Representative and the Master Trustee all rights against the Obligated Group Representative, the Master Trustee and any other Member, insofar as is necessary to give effect to any of the provisions of the Master Indenture.

The Master Trustee will not take recourse against the Borrower, the Obligated Group Representative or any of the Members with respect to the failure by the Borrower, the Obligated Group Representative or any of the Members to make any Required Payment under the Master Indenture and any Related Supplement except recourse to the Gross Revenues and the amounts held in the funds and accounts created under the Related Bond Indenture (except the Rebate Fund) or under the Master Indenture, or to such other security as may from time to time be given for the payment of obligations arising out of the Master Indenture, any Related Supplement or any other agreement securing the obligations of the Borrower or any of the Members with respect to the Related Bonds.

For a more detailed discussion of entry to or withdrawal from the Obligated Group, see "APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS – THE MASTER INDENTURE" attached hereto.

Gross Revenue Fund. (a) Each Member of the Obligated Group agrees in the Master Indenture that, unless otherwise provided in a Related Supplement or if such Related Bonds are payable in full from funds that are subject to the Intercept, so long as any of the Obligations remain Outstanding, all of the Gross Revenues of the Obligated Group will be deposited as soon as practicable upon receipt in a fund designated as the "Gross Revenue Fund" which the Members will establish and maintain, subject to the provisions of the Master Indenture, in one or more

* As used in this section captioned " – The Master Indenture", the terms "Facility" and "Facilities" shall have the meaning set forth in the Master Indenture.

accounts at such banking institution or institutions as the Members will from time to time designate in writing to the Master Trustee for such purpose (the “Depository Bank(s)”). The Gross Revenue Fund shall contain the Charter School Rent Payment Account, the Ground Rent Account, the Related Bonds Account, the Additional Payments Account, and such other accounts or subaccounts as the Master Trustee finds necessary or desirable.

(b) Subject only to the provisions of the Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, each Member, respectively, pledges, and to the extent permitted by law grants a security interest to the Master Trustee in, the Gross Revenue Fund and all of the Gross Revenues of the Obligated Group to secure the payment of Required Payments and the performance by the Members of their other obligations under the Master Indenture. Each Member, respectively, will execute and cause to be filed Uniform Commercial Code financing statements, will execute and cause to be sent to each Depository Bank and to the Master Trustee a notice of the security interest granted under the Master Indenture and will execute and deliver such other documents (including, but not limited to, control agreements and continuation statements) as may be necessary or reasonably requested by the Master Trustee in order to perfect or maintain as perfected such security interest or give public notice thereof. Notwithstanding anything to the contrary contained in the Master Trust Indenture, neither the Master Trustee nor any other Person (other than the Borrower) will be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection or priority of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code.

(c) Amounts in the Gross Revenue Fund may be used and withdrawn by any Member at any time for any lawful purpose, except as hereinafter provided. In the event that any Member is delinquent for more than one business day in the payment of any Required Payment with respect to any Obligation issued pursuant to a Related Supplement, the Master Trustee, upon notice from the Obligated Group Representative or actual knowledge of such delinquency, will notify the Obligated Group Representative and the Depository Bank(s) of such delinquency, and, the Obligated Group Representative or the appropriate Member will cause the Depository Bank(s) to enter into a control agreement in order to transfer the Gross Revenue Fund to the name and credit of the Master Trustee. The Gross Revenue Fund will continue to be held in the name and to the credit of the Master Trustee until six months after the amounts on deposit in said fund are sufficient to pay in full, or have been used to pay in full, all Required Payments in default and all other Events of Default known to the Master Trustee will have been made good or cured to the satisfaction of the Master Trustee or provision deemed by the Master Trustee to be adequate will have been made therefor, whereupon the Gross Revenue Fund (except for the Gross Revenues required to make such payments or cure such defaults) will be returned to the name and credit of the appropriate Members. During any period that the Gross Revenue Fund is held in the name and to the credit of the Master Trustee, the Master Trustee will use and withdraw amounts in said Fund from time to time (1) first, to pay Ground Rent directly to each respective lessor under each Ground Lease when and as due, in the amount designated in a written request of the lessor(s) (unless such Ground Rent is expressly subordinated by the terms of the applicable Ground Lease to the payment or any amounts due under the Related Supplement), (2) second, to make Required Payments as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts will not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments ratably without any discrimination or preference, (3) third, to such other payments in the order which the Master Trustee, in its discretion, will determine to be in the best interests of the Holders of Obligations without discrimination or preference, and (4) fourth, to pay Ground Rent directly to each respective lessor under each Ground Lease when and as due in the amount designed by a written request of the lessor(s) (if such Ground Rent is expressly subordinated by the terms of the applicable Ground Lease to the payment of the Required Payments. During any period that the Gross Revenue Fund is held in the name and to the credit of the Master Trustee, the Members will not be entitled to use or withdraw any of the Gross Revenues of the Obligated Group unless and to the extent that the Master Trustee at its sole discretion so directs for the payment of current or past due operating expenses of the Members; provided, however, that the Members will be entitled to use or withdraw any amounts in the Gross Revenue Fund which do not constitute Gross Revenues of the Obligated Group. Under the Master Indenture, each Member agrees to execute and deliver all instruments as may be required to implement the Master Indenture. Each Member further agrees that a failure to comply with the terms of described under this section will cause irreparable harm to the Holders and will entitle the Master Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the Members as provided in the Master Indenture.

(d) Immediately upon receipt of Gross Revenues pursuant to a Lease or School Loan Agreement, the Master Trustee shall pay or deposit from the amounts on deposit in the Gross Revenue Fund from amounts received pursuant to such Lease or School Loan Agreement the following amounts in the order indicated:

(i) The amount representing Rent of each of the Obligated Group Schools (in accordance with the Rent schedule which shall be attached to the related Supplemental Master Indenture executed in connection with the Related Bonds) shall be transferred into the Charter School Rent Payment Account within the Gross Revenue Fund, and the Master Trustee shall then immediately withdraw and pay, deposit or transfer the following amounts in the order indicated from such account:

(A) *First:* To the Ground Rent Account, if applicable, the aggregate amount of Ground Rent, if any, becoming due and payable during the next succeeding payment period in respect of all Ground Leases as designated on the Ground Lease payment schedule furnished to the Master Trustee (each such schedule shall be attached to the applicable Related Supplement), until the balance in said account is at least equal to such aggregate amount (unless such Ground Rent is expressly subordinated by the terms of the applicable Ground Lease to payments due under the Related Supplement).

(B) *Second:* To the Related Bonds Account, the amount necessary to pay all Required Payments on the next date upon which such payments become due; provided, however, that such amounts shall exclude any Required Payments received directly by a Related Bond Trustee pursuant to an Intercept.

(C) *Third:* To the Additional Payments Account, the amount necessary to pay all Additional Payments pursuant to any Related Loan Agreement on the next date upon which such payments become due; provided, however, that such amounts shall exclude any Required Payments received directly by a Related Bond Trustee pursuant to an Intercept.

(D) *Fourth:* To the Ground Rent Account, if applicable, the aggregate amount of Ground Rent, if any, becoming due and payable during the next succeeding payment period in respect of all Ground Leases as designated on the Ground Lease payment schedule furnished to the Master Trustee (each such schedule shall be attached to the applicable Related Supplement), until the balance in said account is at least equal to such aggregate amount (if such Ground Rent is expressly subordinated by the terms of the applicable Ground Lease to payments due under the Related Supplement).

(E) *Fifth:* Any money remaining following such transfers shall be transferred and released to the Member that is the Landlord or Lender under the related Lease or School Loan Agreement, as applicable, to which such remaining money is allocable.

(ii) The balance of Gross Revenues received by the Master Trustee pursuant to a Lease or School Loan Agreement and not transferred into the Charter School Rent Payment Account pursuant to this section shall immediately, and in any event not later than one Business Day following receipt thereof, be transferred to or upon the order of Lessee.

(e) The Master Trustee shall apply the monies deposited in the foregoing accounts of the Gross Revenue Fund as follows:

(i) Amounts deposited to the Ground Rent Account shall be paid directly to each respective lessor under each Ground Lease to pay Ground Rent when and as due in the amount designated in a written request of the Lessor(s).

(ii) Amounts deposited in the Related Bonds Account shall be paid directly to each Related Bond Trustee to pay amounts due and payable under each Related Bonds Indenture.

(iii) Amounts deposited in the Additional Payments Account shall be paid directly to the respective payees of Additional Payments pursuant to (and as defined in) each Related Loan Agreement.

Under the Master Indenture, “Gross Revenues” means all revenues, income, receipts and money received by or on behalf of the Members from all lawfully available sources, including (a) gross revenues derived from the operation and possession of each Member’s facilities; (b) gifts, grants, bequests, donations and contributions, exclusive of any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Required Payments; (c) proceeds derived from (i) accounts receivable, (ii) securities and other investments, (iii) inventory and other tangible and intangible property, and (iv) contract rights and other rights and assets now or hereafter owned by each Member, (d) rentals received from the lease of space and (e) School Loan Repayments; provided, however, that Gross Revenues shall not include (1) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on any Indebtedness; (2) any gains or losses resulting from the early extinguishment of Indebtedness, the sale, exchange or other disposition of Property not in the ordinary course of business, or the reappraisal, reevaluation or write-up of assets, or any other extraordinary gains or losses; (3) net unrealized gain (losses) on investments on investments and Financial Products Agreements; (4) proceeds of borrowing; (5) condemnation proceeds; (6) insurance proceeds; and (7) income derived from, or accounts receivable for, repayment to any Member of loans made by any other Member or Members.

THE SERIES 2023 BONDS ARE INTENDED TO BE PAYABLE IN FULL FROM FUNDS SUBJECT TO THE INTERCEPTS. ACCORDINGLY, NO GROSS REVENUE FUND WILL INITIALLY BE CREATED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2023 BONDS. SEE “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – BOND INDENTURE – STATE INTERCEPT PROGRAM AND “ – ASSIGNMENT OF PAYMENTS AND OTHER AMOUNTS, LOAN AGREEMENT, LEASES, AND DEED OF TRUST” AND “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – THE LOAN AGREEMENT” HEREIN.

Limitations on Additional Indebtedness. Under the Master Indenture, each Member covenants and agrees that it will not incur any Additional Indebtedness after the issuance of the Series 2023 Bonds except as follows:

(a) Long-Term Indebtedness may be incurred if, prior to the issuance of such Additional Indebtedness, the following is satisfied: an Independent Consultant selected by the Obligated Group Representative provides a written report to the Master Trustee setting forth projections which indicate that:

(i) a Consolidated Payment Obligations Coverage Ratio for each of the three consecutive full Fiscal Years beginning in the earlier of:

(A) the first full Fiscal Year following the estimated date of completion and initial use of all revenue-producing facilities to be financed with such Additional Indebtedness, based upon a certified written estimated completion date by the consulting engineer for such Facility or Facilities; or

(B) the first full Fiscal Year in which the obligor of such Additional Indebtedness will have scheduled payments of interest on or principal of the Additional Indebtedness to be issued for the payment of which provision has not been made as indicated in the report of such Independent Consultant from proceeds of such Additional Indebtedness, investment income thereon or from other appropriate sources (other than Consolidated Net Operating School Revenue), provides for a Consolidated Payment Obligations Coverage Ratio, taking into account all Outstanding Long-Term Indebtedness and the Additional Indebtedness to be issued, of not less than 1.20:1.00; and

(ii) the Consolidated Payment Obligations Coverage Ratio for the Fiscal Year immediately preceding the assumption of the proposed Additional Indebtedness is calculated to be at least 1.10:1.00 in such Fiscal Year, or would have been greater than it would otherwise have been absent such proposed Additional Indebtedness.

The report of the Independent Consultant will take into account: (i) the audited results of operations and verified enrollment of the Obligated Group Schools for the most recently completed Fiscal Year, (ii) projected enrollment of the Obligated Group Schools, and (iii) Gross Revenues at the completion of such Facility or Facilities financed with such Additional Indebtedness. In addition, the report of the Independent Consultant will assume that the Long-Term Indebtedness then to be incurred will have been outstanding for the entire year.

(b) Long-Term Indebtedness may be incurred for the purpose of refunding any Outstanding Indebtedness, if prior to the incurrence thereof, there is delivered to the Bond Trustee an Officer's Certificate demonstrating that (i) the Maximum Annual Debt Service will not increase by more than 10% after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof; or (ii) the total Debt Service on the Indebtedness being refinanced will not increase by more than 10% after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof; or (iii) the requirements of subsection (a)(i) above are met; provided that the foregoing will not apply to any refinancing with Balloon Indebtedness.

(c) Short-Term Indebtedness may be incurred by any Member as long as the Short-Term Indebtedness is made payable from such Member's Gross Revenues.

(d) Indebtedness consisting of purchase money obligations with respect to any item of equipment related to the Facilities may be incurred without limitation.

(e) Indebtedness consisting of leases (other than those described in paragraph (f) below) which are considered operating leases under generally accepted accounting principles, the term of which does not exceed two years, may be incurred without limitation.

(f) Leases for a charter school facility the term of which exceeds two years shall be deemed to be Indebtedness and may be incurred only if, prior to the incurrence of such Indebtedness, an Independent Consultant selected by the Borrower provides a written report to the Bond Trustee indicating that the Consolidated Payment Obligations Coverage Ratios required to be met under the Long-Term Indebtedness provisions set forth in paragraph (a) above are satisfied, assuming only for the purposes of such calculation that such lease Indebtedness constitutes additional Long-Term Indebtedness.

(g) Subordinated Indebtedness may be incurred without limitation.

"Consolidated Net Operating School Revenue" means the sum of all Net Operating School Revenue (as such term is defined in the related Lease or School Loan Agreement) related to all Leases and School Loan Agreements for all Lessees of all Facilities as that computation would be applied to the operations of a Lessee of a Facility financed with Related Bonds; provided that with respect to calculation of the Consolidated Payment Obligations Coverage Ratio in connection with the issuance of Additional Indebtedness, "Consolidated Net Operating School Revenue" means the sum of all Net Operating School Revenue (as such term is defined in the related Lease or School Loan Agreement) related to all Leases and School Loan Agreements for all Lessees of all Facilities and proposed Facilities as that computation would be applied to the operations of an existing or proposed school Lessee of an existing or proposed Facility financed with Related Bonds or to be financed with Additional Indebtedness, and excluding therefrom the payment obligations associated with any loan or other indebtedness to be refinanced or retired from proceeds of the Long-Term Indebtedness then to be incurred.

"Consolidated Payment Obligations" means the sum of all Lessee Payment Obligations for all Lessees of all Facilities and proposed Facilities.

"Consolidated Payment Obligations Coverage Ratio" means the ratio determined by dividing Consolidated Net Operating School Revenue for such period by the Consolidated Payment Obligations.

"Lessee Payment Obligations" means (a) that portion of the total lease payment obligation under any Lease by a Lessee of any Facility or proposed Facility, or portion of such Facility, characterized therein as "Base Rent"

plus (b) the repayment obligations for a Lessee under any School Loan Agreement for the financing of such Lessee's improvement or equipping of any Facility or proposed Facility, or portion of such Facility, characterized therein as "School Loan Repayments."

"School Loan Agreement" means any loan agreement pursuant to which a Lessee borrows money from a Member of the Obligated Group for the benefit of a Facility at which a School is located.

"Additional Indebtedness" means any Indebtedness (including all Obligations) incurred subsequent to the execution and delivery of the Master Indenture, other than Obligation No. 1.

"Balloon Indebtedness" means Long-Term Indebtedness 25% or more of the principal of which becomes due (either by maturity or mandatory redemption) during any period of 12 consecutive months, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date.

"Indebtedness" means all obligations for borrowed money, installment sales and capitalized lease obligations, incurred or assumed by a Member (other than Indebtedness of one Member to another Member or the Guaranty by any Member of Indebtedness of any other Member), including Guaranties, Long-Term Indebtedness, Short-Term Indebtedness or any other obligation for payments of principal and interest with respect to money borrowed, provided, however, that if more than one Member shall have incurred or assumed a Guaranty of a Person other than a Member, or if more than one Member shall be obligated to pay any obligation, for purposes of any computations or calculations under the Master Indenture such Guaranty or obligation shall be included only one time.

"Long-Term Indebtedness" means Indebtedness having an original maturity greater than one year or renewable at the option of a Member for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least twenty (20) consecutive days during each calendar year.

"Short-Term Indebtedness" means all Indebtedness having an original maturity less than or equal to one year and not renewable at the option of a Member for a term greater than one year from the date of original incurrence or issuance; provided however, that any Short-Term Indebtedness that has been issued as revenue anticipation notes ("RANs") will not be included or counted as Short-Term Indebtedness to the extent that the RANs are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANs.

Amendment of Leases or School Loan Agreements. There will be no amendment, modification or termination of any of the Leases (as defined in the Master Indenture) or School Loan Agreements without (1) an Officer's Certificate delivered to the Master Trustee stating that the amendment, modification or termination of the Lease or School Loan Agreement contemplated will not have a material adverse effect on the financial position of the Obligated Group or (2) the prior written consent of the Master Trustee, which consent shall only be given if:

(a) in the Opinion of Bond Counsel, such amendment is necessary to preserve the exclusion of interest on related Tax-Exempt Bonds from gross income for purposes of federal income taxation or the exemption of interest on the related Tax-Exempt Bonds from state income taxation;

(b) (1)(A) the Holders of a majority in principal amount of the related Tax-Exempt Bonds then Outstanding consent in writing to such amendment, modification or termination or (B) in the Opinion of Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Related Bondholders or result in any material impairment of the security given for the payment of the Related Bonds, and (2) the Master Trustee shall receive an Opinion of Bond Counsel substantially to the effect that such amendment, modification or termination will not, in and of itself, adversely affect any exclusion of interest on the Related Bonds that are Tax-Exempt Bonds from gross income for purposes of federal income taxation; or

(c) it has received a written representation from the Obligated Group Representative to the effect that such amendment or modification will not materially and adversely affect the interests of the Holders of the Related Bonds; provided that, if an Event of Default described in the Master Indenture has occurred and is continuing, the Master Trustee rather than the Borrower shall make a determination that such an amendment or modification will not materially and adversely affect the interest of the Holders of the Related Bonds (provided that, in making such determination, the Master Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel).

Cross-Collateralization; Extraordinary Monthly Rent. Pursuant to the Master Indenture, each Member covenants and agrees that each Lease will contain the following provisions:

If on the 25th of any month a Related Bond Trustee does not receive sufficient payments to make all deposits and or payments required under the Related Bond Indenture, the Related Bond Trustee will notify the Borrower and the related Lessee in writing of the deficiency (each such notice, an “Extraordinary Monthly Rent Notice”).

In the event that a Lessee under a Lease receives a notice (an “Extraordinary Monthly Rent Notice”) from either the lessor under such lease (the “Lessor”) or the Related Bond Trustee stating that the Related Bond Trustee has not received the payment of Rent with respect to a Related Project on or before that date that such required payment is due, then such Lessee shall pay the Extraordinary Monthly Rent to the Related Bond Trustee, but only from and to the extent of Gross School Revenues attributable to the Lessee’s operation of any Obligated Group School in the Facilities and legally available for such purpose, within three business days after such Lessee’s receipt of the Extraordinary Monthly Rent Notice. The Lessor shall covenant in such Lease to immediately provide the Lessee with a copy of any Extraordinary Monthly Rent Notice received by Lessor pursuant to the terms of the Master Indenture.

“Extraordinary Monthly Rent” means the amount set forth in such Extraordinary Monthly Rent Notice, which will be the Lessee’s Proportionate Share of the Extraordinary Monthly Rent.

“Proportionate Share” means the amount required to be paid by Lessee to ensure that all of the required Base Rent and School Loan Repayments with respect to all of the Related Projects have been timely made, said amount to be determined from time to time for each Obligated Group School in proportion to its respective share of Gross School Revenues attributable to the operation of such Obligated Group School. There is no assurance that the amount of Extraordinary Monthly Rent will be sufficient to cover any Rent not paid by any other Related Project (as defined in the Master Indenture).

The definition of “Rent” set forth under the related Lease shall include, as one component, the “Extraordinary Monthly Rent.”

Other Covenants. Each of the Members of the Obligated Group agrees to comply with other covenants set forth in the Master Indenture, including covenants to insure the Facilities against loss or damage. See “APPENDIX D – SUMMARY OF PRINCIPAL BOND DOCUMENTS – MASTER INDENTURE – Additional Covenants” and related definitions attached hereto.

Membership in Obligated Group. Additional Members may be added to the Obligated Group from time to time provided that prior to such addition the Master Trustee receives:

(a) a copy of a resolution of the Governing Body of the proposed new Member which authorizes the execution and delivery of a Related Supplement and compliance with the terms of the Master Indenture;

(b) a Related Supplement executed by the Obligated Group Representative, the new Member and the Master Trustee pursuant to which the proposed new Member (1) agrees to become a Member, (2) agrees to be bound by the terms and restrictions imposed by the Master Indenture and the Obligations, and (3) irrevocably appoints the Obligated Group Representative as its agent and attorney-in-fact and grants to the Obligated Group Representative

full power to execute Related Supplements authorizing the issuance of Obligations and to execute and deliver Obligations;

(c) an Opinion of Counsel addressed to the Master Trustee to the effect that (i) the proposed new Member has taken all necessary action to become a Member, and upon execution of the Related Supplement, such proposed new Member will be bound by the terms of the Master Indenture and (ii) the addition of such Member will not cause the Master Indenture or any Obligations to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or, that any such registration, if required, has occurred);

(d) an Independent Consultant's or Accountant's report, or an Officer's Certificate, as appropriate, to the effect that the condition described in paragraph (a) under "– Limitations on Additional Indebtedness" above would be met for the incurrence of one dollar of additional Long-Term Indebtedness immediately following the addition of such new Member;

(e) an Opinion of Bond Counsel to the effect that the addition of such Member will not result in the inclusion of interest on any Related Bonds that purports to be a Tax-Exempt Bond in gross income for purposes of federal income taxation, nor cause the Master Indenture nor the Obligations issued under the Master Indenture to be subject to registration under the Securities Act of 1933, as amended or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred);

(f) an Officer's Certificate to the effect that no Member, immediately after the addition of such new Member, would be in default in the performance or observance of any covenant or condition of the Master Indenture;

(g) a duly executed and delivered Deed of Trust encumbering all Property, Plant and Equipment of such new Member, subject only to Permitted Liens; and

(h) any other document, agreement, certificate, waiver or other instrument from such parties, as the Master Trustee reasonably requests.

Any certification or calculation made in accordance with this section may take into account the effect of the withdrawal of another Member or Members from the Obligated Group in connection with the addition of a Member to the Obligated Group.

Withdrawal from Obligated Group. Any Member may withdraw from the Obligated Group, and be released from further liability or obligation under the provisions of the Master Indenture, provided that prior to such withdrawal the Master Trustee receives:

(a) an Officer's Certificate to the effect that, immediately following withdrawal of such Member, no Member would be in default in the performance or observance of any covenant or condition of the Master Indenture;

(b) an Opinion of Bond Counsel to the effect that the withdrawal of such Member is in compliance with the conditions contained in this section, and such withdrawal will not result in the inclusion of interest on any Related Bonds that purports to be a Tax-Exempt Bond in gross income for purposes of federal income taxation, nor cause the Master Indenture nor the Obligations issued under the Master Indenture to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred); and

(c) either:

(i) an Officer's Certificate to the effect that either (1) no Related Bonds will remain outstanding following such withdrawal, or (2) the Related Bonds remaining outstanding following such withdrawal have been assigned a rating by at least one rating agency and the withdrawal of such Member will not cause a downgrade or withdrawal of such rating; or

- (ii) an Independent Consultant’s report stating that:
- (1) (A) the forecasted Consolidated Payment Obligations Coverage Ratio for the two consecutive Fiscal Years immediately following such withdrawal, taking such withdrawal into account, is projected to be at least 1.25:1.00 in each Fiscal Year or would be greater than it would otherwise have been absent such withdrawal;
- (B) the Consolidated Payment Obligations Coverage Ratio for the Fiscal Year immediately preceding such withdrawal is calculated to be at least 1.10:1.00 in such Fiscal Year, or would have been greater than it would otherwise have been, absent such withdrawal; and
- (C) such withdrawal will not lower the Consolidated Payment Obligations Coverage Ratio for the most recent Fiscal Year for which Obligated Group Financial Statements are available by more than twenty percent (20%); or
- (2) the forecasted Debt Service Coverage Ratio for the two consecutive Fiscal Years immediately following such withdrawal, taking such withdrawal into account, is projected to be not less than 1.00:1.00 in each Fiscal Year or would be greater than it would otherwise have been absent such withdrawal;

Any certification or calculation made in accordance with this section may take into account the effect of the addition of another Member or Members to the Obligated Group in connection with the withdrawal of a Member from the Obligated Group.

Upon compliance with the conditions described above, the Master Trustee shall execute any documents reasonably requested by the withdrawing Member to evidence the termination of such Member’s obligations under the Master Indenture (including without limitation termination of the pledge of such Member’s Gross Revenues) under any Related Supplements and under all Obligations (including without limitation reconveyance of the Mortgage encumbering such Member’s Property, Plant and Equipment for the benefit of the Master Trustee).

Deeds of Trust

Pursuant to the Master Indenture, unless project funds allocated to the financing of such Facility* are escrowed until the filing of a Mortgage, each Member will enter into a mortgage (or mortgages), including leasehold deed of trust, deed of trust, security agreement, assignment of rents and leases and/or financing statement as provided therein (each, a “Deed of Trust”) for the respective Facilities to secure the obligations of the Members under the Master Indenture and each Member, respectively, agrees to supplement such Deed of Trust or to execute and deliver such other deeds of trust or mortgages as may be necessary from time to time to grant to the Master Trustee a first priority lien on any Property, Plant and Equipment of the Member, subject to certain permitted liens. Each Deed of Trust also creates a current and absolute assignment of the rents under the applicable Leases in favor of the Master Trustee. See “THE LEASES” herein.

In connection with the issuance of the Series 2023 Bonds, each Landlord will enter into a Deed of Trust, dated as of [] 1, 2023, for its respective fee simple interest in the applicable Facility being financed with proceeds of the Series 2023 Bonds to secure its obligations under the Master Indenture.

In the Deeds of Trust, each Landlord absolutely and irrevocably assigns to the Master Trustee the rents under each Lease. The Property (as defined in each Deed of Trust) subject to the Deeds of Trust generally consists of all real and personal property that constitute each applicable Facility. Pursuant to the Master Indenture and in connection with the execution and delivery of each Deed of Trust, each Member has covenanted to obtain or cause to be obtained, at its own cost and expense, an ALTA title insurance policy on the each of the Facilities in an

* As used in this section captioned “ – Deeds of Trust”, the terms “Facility” and “Facilities” shall have the meaning set forth in the Master Indenture.

aggregate amount not less than the aggregate principal amount of the Related Bonds, less the amount of proceeds of the Related Bonds held in the Project Fund established with respect thereto until such funds are released from the Project Fund, naming and payable to the Master Trustee, insuring the leasehold or fee title interest of the respective members to the Facilities, subject only to Permitted Liens, issued by a title insurance company qualified to do business in the State. See “CERTAIN RISK FACTORS – Limitations On Value of the Facilities and to Remedies Under the Deeds of Trust” herein.

Additional Leases Governed by the Master Indenture

Under the Master Indenture, “Lease” is defined as the Lease and each other lease agreement pursuant to which a Lessee leases a facility at which a School (as defined in the Master Indenture) is located from a Member of the Obligated Group. Each Lease must contain the following provisions:

(a) An extraordinary monthly rent covenant substantially similar to the covenant described under the heading “– Cross-Collateralization; Extraordinary Monthly Rents” above;

(b) The definition of “Rent” set forth under the related Lease shall include, as one component, the “Extraordinary Monthly Rent;”

(c) A liquidity covenant substantially similar to the covenant described under the heading “THE LEASES – Certain Covenants Under the Lease – Liquidity Covenant” herein;

(d) A coverage ratio covenant substantially similar to the covenant described under the heading “THE LEASES – Certain Covenants Under the Lease – Consolidated Payment Obligations Coverage Ratio Covenant” herein;

(e) A covenant of the Lessee that it will not create, assume or suffer to exist any lien upon or pledge of the Gross School Revenues substantially as set forth under the heading “THE LEASES – Pledge and Security Interest” herein;

(f) A subordination of Support Office Management Fees substantially as set forth under the heading “THE LEASES – Subordination of Support Office Management Fees” herein; and

(g) Covenants substantially similar to those described under the heading “THE LEASES – Certain Covenants Under the Lease – Other Financial Covenants” herein.

Initially, the Landlords are the only Members of the Obligated Group, and the only Leases (as defined in the Master Indenture) are the Leases for the Facilities being financed with proceeds of the Series 2023 Bonds, and the only Obligated Group Schools (as defined in the Master Indenture) are CNCA, THE Middle School and the High School. The Lessee and the Borrower provide no assurances that other members of the Obligated Group, schools or leases will be added and be subject to the provisions of the Master Indenture.

THE LEASES

The following section contains brief descriptions of the Leases, emphasizing terms common to each of the for the Facilities. All references in this Limited Offering Memorandum to the Leases are qualified in their entirety by reference to the individual Leases, copies of which may be obtained by request to the Underwriter. See “APPENDIX E – SUMMARY OF THE LEASES” attached hereto.

General

The primary source of Gross Revenues for the Members of the Obligated Group is the payment of Rent received pursuant to the Leases. Under the Leases, each Landlord leases to the Lessee, and the Lessee leases from

each Landlord, a respective Facility. The provisions of each Lease are substantially similar except for the term of the Lease, the amount of rent payable and the Facility subject to each Lease.

For each Facility, the applicable Lease will have a term (each, a “Lease Term”) of approximately [35] years, which is scheduled to terminate on June 30, 20[].

Payment of Rent

Pursuant to each Lease, the Lessee will make monthly payments of Rent in advance on the 15th day of each calendar month. “Rent,” as defined under each Lease, is comprised of the following: (i) the monthly payment of Base Rent (as defined in such Lease); (ii) Additional Rent; (iii) Extraordinary Monthly Rent (as defined herein); (iv) Expenses; and (v) all other monetary obligations of the Lessee to Lessor or to third parties arising under the terms of the Lease. See “APPENDIX E – SUMMARY OF THE LEASES” attached hereto.

Under each Lease, in the event that the Lessee receives an Extraordinary Monthly Rent Notice from either the applicable Member or the Bond Trustee stating that the Bond Trustee has not received the payment of Rent with respect to a Related Project (as defined in the Master Indenture) on or before the date that such required payment is due, then Lessee is required to pay the Extraordinary Monthly Rent to the Bond Trustee within three business days after the Lessee’s receipt of the Extraordinary Monthly Rent Notice. As used in each Lease, the “Extraordinary Monthly Rent” means the amount set forth in such Extraordinary Monthly Rent Notice, which shall be the Lessee’s Proportionate Share, under the applicable Lease, of the Extraordinary Monthly Rent. As used in each Lease, “Proportionate Share” means the amount required to be paid by Lessee to ensure that all of the required Rent with respect to all of the Related Projects have been timely made.

Notwithstanding anything in the Lease to the contrary, Lessee’s obligation to pay the Rent and the other monetary payments provided for in the Lease to any person or entity, including the Lessor, Lender, or Bond Trustee, and their respective successors and assigns, is limited to, and shall not exceed, Gross School Revenues (as defined below), if any, and under no circumstances shall Lessee be required to advance any moneys derived from any source of income other than, or pay Rent or any other monetary obligation under this Lease which is in excess of, the Gross School Revenues, nor shall any other funds or property of Lessee be liable for the payment of Rent or any other monetary obligation under the Lease, and such persons and entities shall look exclusively thereto for satisfaction of any claims under the Lease. Lessor covenants that it shall not take recourse against Lessee with respect to the failure by Lessee to make any payment under this Lease except recourse to the Gross School Revenues. Nothing described in this paragraph will be construed to release Lessee from the performance of any of the agreements on its part contained in the Lease, and in the event Lessee shall fail to perform any such agreements on its part, Lessor may institute such action against Lessee as Lessor may deem necessary to compel performance so long as such action does not abrogate the limitation of liability of Lessee contained in the first sentence of this paragraph. Lessee may, at Lessee’s own cost and expense and in Lessee’s own name or in the name of Lessor prosecute or defend any action or proceeding or take any other action involving third persons which Lessee deems reasonably necessary in order to secure or protect Lessee’s right of possession, occupancy and use under the Lease, and in such event Lessor agrees to cooperate fully with Lessee and to take such action necessary to effect the substitution of Lessee for Lessor in such action or proceeding if Lessee shall so request.

As used in the Lease, the term “Gross School Revenues” means all revenue, income, receipts and money received by Lessee or on behalf of Lessee from all lawfully available sources attributable to its operation of the School, including from any applicable district or county or from the State pursuant to the Charter School Law from any general purpose entitlement, revenue limit, or State educational funding sources; but excluding gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for Rent payments or operating expenses. Any other income, revenue, receipts, contributions or other monies received by Lessee not specifically described in the immediately preceding sentence shall not constitute Gross School Revenues. As used in the applicable Lease, the term “School” means the related School.

The Lessee covenants in the Leases to cause all payments of Base Rent and Additional Rent under each Lease to be received by the Trustee on behalf of the Members in lawful money of the United States on or before the day on which such payments are due, without abatement, deduction or offset. The Lessee covenants in the Leases to

take such action as may be necessary to include all such payments of Rent due thereunder in its annual budgets, to make, as necessary, annual appropriations for all such payments and to take such action annually as shall be required to provide funds in such year for such payments of Rent. See “APPENDIX E – SUMMARY OF THE LEASES” attached hereto.

Pursuant to each Lease, the Lessee covenants that payment of management fees to third parties will be subordinate to payments of Rent under the applicable Lease. See “– Certain Covenants under the Leases – Financial Covenants – Subordination of Collection of Management Fees” below..

Certain Covenants Under the Leases

General. Each Lease contains various covenants (including reporting covenants), representations and warranties made by the Lessee to the Members. Covenants include:

- (i) restrictions on the use of the Premises to the operation of a charter school;
- (ii) compliance by Lessee with applicable laws, including all environmental laws;
- (iii) sublease and assignment restrictions without the applicable Member’s consent;
- (iv) covenants to maintain insurance policy coverages required pursuant to the applicable Lease and the Master Indenture;
- (v) indemnification of the applicable Member pursuant to the Lease terms;
- (vi) covenant to take all reasonable actions to maintain the applicable Charter; and
- (vii) covenant not to take any action or omit to take any action that, if taken or omitted, would cause Lessee to lose status as an organization described under Section 501(c)(3) of the Code,

Liquidity Covenant. The Lessee will calculate Consolidated Days Cash on Hand for the Obligated Group Schools as of the last day of each Fiscal Year, commencing with the Fiscal Year ending June 30, 20[], based upon its audited financial statements for such Fiscal Year and file such reports with Master Trustee. For each calculation date, the Obligated Group Schools will maintain Consolidated Days Cash on Hand as of the last day of each Fiscal Year equal to or greater than [45] days.

“Consolidated Days Cash on Hand” means (i) the sum of Cash and Cash Equivalents of the Obligated Group Schools, as shown on the Lessee’s audited financial statements for each Fiscal Year, and any State payments accrued to such Fiscal Year and scheduled to be received within two months following the end of such Fiscal Year (“Cash on Hand”); divided by (ii) the Average Daily Expenses for Obligated Group Schools (as calculated for the most recent Fiscal Year ending before such date).

“Average Daily Expenses for Obligated Group Schools” means (A) cash requirements during such Fiscal Year related to or payable from revenues attributable to the Obligated Group Schools (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of the Obligated Group Schools in the aggregate (i) all Operating Expenses for such Fiscal Year for the Obligated Group Schools, (ii) subordinated Support Office Management Fees, and (iii) the maximum annual sum of the Base Rent and School Loan Repayments payable under the Leases and School Loan Agreements for all Obligated Group Schools between any Lessee and any member of the Obligated Group for that year or any other year, divided by (B) 365.

The Lessee will provide a certificate to the Lessor and Master Trustee at the time of delivery of its annual audited financial statements for each Fiscal Year indicating whether the Lessee, on behalf of the Obligated Group Schools, has met the requirement set forth above. If the certificate indicates that such cash balance requirement has not been met, the Lessee covenants to retain an Independent Consultant at the expense of the Lessee, on behalf of

the Obligated Group Schools, within 45 days, to make recommendations to increase such balances in the then-current Fiscal Year to the required level or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. The Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. The Lessee will not be obligated to retain such an Independent Consultant more often than once during any 24 month period. See “– Approval of Consultants” herein.

No proceeds of any Short-Term Indebtedness will be considered unrestricted available cash for purposes of such calculation (other than the proceeds of any working capital loans made to bridge deferrals in State payments or start-up loans from the State or the California Department of Education).

Failure of the Obligated Group Schools to satisfy the Days Cash on Hand Requirement will not be a default or an Event of Default under the Leases.

Payment Coverage Ratio Covenant. The Lessee covenants and agrees to calculate for each Fiscal Year its Payment Coverage Ratio for each Lease and School Loan Agreement based on its audited financial statements for such Fiscal Year, and to provide a copy of such calculation for such period to the Lessor and the Master Trustee annually commencing with the Fiscal Year ending June 30 of the Fiscal Year in which such Lease is executed or June 30, 2023, whichever is later. The Lessee also covenants to maintain its Net Operating School Revenue so that its Payment Coverage Ratio at the end of each Fiscal Year is not less than 1.10 to 1.00; provided that, except as provided below, the Lessee’s failure to achieve the required Payment Coverage Ratio will not constitute an Event of Default under any Lease if the Lessee promptly engages an Independent Consultant to prepare a report, to be delivered to the Lessee, the Lessor and Master Trustee within 45 days of engagement, with recommendations for meeting the required Payment Coverage Ratio or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Under the Leases, the Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. The Lessee will not be obligated to retain such an Independent Consultant more often than once during any 24 month period. Notwithstanding the foregoing, the Lessee’s failure to achieve a Payment Coverage Ratio of 1.00 to 1.00 will constitute an Event of Default under the applicable Lease. See “– Approval of Consultants” herein.

[Note: Master Indenture lease provisions exhibit refers to “Consolidated Payment Obligations Coverage Ratio” – which is correct?]

“Expenses” shall mean all costs and expenses of the ownership, operation, maintenance, repair or replacement, and insurance of the applicable Facility, as determined by standard accounting practices, as further described in the Leases.

“Management Agreement” means any agreement between the Lessee and a charter school, including charter schools operated or managed by the Lessee, pursuant to which the Lessee provides management services.

“Net Operating School Revenue” means Lessee’s Gross School Revenues attributable to operations of the applicable School minus Lessee’s Operating Expenses attributable to the applicable School; provided, that no determination thereof will take into account: (a) any gain or loss resulting from either the early extinguishment or refinancing of Obligated Group School Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business; (b) gifts, grants, bequests, donations or contributions, and income therefrom, to the extent specifically permanently restricted by the donor or by law to a particular purpose inconsistent with their use for the payment of Operating Expenses; (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; (d) adjustments to the value of assets or liabilities resulting from changes in generally accepted accounting principles; (e) unrealized gains or losses that do not result in the receipt or expenditure of cash; and (f) nonrecurring items which involve the receipt, expenditure or transfer of assets.

“Obligated Group School Indebtedness” means Indebtedness (as such term is defined in the Master Indenture) related to or payable from revenues of the applicable Obligated Group School and to any other charter school operated by Lessee at the Facility subject to the applicable Lease.

“Operating Expenses” means except as provided below, all unrestricted expenses of the Lessee, attributable to operations of the applicable School, including maintenance, repair expenses, utility expenses, equipment lease and other rental expense (excluding the Base Rent, School Loan Repayments and the Extraordinary Monthly Rent or Extraordinary Monthly Payment, if any, but including Expenses and Additional Rent), administrative and legal expenses, miscellaneous operating expenses, advertising and promotion costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Lessee, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Lessee not otherwise mentioned in the Lease, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles, all in such amounts as reasonably determined by the Lessor. “Operating Expenses” shall exclude, however, (i) all subordinated Support Office Management Fees, (ii) depreciation and amortization, and (iii) any expenses which are treated as extraordinary in accordance with generally accepted accounting principles.

“Payment Coverage Ratio” means for any period of time the ratio determined by dividing (i) Net Operating School Revenue, by (ii) the amount of scheduled Base Rent under the applicable Lease.

“Support Office Management Fee” means any fee or charge, including any funds transfer recognized as an expenditure for accounting purposes, charged by Lessee for management services provided to the School, including pursuant to a Management Agreement, which fee shall be subordinate to the payment of Rent due under the Lease.

Approval of Consultants. Whenever a Lease provides for the retention or engagement of an Independent Consultant by the Lessee, such Independent Consultant will be engaged in the manner as set forth in the Lease. See “– Liquidity Covenant” and “– Payment Coverage Ratio Covenant” herein.

Upon the selection by the Lessee of an Independent Consultant as required under the provisions of a Lease, the Lessor will notify the Obligated Group Representative, who will notify the Master Trustee of such selection. The Master Trustee is required to, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Outstanding Related Bonds of such selection. Such notice (which shall be provided by the Obligated Group Representative) will (i) include the name of the Independent Consultant and a brief description of the Independent Consultant, (ii) state the reason that the Independent Consultant is being engaged including a description of the covenant(s) of the Lease that require the Independent Consultant to be engaged, and (iii) state that the Holder of the Outstanding Related Bonds will be deemed to have consented to the selection of the Independent Consultant named in such notice unless such Holder submits an objection to the selected Independent Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee is required to notify the Obligated Group Representative of the number of objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have been deemed to have consented to the selection of the Independent Consultant, the applicable Lessor is required to cause the Lessee to engage the Independent Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have objected to the Independent Consultant selected, the Lessee will select another Independent Consultant which may be engaged upon compliance with the procedures described in the Lease.

Other Financial Covenants. Additionally, the Lessee will make the following covenants in the Leases:

Use of Public Moneys. The Lessee covenants that it will not use any public money, assets, and funds for support of the public school system that it receives through apportionments from the State in a manner that conflicts with or constitutes on its part or on the part of the applicable School a violation or breach of any California statute, rule or regulation governing the use of those moneys.

Use of Intercept Moneys. The Lessee covenants that all funds subject to an Intercept shall only be transferred to a Related Bonds Trustee for Related Bonds issued by the Authority.

Subordination of Support Office Management Fees. The Lessee agrees in the Leases that if the Lessee enters into a Management Agreement for the payment of Support Office Management Fees to the Lessee or any supporting organization of the Lessee under Internal Revenue Code Section 509(a)(3), or any of their respective

affiliates, with respect to the applicable School, Lessee shall amend any such Management Agreement for the School such that, so long as any Series 2023 Bonds remain outstanding: (i) the obligation of the Lessee to pay Support Office Management Fees relating to the applicable School shall be subordinate to its payment of operating expenses of the School, rent payments to Lessor under the Lease; (ii) the obligation of Lessee to pay Support Office Management Fees relating to the applicable School shall be suspended for any such time as the payment of Support Office Management Fees would cause the Lessee to fail to meet any of the financial covenants described above under “Liquidity Covenant” and “Payment Coverage Ratio Covenant”; and (iii) during any period of time when Support Office Management Fees remain unpaid, such fees shall accrue without interest.

If the Lessee has not engaged a separate manager with respect to the applicable School, Lessee agrees that it shall not apply any Gross School Revenues to costs and expenses of management unless and until all Rent is fully paid and the Loan is not in default.

Financial Reporting. The Lessee agrees to provide the Borrower, and upon written request of the Bond Trustee or Master Trustee, to the Bond Trustee or Master Trustee, the following information:

(a) If the Lessee is undertaking any construction at the Premises, not later than 60 days after the end of each fiscal quarter of Lessee, a construction progress report with respect to such construction, until such construction is substantially complete.

(b) Quarterly unaudited financial information and operating data of the Obligated Group Schools not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023]

(c) Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a report of the Obligated Group Schools’ quarterly enrollment data and waitlist data by grade for the previous fiscal quarter.

(d) Prior to the end of each fiscal year, a copy of the annual budget of the Obligated Group Schools for the subsequent Fiscal Year.

(e) Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a year to date comparison of the revenue and expenditures in the unaudited financial statements for such quarter to the annual budget for the applicable fiscal year.

(f) Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending [June 30, 2023], a copy of any recommendations of any Independent Consultant received in accordance with the Lease or the Master Indenture pursuant to the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

(g) Annually, no later than six months after the close of each fiscal year, commencing with the Fiscal Year ending [June 30, 2023], copies of the audited financial statements of the Lessee and the Obligated Group Schools for the prior fiscal year prepared in accordance with generally accepted accounting principles applicable to nonprofit corporations from time to time, if available.

(h) Annually, no later than six months after the close of each fiscal year, commencing with the Fiscal Year ending [June 30, 2023], the certifications and calculations of the Days Cash on Hand for the Obligated Group Schools and the Payment Coverage Ratio for each School as described in the Liquidity Covenant and Payment Coverage Ratio covenant under the Leases described above.

(i) Such other information as may be reasonably requested by the Borrower, the Authority, the Bond Trustee or the Master Trustee.

Limitations on Obligated Group School Indebtedness. The Lessee covenants that it will not incur, assume or guarantee (“incur”) any Obligated Group School Indebtedness (secured or unsecured), except Obligated Group School Indebtedness with respect to purposes specifically benefiting the Lessee, and except as provided below.

(a) To the extent permitted by applicable law and if no Breach under the Leases, or an event that with the giving of notice or passage of time or both would constitute an Breach under the Leases, has occurred and is continuing, Lessee may incur or assume Nonrecourse Indebtedness (as defined below), but limited with Short-Term Indebtedness (as defined below), and Interim Indebtedness (as defined below) to a total aggregate principal amount outstanding at any time that is not in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) the maximum amount of advance apportionment and principal apportionment due to the Obligated Group Schools in any fiscal year that is deferred at any time or subject to deferral pursuant to Section 14041.6 of the California Education Code or Sections 16325.5 and 16326 of the California Government Code, or any subsequent legislation authorizing additional deferrals of such apportionments (collectively “Maximum Deferred Apportionment”).

(b) The Lessee may incur Short-Term Indebtedness (as defined below) for working capital purposes as in its judgment is deemed expedient, provided that in no event will the Lessee incur Short-Term Indebtedness, together with outstanding Nonrecourse Indebtedness and Interim Indebtedness (as defined below) in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

(c) Lessee may incur Interim Indebtedness (as defined below) as in its judgment is deemed expedient, provided that in no event will Lessee incur Interim Indebtedness, together with outstanding Nonrecourse Indebtedness and Short-Term Indebtedness, on a combined basis, is in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

(d) Obligated Group School Indebtedness consisting of leases for charter school facilities, the term of which do not exceed two years (including any term extension options), may be incurred without limitation. A lease for a charter school facility with a term exceeding two years (including any term extension options) shall not be considered Nonrecourse Indebtedness subject to the tests therefor set forth above, but may be incurred if an Independent Consultant selected by Lessee provides a written report to the Master Trustee (A) setting forth projections which indicate forecasted Payment Coverage Ratio for each of the fiscal years under the term of such lease, taking into account such lease, of not less than 1.10:1.00.

“Interim Indebtedness” means all Obligated Group School Indebtedness having an original maturity less than or equal to five years and not renewable at the option of Lessee for a term greater than five years from the date of original incurrence or issuance.

“Nonrecourse Indebtedness” means all Obligated Group School Indebtedness with respect to which the obligee is prevented by applicable law or contractual arrangement from exercising recourse, or any other right or remedy exercisable by a creditor, against all or any part of the Premises or the Improvements in order to pay, satisfy or discharge all or any part of the Obligated Group School Indebtedness.

“Obligated Group School Indebtedness” means Indebtedness (as such term is defined in the Master Indenture) related to or payable from revenues of the applicable Obligated Group School and to any other charter school operated by Lessee at the Facility subject to the subject to the Lease.

“Short-Term Indebtedness” means all Obligated Group School Indebtedness having an original maturity less than or equal to one year and not renewable at the option of Lessee for a term greater than one year from the date of original incurrence or issuance, provided however, that any Short-Term Indebtedness that has been issued as revenue anticipation notes (“RANS”) will not be included or counted as Short-Term Indebtedness to the extent that the RANS are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANS.

CERTAIN RISK FACTORS

Investment in the Series 2023 Bonds involves substantial risks. The following information should be considered by prospective investors in evaluating the Series 2023 Bonds. However, the following does not purport to be an exclusive listing of risks and other considerations which may be relevant to investing in the Series 2023 Bonds, and the order in which the following information is presented is not intended to reflect the relative

importance of any such risks. Certain factors which could result in a reduction of revenues available to the Obligated Group and a corresponding reduction in payments made to the Authority are discussed herein.

A number of factors could have an adverse impact on the ability of the Lessee to generate revenues needed to meet its obligations under the Leases, which could, in turn, have an adverse effect on the ability of the Borrower and the Obligated Group to generate sufficient revenues to meet their respective obligations to make payments due under the Loan Agreement and Obligation No. 1. The ability of the Lessee to generate sufficient revenues to make payments under the Leases is dependent upon a number of elements, including State budget pressures, demand for charter schools, the ability of the Schools to provide the educational services and classes demanded by parents or to attract students generally, changes in the level of confidence in the public school system in general or public charter schools in particular, competition, faculty recruitment, demographic changes, legislation, governmental regulations, changes in immigration policy, litigation and the Schools' ability to achieve enrollment and fundraising levels. This, in turn, is affected by numerous circumstances both within and outside the control of the Obligated Group and the Lessee, including a continuation of favorable governmental policies and programs with respect to public charter schools (see "CHARTER SCHOOLS" herein); the competitive appeal and perceived quality of the Schools' curriculum; the ability and energy of the Schools' faculties and administration; and the benevolence of the Schools' supporters. There can be no assurance given that revenues of the Obligated Group or the revenues of the Lessee attributable to the Schools will not decrease. Any and all financial projections are only good faith estimates and are not intended as a representation or warranty as to the future financial condition of the Obligated Group or the Lessee.

See "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS" and "APPENDIX B – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE LESSEE FOR THE FISCAL YEARS ENDED JUNE 30, [____]" attached hereto.

Risk of Loss

Purchase of the Series 2023 Bonds involves a high degree of risk. Any investor who, because of financial condition, is unable to bear the loss of an investment in the Series 2023 Bonds, or who, because of investment policies or otherwise, does not desire to assume, or have the ability to bear, the risks inherent with an investment in the Series 2023 Bonds, should not purchase the Series 2023 Bonds.

The Series 2023 Bonds may experience price fluctuations due to changes in interest rates and yield levels. As a result, the value of the Series 2023 Bonds may fluctuate significantly in the short-term. Further, such securities generally have a less liquid resale market. As a result, potential investors may have difficulty selling or disposing of the Series 2023 Bonds quickly in certain markets or market conditions.

Limited Liability of the Borrower and the Members of the Obligated Group

The Series 2023 Bonds are payable solely from payments to be made by the Borrower pursuant to the Loan Agreement and by the Obligated Group pursuant to Obligation No. 1, which payments, in turn, are to be derived from Rent required to be made by the Lessee pursuant to the Leases, as described above. Future revenues and expenses of the Lessee, including Gross School Revenues and any other legally available funds of the Lessee, are subject to conditions which may change in the future to an extent that cannot be determined at this time. Each Member of the Obligated Group is a special purpose entity, the sole purpose of which is to own the applicable Facilities, and the Members of the Obligated Group will not have any other assets.

Limited Liability of the Lessee

The Lessee's payment obligations under the Leases are limited to the Rent it is obligated to make to the applicable Landlords under the Leases, which Rent is limited in source to Gross School Revenues and any other legally available funds of the Lessee. The Series 2023 Bonds are payable solely from payments to be made by the Borrower pursuant to the Loan Agreement and by the Obligated Group pursuant to Obligation No. 1, which payments, in turn, are to be derived from Rent required to be made by the Lessee pursuant to the Leases, as described above. Future revenues and expenses of the Lessee, including Gross School Revenues and any other

legally available funds of the Lessee, are subject to conditions which may change in the future to an extent that cannot be determined at this time.

Other Lessee Schools

The Lessee operates additional charter schools other than the Schools, and may operate additional charter schools in addition to such other charter schools and the Schools in the future. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – Affiliated Charter Schools.” None of the revenues or assets of such other charter schools are or would be available as security for the Lessee’s payment obligations under the Leases.

Although none of the revenues or assets of any other schools the Lessee may operate in the future are pledged as security for the Lessee's payment obligations under the Leases, the operations of any such schools could have an impact on the operations or financial performance of the Lessee and the Schools. For example, if operations of such other Lessee schools produced poor academic performance or resulted in the termination of one or more of the charters for such other schools, the Lessee and the Schools might face additional scrutiny in an attempt to renew the Charters. In addition, operation of any such future Lessee schools or any future operations of the Lessee unrelated to the Schools could result in the Lessee being subject to proceedings under State or Federal bankruptcy, insolvency or similar laws, which event would be an Event of Default under the Leases and the Loan Agreement and could lead to an acceleration of the payment of the Series 2023 Bonds.

Sufficiency of Revenues

The Series 2023 Bonds are payable primarily from Payments which are derived from payments received under the Loan Agreement and Obligation No. 1. Each Landlord will also encumber its respective fee simple interest in the applicable Facilities with a Deed of Trust as security for the obligation to make the payments under the Loan Agreement and Obligation No. 1.

The Borrower’s primary expected source of the revenues for the payment of its obligations under the Loan Agreement, and the Landlords’ primary expected source of the revenues for the payment of their obligations under Obligation No. 1, will be the Rent payments the Landlords receive from the Lessee pursuant to the Leases. Each Lease provides that the Lessee will be obligated to pay rent thereunder only from revenues derived from operation of the applicable Schools and the applicable Facilities. See “THE LEASES” herein. Based on present circumstances, including the successful operating history of the Schools, the Lessee believes it will generate a sufficient amount of such revenues to meet its payment obligations under the Leases representing the source of payment by the Borrower and the Obligated Group of debt service on the Series 2023 Bonds. However, one or more of the Charters may be terminated or not extended or renewed, or the basis of the assumptions utilized by the Lessee and the Borrower to formulate such beliefs may otherwise change. No representation or assurance can be made that the Borrower or the Obligated Group generate or will continue to generate sufficient revenues to meet their respective obligations under the Loan Agreement and Obligation No. 1 with respect to the Series 2023 Bonds.

AS NOTED ELSEWHERE HEREIN, THE OBLIGATION OF THE LESSEE TO MAKE PAYMENTS UNDER EACH LEASE IS A SPECIAL OBLIGATION LIMITED SOLELY TO THE APPLICABLE GROSS SCHOOL REVENUES, WHICH INCOME DERIVES SOLELY FROM THE OPERATION OF THE APPLICABLE OBLIGATED GROUP SCHOOL AND THE FACILITIES AND NOT ANY OTHER CHARTER SCHOOLS THAT MAY BE OPERATED BY OR ANY OTHER REVENUES OF THE LESSEE. NEITHER THE GENERAL REVENUES NOR THE REVENUES THE LESSEE MAY DERIVE FROM THE OPERATION OF CHARTER SCHOOLS OTHER THAN THE OBLIGATED GROUP SCHOOLS, NOR FROM ANY SCHOOL THE LESSEE MAY OPERATE IN THE FUTURE (OTHER THAN SCHOOLS THE LESSEE MAY OPERATE IN THE FACILITIES), ARE PLEDGED TO MAKE PAYMENTS WITH RESPECT TO THE LEASES OR THE SERIES 2023 BONDS. SEE “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS “ HEREIN.

Moreover, although in addition to the property subject to the Leases, the Borrower, the Landlords and their affiliates may own and lease other facilities themselves or through affiliates to other charter schools, and the Lessee may establish and operate, directly or through its affiliates, other charter schools, the obligations represented by the

Loan Agreement and Obligation No. 1 are not secured generally by such properties of the Borrower or the Landlords or their affiliates nor by the revenues of the Lessee that are not derived from operation of the Schools.

THE SERIES 2023 BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2023 BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE ISSUANCE OF THE SERIES 2023 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE BOND INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICES OR TO MAKE FUNDS AVAILABLE TO THE OBLIGATED GROUP SCHOOLS IN ANY AMOUNT OR AT ANY TIME.

Risks Related to Infectious Virus and/or Disease

An outbreak of disease or similar public health threat, such as the novel coronavirus (“COVID-19”) outbreak, or fear of such an event, could have an adverse impact on the Lessee's financial condition and operating results. The spread of COVID-19 is having significant negative impacts throughout the world, including in California. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations are to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for a wider spread of the virus.

The Centers for Disease Control and Prevention and the State have provided guidance for school closures and health and safety protocols. The extent to which such measures remain necessary (whether now or in the future) cannot be determined or predicted at this time. In addition to school closures, the spread of COVID-19, among other causes, has created volatility in stock and bond markets in the United States and globally, which has affected the market for private activity bonds, like the Series 2023 Bonds, and which has affected or may affect the financial condition of the State and federal governments. While the effects of COVID-19, including these lagging school-level and financial market-related indicators, cannot be determined or predicted at this time, a continued or future outbreak may have a materially adverse effect on the operations of the Schools, on demand for the Schools’ services, or on the Schools’ financial condition as a result of the foregoing, materially adverse changes in the financial condition of the State or federal governments resulting in changes affecting funding of charter schools, or materially adverse changes in the public education marketplace in general. While the foregoing describes certain risks related to the coronavirus outbreak and COVID-19 ongoing as of the date of this Limited Offering Memorandum, the same types of risks may be associated with any contagious, epidemic, or pandemic disease. Any of the foregoing could have a material adverse effect on the ability of the Lessee to make payments due under the Leases representing debt service on the Series 2023 Bonds.

For additional information on state and local responses to COVID-19, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE SCHOOLS – State- and School-Level Responses to COVID-19”.

Operating History; Reliance on Projections

The financial projections of the Lessee with respect to the Schools for the Fiscal Years ending June 30, [2023-27] set forth in “APPENDIX A – CERTAIN FINANCIAL INFORMATION – Financial Projections” (the “Projections”) were prepared by management of the Lessee (“Management”) in consultation with Campanile Group, Inc. (“Campanile”), and have not been independently verified by any other party. See APPENDIX A for information regarding current and projected enrollment of the Schools. No assurance is given that the Projections

will be met, or that the number of students attending the Schools may not diminish in the future. The projections of revenues and expenses contained in APPENDIX A are based upon the number of students projected to be enrolled at the Schools and were prepared by the Lessee for the Borrower and have not been independently verified by any party other than the Lessee.

No feasibility studies have been conducted with respect to operations of the Facilities pertinent to the Series 2023 Bonds. The Projections are “forward-looking statements” and are subject to the general qualifications and limitations described herein. The Underwriter has not independently verified the Borrower’s projections set forth in APPENDIX A or otherwise, and makes no representations nor gives any assurances that such Projections, or the assumptions underlying them, are complete or correct. Further, the Projections relate only to a limited number of fiscal years, and consequently do not cover the entire period that the Series 2023 Bonds will be outstanding.

MANAGEMENT HAS PREPARED THE PROJECTIONS BASED ON ASSUMPTIONS ABOUT FUTURE STATE FUNDING LEVELS AND FUTURE OPERATIONS OF THE FACILITIES, INCLUDING STUDENT ENROLLMENT AND EXPENSES. THERE CAN BE NO ASSURANCE THAT ACTUAL ENROLLMENT REVENUES AND EXPENSES WILL BE CONSISTENT WITH THE ASSUMPTIONS UNDERLYING SUCH PROJECTIONS. MOREOVER, NO GUARANTEE CAN BE MADE THAT THE PROJECTIONS OF REVENUES AND EXPENSES INCLUDED HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BECAUSE THERE CAN BE NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE PROJECTIONS’ UNDERLYING ASSUMPTIONS. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY FACTORS, INCLUDING, BUT NOT LIMITED TO, INCREASED COSTS, LOWER THAN ANTICIPATED REVENUES (AS A RESULT OF INSUFFICIENT ENROLLMENT, REDUCED STATE OR FEDERAL AID PAYMENTS, OR OTHERWISE), EMPLOYEE RELATIONS, CHANGES IN TAXES, CHANGES IN APPLICABLE GOVERNMENT REGULATIONS, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN EDUCATION COMPETITION AND CHANGES IN LOCAL OR GENERAL ECONOMIC CONDITIONS. REFER TO “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” TO REVIEW THE PROJECTIONS, THEIR UNDERLYING ASSUMPTIONS, AND THE OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER SIGNIFICANTLY FROM PROJECTED RESULTS. REFER TO “INTRODUCTION” ABOVE, FOR QUALIFICATION AND LIMITATIONS APPLICABLE TO FORWARD-LOOKING STATEMENTS.

Dependence on State Aid Payments that are Subject to Annual Appropriation and Political Factors

California charter schools such as the Schools may not charge tuition and have no taxing authority. The primary source of revenue generated by charter schools is aid provided by the State for all public schools. The amount of State aid received with respect to any individual school is based on a variety of factors. The amount of aid available in any year to pay the per pupil allowance is subject to appropriation by the California Legislature. The Legislature bases its decisions about appropriations on many factors, including the State’s economic performance. Moreover, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. As a result, the Legislature may not appropriate funds, or may not appropriate funds in a sufficient amount, for the Schools to generate sufficient revenue to allow the Lessee to meet its obligations under the Leases representing debt service payments on the Series 2023 Bonds. No liability would accrue to the State in such event, and the State would not be obligated or liable for any future payments or any damages. If the State were to withhold State aid payments for any reason, even for a reason that is ultimately determined to be invalid or unlawful, the Schools could be forced to cease operations.

SB 740 Funding

The Schools have received SB 740 funding as described in “APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA – STATE FUNDING OF EDUCATION – Allocation of State Funding to Charter Schools – Charter School Facility Grant Program Funding” in the past and Management expects that the School will continue receiving such funding relating to facilities costs of the Facilities.

SB 740 funding is subject to the following conditions: (i) reimbursable facility rent or lease costs cannot exceed prior year's costs on file with the Authority as of the 2016-17 fiscal year, subject to an adjustment of the annual COLA index; (ii) the rent or lease costs of new facility agreements are at or below market rate based on an independent appraisal paid for by the charter school; and (iii) when the SB 740 program is oversubscribed, lease and rent costs are prioritized over maintenance and building costs. In order to be eligible for the SB 740 program, a charter school must be in good standing with its chartering authority and be in compliance with the terms of its charter at the time of application submission, and without interruption throughout the term of the grant. The Authority relies on information from the chartering authority regarding a school's good standing and compliance with the terms of its charter, though a charter school can also cure ineligibility based on claims that it has failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement may submit evidence demonstrating fiscal insolvency directly to the Authority for review. See "APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA – STATE FUNDING OF EDUCATION – Allocation of State Funding to Charter Schools – Charter School Facility Grant Program Funding."

The Schools currently receive SB 740 funding, and Management has assumed that the Schools will continue to receive SB 740 funding during the period covered by the Projections. See "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – CERTAIN FINANCIAL INFORMATION – Financial Projections." Although Management currently anticipates the Schools receiving funding under SB 740 there can be no assurance that any particular level of SB 740 funding will be available in future fiscal years, that the Schools will be or remain eligible for such funding, or that such funding will not be reduced or eliminated by the State in the future.

Possible Offsets to State Apportionment

Section 41344 of the Education Code provides that if an audit or review requires the Schools to repay prior year apportionments because of significant audit exceptions, including penalty payments ("Audit Exceptions"), the Superintendent of Public Instruction (the "Superintendent") and the Director of the Department of Finance (the "Director"), or their designees, will jointly establish a plan for the annual repayment of Audit Exceptions (the "Audit Repayment Plan"), which under certain circumstances can extend for a period of up to eight equal annual payments. The State Controller withholds from the State School Fund the amounts specified in the Audit Repayment Plan. If the Superintendent and the Director do not establish an Audit Repayment Plan, the State Controller withholds the entire amount of the Audit Exceptions from the next apportionment.

Included in the principal apportionment is the general-purpose entitlement for charter schools, which are the "funds subject to intercept" pursuant to Section 17199.4 of the Education Code ("Section 17199.4"). Specifically, the funds subject to intercept are funds apportioned for purposes of the charter school block grant or the local control funding formula (as described in Section 17199.4) with respect to the Schools.

Because the apportionments are the sum of multiple program entitlement calculations as well as prior adjustments, the amount available may be more or less than the calculated amount of funds subject to intercept. The amount available for intercept is therefore the lesser of periodic calculated funds subject to intercept and the amount of cash provided to the Lessee with respect to the Schools by the State.

The State Controller may reduce the funding available in the payment schedules for these apportionments to offset for funds owing to the State. These offsets include, but are not limited to, the following: Charter School Revolving Loan (Education Code Section 41365), Audit Repayment (Education Code Sections 41341, 41344); and Accounts Receivable (Government Code Section 12419.5), in addition to other possible authorized or required offsets, or additional offsets not yet authorized by legislation. None of the foregoing offsets are currently applicable to the Schools.

Competition for Students; School Choice Initiatives

According to the Lessee, the Schools serve students residing primarily in the County of Los Angeles, California. See "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE SCHOOLS – Service Area" and "– Competitive Schools." The Schools face constant competition for students and there can be no assurance that they will continue to attract and retain the number of

students needed to generate sufficient revenues for the Lessee to make payments under the Leases representing debt service payments on the Series 2023 Bonds.

As charter schools become more common, and as existing charter schools demonstrably provide an attractive educational choice, the number of charter schools may increase, leading to increased competition for established charter schools, such as the Schools.

Similarly, the implementation of a State voucher program providing tuition assistance to parents of students who could not otherwise afford tuition at a private, independent school, could increase competition facing charter schools by increasing the number of financially feasible school options available to parents. The implementation of any State voucher program would likely increase demand for private, independent schools, possibly adversely affecting enrollment at other schools, including both public schools and charter schools, like the Schools. The Lessee cannot determine the specific impact any voucher program might have on the operation or financial performance of the Schools, nor can the Lessee predict whether such a voucher program will be implemented in the future.

Default Under the Leases; No Assurance Regarding Subsequent Tenant

If there is a default by the Borrower under the Loan Agreement attributable to a default by the Lessee under one or more of the Leases, the Borrower and the Obligated Group will likely not have sufficient funds to satisfy their respective obligations under the Loan Agreement and Obligation No. 1 absent re-leasing – or in appropriate cases, selling – the applicable Facilities. Were the Lessee to default under one or more of the Leases, there is no assurance that the Borrower and the Obligated Group would be able to find new tenants for the applicable Facilities which could generate revenues in a sufficient amount to allow the Borrower and the Obligated Group to make payments under the Loan Agreement and Obligation No. 1 to satisfy debt service on the Series 2023 Bonds or a buyer that would purchase the Facilities for a sufficient amount to allow the Borrower to repay principal and interest with respect to the Loan. This risk is heightened by the fact that the Facilities have been improved specifically for use as charter school campuses (and/or related administrative facilities) and may be legally restricted to that use. Further, the Series 2023 Bonds are subject to redemption prior to their stated maturity, as a whole or in part, on any date from Loan prepayments made by the Borrower in the event the Project is used or operated in any manner that violates the provisions of the Act.

Survival of Leases after a Bond Default and Foreclosure

The Borrower, the Landlords, the Lessee, and the Master Trustee will enter into Subordination, Non-Disturbance and Attornment Agreements (the “SNDAs”) with respect to the Facilities. The SNDAs address the priority of the rights between the Lessee, the Landlords and the Master Trustee for the Facilities. The SNDAs provide that the Lessee’s rights under the Leases to the use, possession and enjoyment of the Facilities will not be disturbed by the Master Trustee so long as no event of default exists under the applicable Lease. The non-disturbance portion assures the Lessee that its rights to the Facilities will be preserved (“nondisturbed”) on specified conditions within control of the Lessee if the Borrower defaults on its Loan with the Authority or the Lessee defaults on its obligations under applicable Lease and the Master Trustee forecloses on the Facilities. The attornment component of the SNDAs provides that the Lessee will continue its obligations under the applicable Lease if a new landlord takes over such Lease.

Additional Indebtedness and Additional School Indebtedness

The Master Indenture permits the issuance of Additional Indebtedness on a parity basis with Obligation No. 1 if certain conditions are met. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture – Limitations on Additional Indebtedness” herein. The Lessee expects that the Borrower, the Landlords or other affiliates of the Lessee may acquire, construct and equip additional charter schools in the future. If they do, or for certain other expenses, they may issue Additional Indebtedness which may or may not be on a parity basis with Obligation No. 1 and may or may not be issued through the Master Indenture. If secured on a parity basis, any such parity indebtedness would be entitled to share ratably with the holders of the Series 2023 Bonds and any other holder of parity debt in any moneys realized from the exercise of remedies in the event of a default by the Borrower or the Obligated Group to the extent provided in the Bond Documents. The

amount of any such Additional Indebtedness is undetermined at this time. The issuance of Additional Indebtedness may adversely affect the investment security of the Series 2023 Bonds.

Under the Leases, the Lessee may also issue additional Obligated Group School Indebtedness, subject to certain conditions and limitations. See “THE LEASES – Certain Covenants Under the Leases – Limitations on Obligated Group School Indebtedness” herein. The issuance of such additional Obligated Group School Indebtedness may adversely affect the investment security of the Series 2023 Bonds.

Addition and Removal of Members

The Master Indenture permits the addition of Members under the Obligated Group, but it also permits the removal of Members, subject to certain conditions and limitations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture – Withdrawal from Obligated Group” herein. Any such withdrawal of Members from the Obligated Group may decrease the revenues available for payment of debt service on the Series 2023 Bonds and may adversely affect the investment security of the Series 2023 Bonds.

Reserve Account

The Bond Indenture establishes a Reserve Account within the Revenue Fund, and a Grant Reserve Subaccount and Bond Reserve Subaccount thereunder, for payment of principal of and interest on the Series 2023 Bonds to the extent the Payments are insufficient to make such payments of principal and interest. Although the Borrower believes such reserve securing the Series 2023 Bonds to be reasonable and anticipates that the Payments will be sufficient to cover the debt service on the Series 2023 Bonds, there is no assurance that funds on deposit in the Reserve Account for the Series 2023 Bonds and future Payments will be sufficient to cover debt service on the Series 2023 Bonds.

Purchases and Transfers of Series 2023 Bonds Restricted to Qualified Institutional Buyers and Accredited Investors; Limited Market

As described in the “NOTICE TO INVESTORS” that precedes the Table of Contents of this Limited Offering Memorandum, the Series 2023 Bonds are to be sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. The Bond Indenture contains provisions limiting transfers of the Series 2023 Bonds and beneficial interests therein to Qualified Institutional Buyers or Accredited Investors. The face of each Series 2023 Bond will contain a legend indicating that the Bond is subject to transfer restrictions as set forth in the Bond Indenture. The Series 2023 Bonds will be issued in minimum denominations of \$250,000 and any integral multiple of \$5,000 in excess thereof. In light of these restrictions, purchasers should not expect that there will be an active secondary market for the Series 2023 Bonds.

The Series 2023 Bonds have no active trading market and neither the Borrower nor the Lessee intends to list the Series 2023 Bonds on any securities exchange. There is no assurance that the Series 2023 Bonds will at any time be rated. There can be no assurance that a market for the Series 2023 Bonds will develop, or that investors will be able to resell the Series 2023 Bonds at the offering price or at any price. Accordingly, an investor must bear the economic risk of its investment in the Series 2023 Bonds for an indefinite period of time. See “TRANSFER RESTRICTIONS” and “APPENDIX I – FORMS OF INVESTOR LETTER” in this Limited Offering Memorandum.

Risks Related to Limited Duties of the Trustees

The Bond Trustee. As set forth herein under the heading “INTRODUCTION – Limited Duties of the Trustees,” the Bond Trustee has no duty to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in the Bond Indenture or of any of the documents executed in connection with the Series 2023 Bonds or as to the existence of an Event of Default under the Bond Indenture. In addition, neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates will be responsible for nor have any duty to monitor the performance or any action of the Authority, the Borrower, or any of their directors, members, officers, agents, affiliates or employee, nor will the Bond Trustee have any liability in connection with the

malfeasance or nonfeasance by any such party. As such, the Bond Trustee may only be able to identify and declare an Event of Default in connection with a non-payment under the Loan Agreement.

In addition, the Bond Indenture permits moneys in all funds and accounts established under the Bond Indenture, except for the Grant-Funded Reserve Account, to be invested and reinvested by the Bond Trustee, at the direction of the Borrower, in Eligible Securities only. The Bond Trustee will rely solely on the written direction of the Borrower in investing and reinvesting such moneys, without further investigation or independent determination as to whether such investments constitute Eligible Securities. As such, there is a risk that the Bond Trustee may invest or reinvest such moneys in investments that do not constitute Eligible Securities based on a faulty written direction of the Borrower.

See “INTRODUCTION – Limited Duties of the Trustees.”

The Master Trustee.

As set forth herein under the heading “INTRODUCTION – Limited Duties of the Trustees,” the Master Trustee has no duty to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or document. Further, the Master Trustee may rely and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties. As such, the Master Trustee may only be able to identify and declare an Event of Default in connection with a non-payment of a Required Payment on an Obligation.

See “INTRODUCTION – Limited Duties of the Trustees.”

Tax Related Issues

Tax-Exempt Status of Interest on the Tax-Exempt Bonds. The Code imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Tax-Exempt Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of Tax-Exempt Bond proceeds, limitations on the investment earnings of Tax-Exempt Bond proceeds prior to expenditure, a requirement that certain investment earnings on Tax-Exempt Bond proceeds be paid periodically to the United States and a requirement that the issuers file an information report with the Internal Revenue Service (the “IRS”). The Authority, the Borrower, and the Lessee have covenanted in certain of the documents referred to herein that they will comply with such requirements. Failure by any of the foregoing to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Tax-Exempt Bonds as taxable, retroactively to the date of issuance of the Tax-Exempt Bonds.

Existence and Maintenance of Tax-Exempt Status. The Lessee has been organized to provide various educational and philanthropic services. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto. The tax-exempt status of the Tax-Exempt Bonds depends upon the existence and maintenance by the Lessee of its status as an organization described in Section 501(c)(3) of the Code. The existence and maintenance of such status is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of organizations described under Section 501(c)(3) of the Code, including the operation for charitable and educational purposes and avoidance of transactions which may result in more than an insubstantial amount of unrelated business activity and/or cause the assets of either to inure to the benefit of private individuals.

In recent years, the IRS has increased the frequency and scope of its audit and other enforcement activity regarding tax-exempt organizations and, in particular, charter schools. As a result, tax-exempt organizations are increasingly subject to a greater degree of scrutiny. The primary penalty available to the IRS under the Code with respect to a tax-exempt entity engaged in unlawful private benefit or more than an insubstantial amount of unrelated business activity is the revocation of tax-exempt status. Although the IRS has not frequently revoked the Section 501(c)(3) status of nonprofit corporations, it could do so in the future. Loss of tax-exempt status by the Lessee

could potentially result in loss of tax exemption of interest on the Tax-Exempt Bonds and of other existing and future tax-exempt debt of members of the Obligated Group, if any, and defaults in covenants regarding the Tax-Exempt Bonds and other existing and future tax-exempt debt, if any, would likely be triggered.

Less onerous sanctions have been enacted which enforce rules applicable to Section 501(c)(3) organizations, but these sanctions do not replace the other remedies available to the IRS as mentioned above.

State Income Tax Exemption. The loss by the Lessee of federal tax exemption might trigger a challenge to its State income tax exemption. Such event could be adverse and material.

Unrelated Business Income. In recent years, the IRS and state, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their exempt activities and the generation of unrelated business taxable income (“UBTI”). To the extent the Lessee does not properly account for and report UBTI, if any, an investigation or audit could lead to a challenge which could result in taxes, interest and penalties with respect to unreported UBTI (which might be substantial) and in some cases could ultimately affect the tax-exempt status of the Lessee, as well as the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds.

Exemption from Property Taxes. In recent years, State, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt corporations with respect to their real property tax exemptions. Management expects that the Facilities will be exempt from California real property taxation.

Tax Reform. From time to time there are legislative proposals in the United States Congress and the State Legislature that, if enacted, could alter or amend the federal and State income tax matters with respect to the Tax-Exempt Bonds, adversely affect the market value or liquidity of the Tax-Exempt Bonds, affect the Lessee's or the Borrower's income tax status or impact how the State funds public schools, including charter schools. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment or the status of tax exempt entities. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or liquidity of the Tax-Exempt Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular lawsuit will be resolved, or whether the Tax-Exempt Bonds or the market value or liquidity thereof would be impacted thereby. Purchasers of the Tax-Exempt Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

Purchasers of the Tax-Exempt Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively affect such investors' federal, state or local tax liability. In all such events, the market value of the Tax-Exempt Bonds may be impacted and the ability of holders to sell the Series 2023 Bonds in the secondary market may be reduced. No portion of the Series 2023 Bonds, including the Series 2023A Bonds, is subject to redemption upon a determination that interest on the Series 2023 Bonds is not excludable from gross income for federal income tax purposes.

Factors That Could Affect the Security Interest in the Facilities; Superior Liens

The Master Trustee’s security interest in the Facilities may be subordinated to the interest and claims of others in several instances. Some examples of cases of subordination of prior claims are (i) statutory liens, (ii) rights arising in favor of the United States of America or any agency thereof, (iii) present or future prohibitions against assignment in any statutes or regulations, (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction, (v) federal or state bankruptcy or insolvency laws that may affect the enforceability of the Loan Agreement, (vi) rights of third parties in amounts not in the possession of the Bond Trustee, (vii) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the California Uniform Commercial Code as from time to time in effect, and (viii) mechanics liens.

Value of Property May Fluctuate; Limitations of Appraisals

Appraisals are estimates of value and not an assurance of what any particular property would bring on sale. Appraisals also are subject to numerous other limitations set forth therein. Potential investors should not assume that the appraised value set forth in “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE FACILITIES AND THE PROJECT” represent a reliable estimate of what such Facilities would bring in liquidation following an Event of Default. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE FACILITIES AND THE PROJECT – Appraisals” herein.

The summaries of the Appraisals contained herein are not meant to be exhaustive, and reference should be made to each of the Appraisals for a complete recital of their terms. The appraised values stated in the Appraisals represents only the opinion of the applicable Appraiser, and only as of the date of the Appraisal. No Appraiser will be engaged to update or revise any appraised value contained in an Appraisal in connection with the issuance of the Series 2023 Bonds.

There may be a difference between the actual value of the Facilities and the amount of the Series 2023 Bonds Outstanding from time to time, and that difference may be material and adverse to Bondholders. In particular, it cannot presently be determined with certainty what the value of the Facilities would be in the event of foreclosure under the Deeds of Trust, especially in light of the fact that the Facilities have been improved specifically for use as charter school educational buildings.

Further, the value of the Facilities at any given time will be directly affected by market and financial conditions which are not in the control of the parties involved in the Series 2023 Bond transaction. Real property values can fluctuate substantially depending on a variety of factors. There is nothing associated with the Facilities to suggest that their value would remain stable or would not decrease if the general values of property in the Schools’ service areas were to decline.

Limitations on Value of the Facilities and to Remedies Under the Deeds of Trust

The Borrower’s and the Obligated Group’s respective obligations under the Loan Agreement and Obligation No. 1 are secured by the lien and security interest in the Facilities granted under each Deed of Trust.

Maintenance of Value. The Facilities are located in a region that has experienced significant real property market volatility over the past several years. There can be no assurance made that, should the Obligated Group default in making the payments due under Obligation No. 1, including in the event the Lessee defaults in making the Rent payments due under the Leases, the Facilities could be foreclosed upon and sold for the amounts owed under Obligation No. 1.

Hazardous Substances. While governmental taxes, assessments and charges are common claims against the value of property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized is a claim with regard to hazardous substances. In general, the Borrower may be required by law to remedy conditions of the Facilities relating to release of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws. California laws with regard to hazardous substances are stringent and similar to certain federal acts. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) had or has anything to do with the creation or handling of the hazardous substance. The effect, therefore, should any of the Facilities be affected by a hazardous substance, is generally to reduce the marketability and value of the parcel by the cost of remedying the condition. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling the hazardous substance. Any of these potentialities could significantly affect the value of the Facilities that would be realized upon a default and foreclosure.

See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE FACILITIES AND THE PROJECT – Environmental Inspections” herein for a description of environmental reports (the “ESAs”) regarding the Facilities.

Foreclosure. The practical realization of value from the real property subject to the Deeds of Trust upon any default will depend on the exercise of the remedies specified under the Deeds of Trust, principally, foreclosure. Under California law, however, the remedies specified in the Deeds of Trust may not be readily available or may be limited.

California law imposes certain procedural hurdles and time requirements on foreclosure. California permits foreclosure under a deed of trust either non-judicially by exercise of a power of sale provision in the deed of trust or by judicial sale. Prior to a non-judicial foreclosure, the trustee under the deed of trust must record a notice of default and election to sell, and send copies of the notice to various persons. The trustee then must wait at least three months before establishing the proposed sale date or noticing the same in the form mandated by California statute. The notice of sale must be posted in a public place and published once a week for three consecutive calendar weeks, with the first such publication preceding the proposed sale date by at least 20 days. In addition, the notice of sale must be recorded with the county recorder at least 14 days prior to the date of sale. Further, throughout the period prior to a foreclosure sale, the debtor under the deed of trust, any successor in interest and any person having a junior lien or encumbrance of record may cure any monetary default by paying the amount then due (exclusive of principal due by virtue of acceleration upon default) plus costs and expenses incurred (including certain statutorily limited attorney’s and trustee’s fees). Following a non-judicial sale, however, neither the debtor nor any junior lienholder has any right of redemption, but the creditors who benefit from the foreclosure sale are ordinarily prohibited from obtaining a deficiency judgment against the debtor.

Judicial foreclosure proceedings are generally subject to the delays and expenses typical of other lawsuits, and may require several years to complete. The primary advantage of a judicial foreclosure is that the creditor is entitled, subject to other limitations, to obtain a deficiency judgment against the debtor to the extent that the amount of the debt exceeds the fair market value of the property. Following a judicial foreclosure sale, however, the debtor and its successors in interest have a right to “redeem” the property for a period of one year from the date of sale (or a period of only three months if the proceeds of sale are sufficient to satisfy the debt, plus interest and costs).

Further, California’s so-called “one form of action” rule generally requires a creditor either to exhaust what rights it has under a deed of trust before pursuing other rights of collection (including set-off), or to forego resort to the deed of trust altogether. Other statutory provisions (such as the federal bankruptcy laws) also may have the effect of delaying enforcement of the liens and security interests under the Deeds of Trust in the event of a default. See “CERTAIN RISK FACTORS – Bankruptcy.”

Special Purpose Buildings. The Facilities are subject to the liens of the Deeds of Trust and are not general purpose buildings and may not be suitable for industrial or commercial use. If it were necessary to foreclose a judgment lien on the Facilities under “forced sale conditions” that are present in a foreclosure, it may be difficult to find a lessor and/or a purchaser permitted to and willing to occupy the Facilities, or the property may provide less than full value to the Bond Trustee. There can be no assurance that foreclosure sale proceeds will be sufficient to pay the amounts then outstanding on the Series 2023 Bonds.

Damage, Destruction or Condemnation. Although the Borrower will be required to obtain or cause to be obtained certain insurance against damage or destruction as set forth in the Loan Agreement and the Deeds of Trust, there can be no assurance that any portion of the Facilities will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the applicable Landlord, as a result of damage or destruction to the applicable Facilities, cannot generate revenues, will not exceed the coverage of such insurance policies.

If the Facilities, or any portion thereof, are damaged or destroyed, or are taken in a condemnation proceeding, the proceeds of insurance or any condemnation award for the Facilities, or any portion thereof, must be applied as provided in the Loan Agreement to restore or rebuild the Facilities or to redeem Series 2023 Bonds. There can be no assurance that the amount of revenues available to restore or rebuild the Facilities, or any portion

thereof, or to redeem Series 2023 Bonds will be sufficient for that purpose, or that any remaining portion of the Facilities will generate revenues sufficient to pay the expenses of the Borrower and the Loan Repayments.

Seismic. Wildfire and Drought. The Facilities are located in a seismically active region of California and an area that may be endangered by wildfires from time to time. The frequency and severity of such wildfires may be enhanced by drought conditions that affect the region from time to time. Such drought conditions may also affect the habitability of, and employment opportunities in, the Schools' service areas, which may ultimately affect enrollment at the Schools.

The occurrence of severe seismic activity or exposure to fire could result in substantial damage to the Facilities, which could adversely affect the ability of the Lessee to operate the Facilities or make payments due under the Leases and/or the ability of the Borrower to make the Loan Repayments and could adversely affect the value of the Facilities. The Borrower and the Landlords not obligated by the Loan Agreement or the Master Indenture to maintain earthquake insurance on any portion of the Facilities and there can be no assurance that the Borrower or the Landlords will obtain such coverage in the future.

Flood. Pursuant to the Master Indenture, the Borrower has covenanted that, so long as any Facilities are located in a special flood hazard area as designated by the Federal Emergency Management Agency, the Borrower will maintain, or cause to be maintained flood insurance coverage in an amount equal to or greater than the replacement value of such Facilities. The Facilities are not located in a special flood hazard area.

Environmental Risks. There are potential risks relating to liabilities for environmental hazards with respect to the ownership of any real property. If hazardous substances are found to be located on a property, owners of such property may be held liable for costs and other liabilities related to the removal of such substances which costs and liabilities could exceed the value of the Facilities or any portion thereof.

See "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE FACILITIES AND THE PROJECT – Environmental Inspections" herein for a description of the ESAs regarding the Facilities.

Environmental Regulation

The Facilities and any other properties the Borrower, the Landlords, or the Lessee may acquire and own or lease are and will be subject to various federal, State and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability for remediating adverse environmental conditions on or relating to the Facilities or such other properties, whether arising from pre-existing conditions or conditions arising as a result of activities conducted in connection with the ownership of and operations at the Facilities or such other properties. Costs incurred with respect to environmental remediation or liability could adversely affect the Lessee's financial condition and its ability to generate revenues sufficient to make payments under the Leases representing debt service on the Series 2023 Bonds. Excessive costs in connection with any such environmental remediation or any such liability to third parties could also make it difficult to successfully re-let the Facilities.

See "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE FACILITIES AND THE PROJECT – Environmental Inspections" herein for a description of the ESAs regarding the Facilities. The ESAs speak only as of the date of the respective reports, and none of the Phase I Consultants have been asked to perform any additional assessments since the time of the assessments described in the ESAs and no party to the Series 2023 Bond transaction will obtain new or updated environmental assessments for the Facilities prior to the Closing Date. The ESAs are subject to the limitations specified therein. More generally, no environmental assessment can completely eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a subject property. Costs incurred by the Borrower with respect to environmental remediation or liability could adversely affect the financial condition thereof.

Potential investors must refer to the complete ESAs for a full understanding of such limitations, and for additional information pertinent to such assessments and reports. Costs incurred by either the Borrower, the Landlords or the Lessee with respect to environmental remediation or liability could adversely affect its financial condition. Copies of the ESAs are available upon request and the payment of a reasonable copying, mailing and handling charge from the Underwriter.

See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE FACILITIES AND THE PROJECT – Environmental Inspections.”

Bankruptcy

Bankruptcy or other insolvency or similar proceedings affecting the Borrower, the Landlords or the Lessee may delay and otherwise adversely affect the enforcement of rights in the property granted as security for the obligations related to Series 2023 Bonds, including those granted by the Bond Indenture, the Loan Agreement, the Leases, and the Deeds of Trust. For example, if the Borrower, a Landlord or the Lessee became a debtor in bankruptcy proceedings under Federal bankruptcy law, those proceedings would stay any proceeding to foreclose the lien of a Deed of Trust pending further order of the bankruptcy court, and could affect the Bond Trustee's ability to obtain direct payments pursuant to the Loan Agreement. If the Borrower's, a Landlord's or the Lessee's obligations in connection with the Series 2023 Bonds exceeded the value of the collateral security for the obligations, then in Federal bankruptcy proceedings, the recovery for the Bondholders might be limited to the value of that collateral. In such a bankruptcy proceeding, a reorganization plan containing provisions, for example, deferral or other changes in loan or bond payment dates or amounts on the Series 2023 Bonds, could be confirmed and become effective even if the plan were not supported by some or all of the holders of the Series 2023 Bonds. As further example, in the event the Borrower, a Landlord or the Lessee became a debtor in Federal bankruptcy proceedings, the Borrower's, such Landlord's or the Lessee's leases could be rejected, resulting in a breach as of the date of the filing of the bankruptcy petition. Each of the legal opinions delivered in connection with the issuance of the Series 2023 Bonds will be qualified as to the effect of State and federal laws, rulings and decisions, including bankruptcy laws, affecting remedies and affecting the enforceability of remedies, creditors' rights generally, and the documents described herein.

Factors Associated with Education

There are a number of factors affecting charter schools in general, including the Schools, that could have an adverse effect on the Lessee's financial position and its ability to make the payments required under the Leases. These factors include, but are not limited to, the ability to attract a sufficient number of students; increasing costs of compliance with federal or State regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating persons with disabilities; any unionization of the Lessee's work force with consequent impact on wage scales and operating costs of the Schools; changes in existing statutes regarding the powers of charter schools or their funding. The Lessee cannot assess or predict the ultimate effect of these factors on its operations or financial results.

Dependency of State Finances; State Financial Difficulties

Charter schools depend on revenues from the State for a large portion of their operating budgets. The availability of State funds for public education is a function of constitutional and statutory provisions affecting school district revenues and expenditures, the condition of the State economy (which affects total revenue available to the State School Fund) and the annual State budget process. Decreases in State revenues may adversely affect education appropriations made by the Legislature. As noted, the Legislature bases its decisions about appropriations on many factors, including the State's economic performance, and, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. See “CERTAIN RISK FACTORS – Specific Risks of Charter Schools – Budgetary Constraints; Dependence on State Aid Payments that are Subject to Annual Appropriation and Political Factors” below.

The State has previously experienced severe financial difficulties. In prior years, the State's response to its financial difficulties has had a significant impact on Proposition 98 funding and settle-up treatment, as further

described in “APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA – STATE FUNDING OF EDUCATION.” In the past, the State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. The State has also sought to avoid increases in the minimum guarantee through various mechanisms by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current-year increases; by deferring State aid payments from one fiscal year to the next; and by suspending Proposition 98. Continued decreases in State revenues may adversely affect education appropriations made by the Legislature. None of the Borrower, the Lessee or any other party to the Series 2023 Bond transaction can predict how State income or State education funding will vary over the entire term of the Series 2023 Bonds. No party to the Series 2023 Bond transaction takes any responsibility for informing owners of the Series 2023 Bonds about any such changes.

Information about the financial condition of the State, as well as its budget and spending for education, is available and regularly updated on various State-maintained websites, including those of the Legislative Analyst’s Office, the Department of Finance and the California State Controller. In addition, various State of California official statements, which contain summaries of current and past State budgets and the impact of those budgets on State education funding, may be found at the website of the California State Treasurer, www.treasurer.ca.gov. Such information is prepared by the respective State entity maintaining each such website and not by any of the parties to this transaction. The parties to this transaction take no responsibility for the accuracy, completeness or timeliness of such information or the continued accuracy of the internet addresses noted herein, and no such information is incorporated herein by these references.

Budget Delays and Restrictions on Disbursement of State Funds during a Budget Impasse

Charter schools depend on revenues from the State for a large portion of their operating budgets. The availability of State funds for public education is a function of constitutional and statutory provisions affecting school district revenues and expenditures, the condition of the State economy (which affects total revenue available to the State general fund) and the annual budget process.

The State Constitution specifies that an annual budget will be proposed by the Governor by January 10 of each year for the next fiscal year (the “Governor’s Budget”). Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures in excess of projected revenues for the ensuing fiscal year. State law also requires the Governor to update the Governor’s Budget projections and budgetary proposals by May 14 of each year (the “May Revision”). The May Revision is normally the basis for final negotiations between the Governor and Legislature to reach agreement on appropriations and other legislation to fund State government for the ensuing fiscal year (the “Budget Act”).

The State Legislature is required to approve a State Budget Act no later than June 15 of each year. The State Legislature has failed to approve the State Budget Act by the deadline therefor in a number of years. Failure by the State to adopt a Budget Act restricts the California State Controller’s ability to disburse State funds after the beginning of the ensuing fiscal year. See “APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA – STATE FUNDING OF EDUCATION – General – Adoption of Annual State Budget” herein regarding the ability of the State Controller to disburse State funds in such situations. Any State budget delay would delay the State’s appropriation of funds and could negatively impact the Lessee’s ongoing viability and its ongoing ability to make payments under the Leases representing debt service on the Series 2023 Bonds.

Credit Enhancement Grant

Program regulations related to the Charter School Facilities Credit Enhancement Program or any other program of the Authority in connection with which a deposit (the “Credit Enhancement Grant”) will be made to the Grant-Funded Reserve Subaccount upon the issuance of the Series 2023 Bonds require compliance with certain State and federal laws and regulations, including but not limited to certain regulations relating to (i) procurement and (ii) actual and apparent conflicts of interest. Failure to comply with these regulations may result in liability of and/or adversely affect the finances of the Borrower, including loss of eligibility for the Credit Enhancement Grant. The Borrower and the Lessee have covenanted to comply with all applicable State and federal regulations and other legal requirements related to the Charter School Facilities Credit Enhancement Program or any other program of the Authority pursuant to which the Credit Enhancement Grant may be funded.

The Credit Enhancement Grant will be deposited in the debt service reserve account for the Series 2023 Bonds upon the issuance thereof.

Key Management

The Lessee's and the Schools' performance reflects the vision and commitment of a few key personnel who comprise its management and administration. Loss of one of these or other key personnel could adversely affect the Lessee's operations and financial results. For more information regarding key personnel, see "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – THE SCHOOLS – Leadership Team."

Other Limitations on Enforceability of Remedies

There exists common law authority and authority under various state statutes pursuant to which courts may terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that the corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of a state attorney general or other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

In addition to the foregoing, the realization of any rights under the Loan Agreement, the Bond Indenture and the Deeds of Trust upon a default depends upon the exercise of various remedies specified in the Loan Agreement, the Bond Indenture and the Deeds of Trust. These remedies may require judicial action which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Loan Agreement, the Bond Indenture and the Deeds of Trust may not be readily available or may be limited. For example, a court may decide not to order the specific performance of the covenants contained in the Loan Agreement, the Bond Indenture or the Deeds of Trust. Accordingly, the ability of the Authority, the Bond Trustee or the Master Trustee to exercise remedies under the Loan Agreement, the Bond Indenture and the Deeds of Trust upon an Event of Default could be impaired by the need for judicial or regulatory approval.

Specific Risks of Charter Schools

Charter Schools Act. In California, various constitutional and statutory provisions affecting charter schools were adopted as measures that qualified to appear on the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting the revenues of charter schools or their ability to expend such revenues. Future changes to the laws applicable to charter schools in California, and in particular the Charter Schools Act, could be adverse to the Lessee's financial interests and could adversely affect the security for the Series 2023 Bonds. The Lessee cannot predict the provisions or likelihood of success or failure of any future initiatives, and can provide no assurance that the California legislature will not in the future amend the laws affecting charter schools in a manner adverse to the interests of the registered owners of the Series 2023 Bonds. For more information on the laws governing charter schools in California, see "APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA" herein. Adverse State budget considerations could prompt the legislature to seek voter approval to reduce constitutional requirements for public school funding. As noted, State budget considerations may adversely affect appropriations for charter school funding.

The Legislature has amended the Charter Schools Act frequently since its initial adoption in 1992, and legislative and public attitudes are still evolving. Neither the Borrower nor the Lessee has any control over State legislative or regulatory decision making that could affect the operations or ongoing funding sources for the Schools.

Neither the Borrower nor the Lessee makes any representation as to whether any proposed amendments to the Charter Schools Act or any other provisions of State law applicable to charter schools will be enacted into law, or what, if any, impact such proposed amendments would have on the Borrower or the Lessee.

Non-Renewal or Revocation of Charters. The Charter Schools Act enables charter authorizers to approve charters which may be renewed after evaluation and can be revoked at any time because of either educational non-performance or fiscal mismanagement. See “APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA” herein. Management of the Lessee believes that it has stable relationships with the Charter Authorizer, and representatives on the State Board of Education, each of which, under appropriate circumstances, is authorized to grant charters under the Charter Schools Act. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” herein.

Charter Schools Generally. The operations of the Lessee currently relate to the ownership and operation of the Schools. Operations of the Schools are dependent on sufficient enrollment, adequate revenues from such enrollment and the management of expenses. The operation of a charter school is governed in part by its approved charter petition, with the Schools' operations subject to the Charters. A charter school may not charge tuition to a student attending the charter school. The failure of the Schools to meet the requirements of State law, termination, revocation or non-renewal of one or more of the Charters, or the inability to secure approval of a charter petition from another authorizing body, from the Charter Authorizer, or on appeal to the State Board of Education (“SBE”), would have a materially adverse effect on the ability of the Borrower to make the payments under the Loan Agreement to be used to pay debt service on the Series 2023 Bonds. See “CERTAIN RISK FACTORS – Specific Risks of Charter Schools – Non-renewal or Revocation of Charters” herein. For a summary of certain State laws applicable to California charter schools, see “APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA” herein.

Legal Challenges. In addition to non-renewal or revocation, a charter may also be subject to challenge by an interested third-party. No assurance can be given that the Charter will not be subject to legal challenge. See “ABSENCE OF MATERIAL LITIGATION – The Borrower, the Landlords, and the Lessee” herein and “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – LITIGATION” attached hereto. Any failure of the Lessee to have a charter for the Schools in place would have a material adverse effect on the Borrower, the Obligated Group and the Lessee and their ability to generate revenues necessary to make the respective payments under the Loan Agreement and Obligation No. 1 in order to provide sufficient revenues to satisfy the debt service requirements for the Series 2023 Bonds.

Budgetary Constraints; Dependence on State Aid Payments that are Subject to Annual Appropriation and Political Factors. Charter schools are funded primarily from State and local tax revenues. Budgetary pressures at the State or local level may jeopardize future funding levels, which may adversely affect the ability of the Borrower and the Obligated Group to make the respective payments under the Loan Agreement and Obligation No. 1. See “APPENDIX C – CHARTER SCHOOLS IN CALIFORNIA – STATE FUNDING OF EDUCATION” herein. California charter schools such as the Schools may not charge tuition and have no taxing authority. The primary source of revenue generated by charter schools is aid provided by the State for all public schools. The amount of State aid received with respect to any individual school is based on a variety of factors, including the school’s enrollment and average daily attendance. The amount of aid provided by the State in any year is subject to appropriation by the California Legislature. The Legislature bases its decisions about appropriations on many factors, including the State's economic performance. Further, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding.

As a result, the Legislature may not appropriate funds, or may not appropriate funds in a sufficient amount, for the Lessee to generate sufficient revenue to meet its operating expenses and to meet its obligations under the Leases representing debt service payments on the Series 2023 Bonds. No liability would accrue to the State in such event, and the State would not be obligated or liable for any future payments or any damages. If the State were to withhold State aid payments for any reason, even for a reason that is ultimately determined to be invalid or unlawful, the Schools could be forced to close.

Enrollment Levels. The Lessee’s revenues and financial strength will depend in part upon maintaining certain enrollment levels at the Schools. A reduction in enrollment at one or more the Schools would cause a reduction in revenues available to pay amounts due under the Leases. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto.

Risk of Reduction in ADA Funding. Since the majority of funds for the Schools' operations come from the State on the basis of ADA, the Schools are subject to State funding reductions or restrictions that might affect all public school districts and charter schools. Among other such risks, over time the State may not increase ADA-based funding commensurate with increases in the cost of school operations, or the State may even decrease ADA-based funding.

ADA-based funding is determined by actual attendance, and not by student enrollment data. Regardless of the statewide level of ADA-based funding, the Schools is subject to loss of revenue if enrollment should decrease, or if average daily attendance should decrease even if enrollment remains steady, whether due to student illness, truancy or other factors. Such a loss of revenues could adversely affect the ability of the Lessee to make Rent payments due under the Leases and, consequently, the ability of the Borrower and the Obligated Group to make payments under the Loan Agreement and Obligation No. 1, as applicable.

In addition, the Charter Schools Act prohibits a charter school from imposing fees or charges for its educational services. Therefore, the Schools depend upon the receipt of ADA-based funding, as well as philanthropic support, if any. There are few if any feasible alternatives for the Lessee, the Borrower or the Obligated Group to cause revenues to increase, other than through the Schools' increase of their student enrollment and ADA.

Compliance with the Elementary and Secondary Education Act. The ESSA, which reauthorized the Elementary and Secondary Education Act ("ESEA"), was signed into law by then-President Obama in December 2015. Prior to the ESSA, under the No Child Left Behind Act of 2001 ("NCLB") schools identified for failing to make Adequate Yearly Progress ("AYP") for two consecutive years were required to develop a two-year school improvement plan and submit the plan for review and approval. Prior to 2014, in California, the NCLB required school districts to make a determination of AYP for every school in their district. In order for a district or school to meet AYP, it had to meet four sets of requirements. The requirements included: (i) student participation rate on statewide tests; (ii) percentage of students scoring at the proficient level or above in English-language arts and mathematics on statewide tests; (iii) Growth API; and (iv) graduation rate (if grade 12 students are enrolled).

The U.S. Department of Education ("USDOE") issued final guidance and regulations for the implementation of the ESSA on November 28, 2016. The final regulations provide additional time for states to submit their ESSA consolidated state plans under the new law. The California Department of Education ("CDE") submitted its consolidated state plan to the USDOE in September, 2017. The USDOE provided an Interim Feedback Letter to the CDE on December 21, 2017, which requested clarifying or additional information to ensure that the State Plan met all statutory and regulatory requirements. The CDE submitted its revised consolidated state plan on May 30, 2018. The USDOE provided a Feedback Letter to the CDE in June, 2018, which requested additional information or revision to ensure that the State Plan met all statutory and regulatory requirements. On July 12, 2018, the USDOE approved the CDE's ESSA plan. CDE amended its ESSA plan in November 2018; USDOE approved the amendment in November 2019.

Failure of the Schools to meet the requirements of ESSA may have a material adverse effect on the Lessee and its ability to generate revenues sufficient to make payments under the Loan Agreement representing debt service on the Series 2023 Bonds.

Under State law, the right to operate a charter school may be revoked if the school fails to make or meet reasonable progress toward achievement of goals, objectives, content standards, pupil performance standards or applicable federal requirements.

Litigation

Schools are often the subject of litigation. Educator's professional liability and other actions alleging wrongful conduct and seeking punitive damages often are filed against education providers such as the Schools. Litigation may also arise from the corporate and business activities of the Schools, the Lessee or any other Lessee-run schools or the Borrower as to employee-related matters. As with educator's professional liability, many of these risks are covered by insurance, but some are not. For example, some business disputes and workers' compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of the Lessee or the

Borrower if determined or settled adversely. Although the Lessee maintains insurance policies covering educator's professional and general liability, management of the Lessee is unable to predict the availability, cost or adequacy of such insurance in the future. See "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – LITIGATION."

Reputational Risk

The Lessee is subject to financial and other risks that differ from those of other for-profit and nonprofit institutions and public schools. These risks include, among others, (a) changes in the reputation of the Lessee, any potential future charter schools operated by the Lessee, or to the Schools, their faculty or student body, either generally or with respect to certain academic or extracurricular areas which may affect enrollment; (b) litigation brought against the Lessee, any potential future charter school operated by the Lessee, or the Schools by parents, civil authorities, students or former or potential employees; (c) the potential insufficiency of funds raised through gifts, grants and donations; and (d) competition from other public, charter and private schools for students, trained faculty and administrative staff due to differences in salary, benefits and other factors. There can be no assurance that these or other factors will not adversely affect the Lessee's financial condition and its ability to make payments under the Leases representing debt service on the Series 2023 Bonds.

Failure to Provide Ongoing Disclosure

The Borrower and the Lessee will enter into a Continuing Disclosure Agreement related to the Series 2023 Bonds with Campanile, as dissemination agent, pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule") in connection with the issuance of the Series 2023 Bonds. Any material failure to comply with the Continuing Disclosure Agreement and the Rule in the future may adversely affect the liquidity of the affected Series 2023 Bonds and their market price in the secondary market. See "CONTINUING DISCLOSURE" and "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Use of Facilities

No assurance can be given as to whether a challenge to the educational use of the Facilities brought would result in an interruption of an Obligated Group School's operations and have a material negative impact on the Revenues. Any court order prohibiting the educational use of the Facilities would entitle the Master Trustee to submit a claim on the lender's title insurance policy. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS" herein.

Cyber Security

Each of the Lessee's and the Schools' information technology services and systems may be critical to operations or involve the storage, processing and transmission of sensitive data, including valuable intellectual property, other proprietary or confidential data, regulated data, and personal information of employees, students and others. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorized access to, disclosure, modification, misuse, loss, or destruction of the Lessee's, the Schools', or other third party data or systems; theft of sensitive, regulated, or confidential data including personal information and intellectual property; the loss of access to critical data or systems; service or system disruptions or denials of service.

Campus Security

Schools are generally subject to risks related to campus security, including but not limited to bullying, abuse, and, in extreme cases, physical violence. While Management considers the Facilities to be secure, instances of breaches of campus security in the future may have a materially adverse effect on the Lessee's operations of the Schools and/or the Lessee's or the Schools' reputation, and may result in litigation, any of which could adversely affect the Lessee's financial condition and its ability to make payments under the Leases representing debt service on the Series 2023 Bonds.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2023 Bonds. In order for potential investors to identify risk factors and make an informed decision, potential investors should be thoroughly familiar with this entire Limited Offering Memorandum including the appendices hereto.

ABSENCE OF MATERIAL LITIGATION

The Authority

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Authority seeking to restrain or enjoin the sale or issuance of the Series 2023 Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, the validity or enforceability of the documents executed by the Authority in connection with the Series 2023 Bonds, the completeness or accuracy of this Limited Offering Memorandum or the existence or powers of the Authority relating to the sale of the Series 2023 Bonds.

The Borrower, the Landlords, and the Lessee

To the knowledge of the Borrower, the Landlords, and the Lessee, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Borrower, the Landlords, or the Lessee seeking to restrain or enjoin the sale or issuance of the Series 2023 Bonds, or in any way contesting or affecting any proceedings of the Borrower, the Landlords, or the Lessee taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, the validity or enforceability of the documents executed by the Borrower, the Landlords, or the Lessee in connection with the Series 2023 Bonds, the completeness or accuracy of the Limited Offering Memorandum or the existence or powers of the Borrower, the Landlords, or the Lessee relating to the sale of the Series 2023 Bonds.

TAX MATTERS

The Series 2023A Bonds

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2023A Bonds (including any original issue discount properly allocable to an owner of a Series 2023A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Authority and the Borrower and the Lessee with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2023A Bonds. Failure to comply with such requirements could cause interest on the Series 2023A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2023A Bonds. The Authority, the Borrower and the Lessee have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2023A Bonds. For tax years beginning after December 31, 2022, interest on the Series 2023A Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Series 2023A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2023A Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2023A Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America and

certain corporations subject to the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2023A Bonds.

Bond Counsel is also of the opinion that interest on the Series 2023A Bonds is exempt from State of California personal income taxes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2023A Bonds under the laws of the State of California or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as APPENDIX H.

Original Issue Discount. The Series 2023A Bonds that have an original yield above their respective interest rates, as shown on page (i) of this Limited Offering Memorandum (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding “qualified stated interest” within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Series 2023A Bonds that have an original yield below their respective interest rates, as shown on page (i) of this Limited Offering Memorandum (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such

Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

The Series 2023B Bonds

General Matters. Bond Counsel is of the opinion that interest on the Series 2023B Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Series 2023B Bonds is exempt from State of California personal income taxes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2023B Bonds under the laws of the State of California or any other state or jurisdiction.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2023B Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Series 2023B Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2023B Bonds.

In general, interest paid on the Series 2023B Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series 2023B Bonds, and principal payments (excluding the portion, if any, of such payments characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium. An investor that acquires a Series 2023B Bond for a cost greater than its remaining stated redemption price at maturity and holds such instrument as a capital asset will be considered to have purchased such instrument at a premium. Such premium may generally be amortized under the constant yield method upon prior election permitted by Section 171(c) of the Code, and, if so amortized, any call options of the Authority with respect to the Series 2023B Bonds are generally disregarded such that the instruments are amortized to their maturity date. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizing bond premium that reduces interest payments under Section 171 of the Code. Investors of any Series 2023B Bond purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Original Issue Discount. If the Series 2023B Bonds are issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. As a general rule, the owner of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days the owner owned the instrument. Owners of Series 2023B Bonds purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning such Series 2023B Bonds.

Market Discount. An investor that acquires a Series 2023B Bond for a price less than the adjusted issue price of such instrument may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Series 2023B Bond originally issued at a discount, the amount by which the issue price of such instrument, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Series 2023B Bond not originally issued at a discount, the amount by which the stated redemption price of

such instrument at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series 2023B Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the instrument, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such an instrument or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Series 2023B Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series 2023B Bond that acquired such instrument at a market discount also may be required to defer, until the maturity date of such instrument or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such instrument in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such instrument. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2023B Bond for the days during the taxable year on which the owner held such instrument and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2023B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the Series 2023B Bonds should consult their own tax advisors regarding the application of this tax to interest earned on the Series 2023B Bonds and to gain on the sale of a Series 2023B Bond.

Sales or Other Dispositions. If an owner of a Series 2023B Bond sells the instrument, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such instrument. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Series 2023B Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Series 2023B Bond should consult its own tax advisor concerning the circumstances in which such instrument would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of a Series 2023B Bond may result in a deemed sale or exchange of such instrument under certain circumstances. The owner of such a Series 2023B Bond should consult its tax advisors as to the federal income tax consequences of such a defeasance.

Foreign Investors. An owner of a Series 2023B Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2023B Bond will generally not be subject to United States income

or withholding tax in respect of a payment on a Series 2023B Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term “United States person” means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax may apply to interest paid and original issue discount accruing on Series 2023B Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2023B Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series 2023B Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2023B Bond.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. Unrelated business taxable income generally means the gross income derived by an organization from any unrelated trade or business as defined in Section 513 of the Code. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity’s exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Series 2023B Bond incurs acquisition indebtedness with respect to such instrument, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Series 2023B Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to ERISA, including entities whose underlying assets are considered to include “plan assets” (within the meaning of 29 C.F.R. Section 2510.3 (as modified by Section 3(42) of ERISA), such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans,” and together with arrangements that are subject to Section 4975 of the Code or similar provisions under any other federal, state, local, non-United States or other laws or regulations or similar law, as applicable, “Plans”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series 2023B Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Series 2023B Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Authority, the Borrower, the Lessee, if any, of the Series 2023 Bonds or any dealer of the Series 2023B Bonds might be considered or might become a “party in interest” within the meaning of ERISA or a “disqualified person” within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2023B Bonds

are acquired by such plans or arrangements with respect to which the Authority, the Borrower, the Lessee of the Series 2023 Bonds or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2023B Bonds. The sale of the Series 2023B Bonds to a Plan is in no respect a representation by the Authority, the Borrower, the Lessee, or the Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular Plan. Any plan proposing to invest in the Series 2023B Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Neither the Authority, the Borrower, the Lessee, if any, of the Series 2023B Bonds nor the Underwriter is acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to such purchaser or transferee with respect to the decision to purchase or hold the Series 2023B Bonds or an interest in the Series 2023B Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Series 2023B Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the Series 2023B Bonds.

Backup Withholding

An owner of a Series 2023 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2023 Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2023 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2023 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2023 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2023 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2023 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2023 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2023 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2023 BONDS.

MUNICIPAL ADVISOR

Campanile has acted as municipal advisor to the Borrower, the Obligated Group and the Lessee in conjunction with the issuance of the Series 2023 Bonds. Campanile has assisted the Borrower, the Obligated Group and the Lessee in preparation of this Limited Offering Memorandum and in other matters related to the planning, structuring, and issuance of the Series 2023 Bonds. Campanile will receive compensation contingent upon the sale and delivery of the Series 2023 Bonds.

Campanile has not audited, authenticated or otherwise independently verified the information set forth in the Limited Offering Memorandum, or any other information related to the Series 2023 Bonds with respect to the accuracy or completeness of disclosure of such information. Campanile makes no guaranty, warranty or other representation respecting the accuracy or completeness of this Limited Offering Memorandum or any other matter related to this Limited Offering Memorandum.

SPECIAL RELATIONSHIPS

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority, the Borrower and/or the Lessee. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority, the Borrower and/or the Lessee.

In addition to serving as municipal advisor to the Borrower and the Lessee, Campanile will also serve as the dissemination agent under the Continuing Disclosure Agreement.

FINANCIAL STATEMENTS

The audited financial statements of the Lessee for the Fiscal Years ended June 30, 2019, 2020, and 2021, included in this Limited Offering Memorandum in APPENDIX B – “CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE LESSEE FOR THE FISCAL YEARS ENDED JUNE 30, [_____]” have been audited by CliftonLarsonAllen LLP (the “Auditor”), to the extent and for the period indicated in its report thereon. The Auditor has not been engaged to perform and has not performed, since the date of the respective reports, any procedures on the financial statements addressed in the reports. The Auditor has also not performed any procedures relating to this Limited Offering Memorandum. The Lessee is not aware of any facts that would make such financial statements misleading. These financial statements were prepared using the standards applicable to nonprofit entities. The audited financial statements included in APPENDIX B are an integral part hereof and should be read in their entirety.

[Certain summary financial statements for the Lessee for the Fiscal Years ended June 30, [_____] are included in “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS – CERTAIN FINANCIAL INFORMATION.” Such unaudited financial statements have been prepared by the Lessee and have not been examined or reviewed by the Auditor, or any other independent certified public accountant. See “CERTAIN RISK FACTORS.”]

APPROVAL OF LEGALITY

The validity of the Series 2023 Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel to the Authority, the approval of certain matters for the Underwriter by Orrick, Herrington & Sutcliffe LLP, as Underwriter’s counsel, and the approval of certain matters by Musick, Peeler &

Garrett LLP, as counsel to the Lessee, the Borrower and the Landlords. Bond Counsel, the Underwriter and its counsel will receive compensation contingent upon the sale and delivery of the Series 2023 Bonds. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX H hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Limited Offering Memorandum.

RATING

S&P Global Ratings (“S&P”) has assigned a rating of “[]” to the Series 2023 Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: Standard & Poor’s, 55 Water Street, 45th Floor, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Series 2023 Bonds.

LIMITED OFFERING

The Series 2023 Bonds are exempt from registration under federal securities law but are being offered only to a limited number of sophisticated investors and will be sold only to purchasers who are Qualified Institutional Buyers or Accredited Investors. By purchasing the Series 2023 Bonds, each investor is deemed to have made the acknowledgments, representations, warranties and agreements set forth under the heading “TRANSFER RESTRICTIONS” herein.

CONTINUING DISCLOSURE

The Borrower, the Lessee and Campanile Group, Inc., as dissemination agent (the “Dissemination Agent”), will execute and deliver one or more Continuing Disclosure Agreements pursuant to which the Borrower and the Lessee will, for the benefit of the Beneficial Owners of the Series 2023 Bonds, periodically compile and deliver to the Dissemination Agent certain financial information and operating data relating to the operations of the Borrower, the Lessee, the members of the Obligated Group, and the Schools, and provide notices of the occurrence of certain enumerated events. These covenants have been made to assist the Underwriter in complying with the Rule. A form of the Continuing Disclosure Agreement is attached hereto as APPENDIX F.

In the past five years, neither the Borrower nor the Lessee has been subject to any undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

The Authority has determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the Series 2023 Bonds or to any decision to purchase, hold or sell Series 2023 Bonds and the Authority will not provide any such information. The Authority shall have no liability to the Holders of the Series 2023 Bonds or any other person with respect to the Rule.

UNDERWRITING

The Series 2023 Bonds are being purchased by RBC Capital Markets, LLC (the “Underwriter”). The Underwriter has agreed to purchase the Series 2023 Bonds at a price of \$_____ (being the principal amount of the Bonds, less net original issue discount of \$_____, less an Underwriter’s discount of \$_____). The Bond Purchase Agreement (“Bond Purchase Agreement”) pursuant to which the Series 2023 Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the Series 2023 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter may offer and sell the Series 2023 Bonds to certain dealers, institutional investors, banks, and others at prices different from the prices stated on page (i) of this Limited Offering Memorandum. The offering prices may be changed from time to time by the Underwriter. The Underwriter is not obligated to create a secondary market for the purchase or sale of the Series 2023 Bonds and there may, in fact, be

no market for the Series 2023 Bonds depending upon prevailing market conditions, the financial condition or market position of firms who make up the secondary market and the financial position and results of operations of the Borrower and the Lessee.

The Underwriter has reviewed the information in this Limited Offering Memorandum pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

MISCELLANEOUS

The foregoing and subsequent summaries and descriptions of provisions of the Series 2023 Bonds and the Bond Indenture and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof, and reference is made to said documents for full and complete statements of their provisions. The appendices attached hereto are a part of this Limited Offering Memorandum. Copies, in reasonable quantity, of the Bond Indenture and Loan Agreement may be obtained during the offering period upon request directed to the Underwriter.

NONE OF THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY OTHER THAN THE INFORMATION UNDER THE CAPTIONS "THE AUTHORITY" AND "ABSENCE OF MATERIAL LITIGATION – THE AUTHORITY." THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY (OTHER THAN IN THE SECTIONS IDENTIFIED ABOVE) OR COMPLETENESS OF INFORMATION IN THIS LIMITED OFFERING MEMORANDUM.

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Certification

The distribution and use of this Limited Offering Memorandum has been approved by the Authority, the Borrower, and the Lessee, as lessee under the Leases.

GRUPO NUEVO LOS ANGELES, as Borrower

By: _____
[Name, Title]

CAMINO NUEVO CHARTER ACADEMY, as
Lessee

By: _____
[Name, Title]

APPENDIX A

CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS

APPENDIX B

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE LESSEE FOR THE FISCAL YEARS
ENDED JUNE 30, [____]**

APPENDIX C

CHARTER SCHOOLS IN CALIFORNIA

General

This section provides a brief overview of California's charter school law. Prospective purchasers of the Series 2023 Bonds should note that the overview contained in this section and the summary of relevant law noted by cross-reference in the sections that follow are provided for the convenience of prospective purchasers but are not and do not purport to be comprehensive. Additional information regarding various aspects of charter school funding in California is available on numerous State-maintained websites and through other publicly available sources.

Under State Law, charter schools are largely independent schools operating as part of the public school system under the exclusive control of the officers of the public schools. A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and is usually authorized by an existing local public school district or county board of education. Specific goals and operating procedures for the charter school are detailed in a charter petition approved by the authorizing body.

A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. Charter schools in the State are created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the State Education Code (the "Charter Schools Act"). The law also requires that a public charter school be nonsectarian in its programs, admission policies, employment practices and all other operations, and prohibits the conversion of a private school to a charter school. Public charter schools may not charge tuition and may not discriminate against any pupil on the basis of ethnicity, national origin, gender or disability. State public charter schools are required to participate in the State Testing and Reporting Program.

According to the Charter Schools Act, the purpose of a charter school is to: (1) improve pupil learning; (2) increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils identified as academically low achieving; (3) encourage the use of different and innovative teaching methods; (4) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site; (5) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; (6) hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability; and (7) provide vigorous competition within the public school system to stimulate continual improvements in all public schools.

Anyone may write a charter petition. However, for a new charter school (not conversion of an existing traditional public school), charter proponents must present a petition to the governing board of the local school district (or other chartering authority) containing the signatures of either: (1) a number of teachers meaningfully interested in teaching at the school equal to at least 50 percent of the number of teachers the charter school estimates will be employed during the charter school's first year of operation, or (2) a number of parents or legal guardians representing at least 50 percent of the number of pupils expected to enroll at the school in its first year. Pupils may not be required to attend a charter school nor may teachers be compelled to teach there. Ordinarily, charters are authorized for a term of up to five years, and may be renewed for successive five-year terms without limitation upon satisfaction of certain criteria described below; however, under certain circumstances, the charters of high-performing charter schools may be renewed for a period of five to seven years, and the charters of low-performing charter schools may be renewed for a two-year period if certain requirements are satisfied.

Generally, each charter school is funded to its statutory entitlement after the local contribution is taken into account. Local funding comes from the authorizing school district or other local education agency in lieu of property taxes (generally funded from the school district's or agency's property tax receipts), while the State funds the balance directly through the county office of education. The proportion coming from the State will vary from district to district depending on the amount of local property taxes collected. In addition, charter schools receive certain State funding and lottery funds based upon pupil attendance, and may be eligible for other special

programmatic aid from State and federal grants. Charter schools are prohibited from charging tuition under the Charter Schools Act.

For additional information regarding funding of education in the State and information relating to certain risks and other considerations relevant to a decision to invest in the Series 2023 Bonds, see “STATE FUNDING OF EDUCATION” and “CERTAIN RISK FACTORS – Specific Risks of Charter Schools” herein.

Chartering Authority

Under the Charter Schools Act, the local school district governing board serves as the primary chartering authority. A petitioner may seek approval of a charter from a county board of education if the pupils to be served are pupils that would normally be provided direct education and related services by the county office of education. A petitioner may also seek approval from a county board of education for a countywide charter school, which may be granted only if the county board finds that the proposed countywide charter school will offer services to a pupil population that will benefit from those services and that cannot be served as well by a charter school that operates only in one school district in the county. See “– Countywide Benefit Charter Schools” below. Petitioners may request the county board of education to review a charter petition if the petition has been previously denied by the local school district governing board.

If the governing board of a school district denies a petition and the county lacks an independent county board of education, the petitioner may elect to submit the petition for the establishment of a charter school to the state board. If the denial of a charter petition is reversed by the state board, the state board shall designate the governing board of the school district in which the charter school is located as the chartering authority.

If the county board of education denies a petition, the petitioner may appeal that denial to the state board. The state board shall either hear the appeal or summarily deny review of the appeal based on the documentary record. If the state board hears the appeal, the state board may affirm the determination of the governing board of the school district or the county board of education, or both of those determinations, or may reverse only upon a determination that there was an abuse of discretion. If the denial of a charter petition is reversed by the state board, the state board shall designate, in consultation with the petitioner, either the governing board of the school district or the county board of education in which the charter school is located as the chartering authority.

The Schools’ charter petitions were each approved by the Los Angeles Unified School District (the “Charter Authorizer” or the “District”). For information concerning the Charters granted with respect to the Schools, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached to this Limited Offering Memorandum.

Elements of a Charter Petition

Each charter petition, at a minimum, must contain reasonably comprehensive descriptions of each of sixteen required elements. They are:

1. A description of the educational program of the charter school.
2. The annual goals for the charter school for all pupils and for each subgroup of pupils, and specific annual actions to achieve those goals.
3. If the proposed charter school will serve high school pupils, the manner in which the charter school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements.
4. The measurable pupil outcomes identified for use by the charter school.
5. The method by which pupil progress in meeting those pupil outcomes is to be measured.

6. The charter school's governance structure, including parental involvement.
7. The qualifications to be met by individuals employed by the charter school.
8. Procedures to ensure health and safety of pupils and staff. These procedures shall include: that each employee of the charter school furnish the charter school with a criminal record summary; the development of a school safety plan; and that the school safety plan be reviewed and updated by March 1 of every year by the charter school.
9. The means by which the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils, including redesignated fluent English proficient pupils, reflective of the general population residing in the chartering district.
10. Admission policies and procedures, consistent with the requirements in Education Code Section 47605(e).
11. The manner in which annual, independent financial audits will be conducted, and the manner in which audit exceptions and deficiencies will be resolved to the satisfaction of the chartering authority.
12. The procedures by which pupils may be suspended or expelled from the charter school for disciplinary reasons or otherwise involuntarily removed from the charter school for any reason.
13. Provisions for employee coverage under the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security.
14. The public school attendance alternatives for pupils residing within the district who choose not to attend charter schools.
15. A description of the rights of any employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.
16. The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.
17. A declaration of whether or not the charter school will be deemed the exclusive public school employer of the employees of the charter school for purposes of the Educational Employment Relations Act.
18. A description of the procedures for closure of the school, including the disposition of assets and the maintenance and transfer of pupil records.

Under the accountability requirements of Assembly Bill 1137 ("AB 1137"), signed into law in October 2003, districts or other agencies that grant charter authority must identify a contact person for charter schools, visit each charter school at least once a year, and ensure that charter schools submit all required reports (including fiscal reports that must be sent four times a year to the district and local county office of education). In addition, the district must monitor the fiscal condition of its charter schools and notify the State Department of Education whenever a charter is granted, denied, revoked, or the charter school will cease operation. AB 1137 also required that charter schools show a certain level of academic performance to have their charters renewed.

Approval or Denial of Charter Petition

No later than 60 days after receiving a petition, the governing board of the school district will hold a public hearing on the provisions of the charter, at which time the governing board of the school district will consider the level of support for the petition by teachers employed by the school district, other employees of the school district, and parents. Following review of the petition and the public hearing, the governing board of the school district will

either grant or deny the charter within 90 days of receipt of the petition, provided, however, that the date may be extended by an additional 30 days if both parties agree to the extension.

The governing board of the school district will publish all staff recommendations, including the recommended findings and, if applicable, the certification from the county superintendent of schools prepared pursuant to paragraph (8) below, regarding the petition at least 15 days before the public hearing at which the governing board of the school district will either grant or deny the charter. At the public hearing at which the governing board of the school district will either grant or deny the charter, petitioners will have equivalent time and procedures to present evidence and testimony to respond to the staff recommendations and findings.

In reviewing petitions for the establishment of charter schools authorized by a school district, the chartering authority will be guided by the intent of the State Legislature that charter schools are and should become an integral part of the California educational system and that the establishment of charter schools should be encouraged. The governing board of the school district will grant a charter for the operation of a school if it is satisfied that granting the charter is consistent with sound educational practice and with the interests of the community in which the school is proposing to locate. The governing board of the school district shall consider the academic needs of the pupils the school proposes to serve.

The governing board of the school district will not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the following findings:

- (1) The charter school presents an unsound educational program for the pupils to be enrolled in the charter school;
- (2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition;
- (3) The petition does not contain the number of required signatures;
- (4) The petition does not contain an affirmation of each of the admission conditions described in Education Code Section 47605(e);
- (5) The petition does not contain reasonably comprehensive descriptions of all of the elements described in “– Elements of a Charter Petition” herein; and
- (6) The petition does not contain a declaration of whether or not the charter school will be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 of Division 4 of Title 1 of the Government Code.
- (7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. Analysis of this finding shall include consideration of the fiscal impact of the proposed charter school. A written factual finding under this paragraph shall detail specific facts and circumstances that analyze and consider the following factors:
 - (A) The extent to which the proposed charter school would substantially undermine existing services, academic offerings, or programmatic offerings.
 - (B) Whether the proposed charter school would duplicate a program currently offered within the school district and the existing program has sufficient capacity for the pupils proposed to be served within reasonable proximity to where the charter school intends to locate.
- (8) The school district is not positioned to absorb the fiscal impact of the proposed charter school. A school district satisfies this paragraph if it has a qualified interim certification pursuant to

Section 42131 of the Education Code and the county superintendent of schools, in consultation with the County Office Fiscal Crisis and Management Assistance Team, certifies that approving the charter school would result in the school district having a negative interim certification pursuant to Section 42131 of the Education Code, has a negative interim certification pursuant to Section 42131 of the Education Code, or is under state receivership. Charter schools proposed in a school district satisfying one of these conditions shall be subject to a rebuttable presumption of denial.

In reviewing petitions for the establishment of charter schools within the school district, the governing board of the school district will give preference to petitions that demonstrate the capability to provide comprehensive learning experiences to pupils identified by the petitioner or petitioners as academically low achieving pursuant to the standards established by the State Board of Education.

If the governing board of a school district denies a petition, the petitioner may elect to submit the petition for the establishment of a charter school to the county board of education. The county board of education will review the petition pursuant to the same process by which a school district reviews a charter school petition.

If the governing board of a school district denies a petition and the county board of education has jurisdiction over a single school district, the petitioner may elect to submit the petition for the establishment of a charter school to the state board. The state board will review the petition pursuant to the same process by which a school district reviews a charter school petition. If the denial of a charter petition is reversed by the state board, the state board shall designate the governing board of the school district in which the charter school is located as the chartering authority.

If the county board of education denies a petition, the petitioner may appeal that denial to the state board. The state board will either hear the appeal or summarily deny review of the appeal based on the documentary record. If the state board hears the appeal, the state board may affirm the determination of the governing board of the school district or the county board of education, or both of those determinations, or may reverse only upon a determination that there was an abuse of discretion. If the denial of a charter petition is reversed by the state board, the state board will designate, in consultation with the petitioner, either the governing board of the school district or the county board of education in which the charter school is located as the chartering authority.

If either the county board of education or the state board fails to act on a petition within 180 days of receipt, the decision of the governing board of the school district to deny the petition will be subject to judicial review.

Charter Renewal

A chartering authority may grant one or more renewals of a charter petition. Except as otherwise described herein, each renewal will be for a period of five years. Renewals and material revisions of charters are governed by the same standards and criteria as initial approvals of charter petitions, and will include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally authorized or last renewed.

AB 130 (as defined herein), which was signed into law by the Governor on July 9, 2021, automatically extends by two years the term of all existing charter schools whose term expires between January 1, 2022 and June 30, 2025, inclusive. See “– Amendments to the Charter Schools Act” below.

A charter school that, concurrently with its renewal, proposes to expand operations to one or more additional sites or grade levels must request a material revision to its charter, which may be made only with the approval of the chartering authority and is governed by the standards and criteria of an initial approval or denial of a charter petition. Paragraphs numbered (7) and (8) under the heading “– Approval or Denial of Charter Petition” above may not be used to deny a renewal of an existing charter school, but may be used to deny a proposed expansion constituting a material revision.

The chartering authority shall consider the schoolwide performance and performance of all subgroups of pupils served by the charter school on the state indicators included in the California School Dashboard and the performance of the charter school on the local indicators included in the California School Dashboard. The chartering authority shall provide greater weight to performance on measurements of academic performance in determining whether to approve a charter renewal. In addition to the state and local indicators, the chartering authority shall consider clear and convincing evidence, demonstrated by verified data, showing either of the following:

(A) The school achieved measurable increases in academic achievement, as defined by at least one year's progress for each year in school.

(B) Strong postsecondary outcomes, as defined by college enrollment, persistence, and completion rates equal to similar peers.

The chartering authority may deny a charter renewal only upon making written findings, setting forth specific facts to support the findings, that the charter school has failed to meet or make sufficient progress toward meeting standards that provide a benefit to the pupils of the school, that closure of the charter school is in the best interest of pupils and, if applicable that its decision provided greater weight to performance on measurements of academic performance.

Authorizer Shall Renew. The chartering authority shall not deny renewal for a charter school if either of the following apply for two consecutive years immediately preceding the renewal decision; provided, however, that a charter school eligible for technical assistance shall not qualify for renewal under this provision:

(A) The charter school has received the two highest performance levels schoolwide on all the state indicators included in the California School Dashboard for which it receives performance levels; and

(B) For all measurements of academic performance, the charter school has received performance levels schoolwide that are the same or higher than the state average and, for a majority of subgroups performing statewide below the state average in each respective year, received performance levels that are higher than the state average.

The chartering authority that granted the charter may renew a charter pursuant to this paragraph for a period of between five and seven years.

Notwithstanding the above, the chartering authority may deny renewal of a charter upon a finding that the charter school is demonstrably unlikely to successfully implement the program set forth in the petition due to substantial fiscal or governance factors, or is not serving all pupils who wish to attend. The chartering authority may deny renewal of a charter under these circumstances only after it has provided at least 30 days' notice to the charter school of the alleged violation and provided the charter school with a reasonable opportunity to cure the violation, including a corrective action plan proposed by the charter school.

Authorizer Shall Not Renew. The chartering authority shall not renew a charter if either of the following apply for two consecutive years immediately preceding the renewal decision:

(A) The charter school has received the two lowest performance levels schoolwide on all the state indicators included in the California School Dashboard for which it receives performance levels.

(B) For all measurements of academic performance, the charter school has received performance levels schoolwide that are the same or lower than the state average and, for a majority of subgroups performing statewide below the state average in each respective year, received performance levels that are lower than the state average.

The chartering authority shall consider the following factors, and may nonetheless renew a charter that meets the criteria above for a period of two years, only upon making all of the following written factual findings, specific to the particular petition, setting forth specific facts to support the findings:

- (A) The charter school is taking meaningful steps to address the underlying cause or causes of low performance, and those steps are reflected, or will be reflected, in a written plan adopted by the governing body of the charter school.
- (B) There is clear and convincing evidence showing either of the following:
 - (i) The school achieved measurable increases in academic achievement, as defined by at least one year's progress for each year in school.
 - (ii) Strong postsecondary outcomes, as defined by college enrollment, persistence, and completion rates equal to similar peers.

Countywide Benefit Charter Schools

Education Code Section 47605.6 provides for the creation of countywide benefit charter schools to operate at one or more sites within the geographic boundaries of a county and that provide instructional services that are not generally provided by a county office of education. A county board of education may approve a countywide charter only if it finds, in addition to the other requirements of the Charter Schools Act, that the educational services to be provided by the charter school will offer services to a pupil population that will benefit from those services and that cannot be served as well by a charter school that operates in only one school district in the county.

The provisions governing denial of a charter petition for school district governing boards also apply to the denial of a charter petition for countywide benefit charters. A county board of education will deny a petition if it finds one or more of the following: (i) the charter school presents an unsound educational program for the pupils to be enrolled in the charter school, (ii) petitioners are demonstrably unlikely to successfully implement the program set forth in the petition, (iii) the petition does not contain the number of required signatures, (iv) the petition does not contain an affirmation of each of the enumerated conditions described in Education Code Section 47605(e), (v) the petition does not contain reasonably comprehensive descriptions of the educational program of the school, measurable pupil outcomes and certain other factors, as required by State law, (vi) the petition does not contain a declaration of whether or not the charter school will be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 of Division 4 of Title 1 of the Government Code, and (vii) any other basis that the county board of education finds justifies the denial of the petition. If a petition for a countywide benefit charter is denied, or the renewal of an existing countywide benefit charter is denied, the petition may not be submitted to the State Board of Education ("SBE") for review.

None of the Schools operates pursuant to a countywide benefit charter. See "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS" attached to this Limited Offering Memorandum.

Charter Management Organizations

As the number of charter schools operating pursuant to the Charter Schools Act has increased over time, nonprofit organizations have been established, referred to as charter management organizations ("CMOs"), to manage the operations of several charter schools for the purpose of achieving certain economic and operational efficiencies. CMOs centralize or share certain functions and resources among multiple charter schools, including but not limited to accounting, human resources, marketing, purchasing, property management and administration. CMOs may operate at the regional or statewide level. The Schools are not operated by a CMO.

Charter Revocation

A charter may be revoked if the charter authorizer finds, based on substantial evidence, that a charter school (i) has committed a material violation any of the conditions, standards or procedures set forth in its charter, or (ii) has failed to meet or to pursue any of the student outcomes identified in its charter, or (iii) has failed to meet generally accepted accounting principles, or engages in fiscal mismanagement, or (iv) has violated any provision of law. Prior to revoking a charter, the charter granting authority must notify the charter school of the violation, afford the charter school a reasonable opportunity to remedy the violation (unless the authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils), and, upon failure to do so, give written notice of intent to revoke and notice of facts in support of revocation to the charter school and hold a public hearing on the matter. An adverse decision by a school district governing board may be appealed to the county board of education and an adverse decision by the county board, directly or on appeal, may be appealed to the SBE. See “CERTAIN RISK FACTORS – Specific Risks of Charter Schools – Non-Renewal or Revocation of Charters” herein.

In addition, the SBE may take action based on the recommendation of the State Superintendent of Public Instruction, including but not limited to revocation of a school’s charter, upon a finding of (i) gross financial mismanagement that jeopardizes the financial stability of the charter school, (ii) illegal or substantially improper use of charter school funds for the personal benefit of any officer, director or fiduciary of the charter school, (iii) substantial and sustained departure from measurably successful practices such that continuing departure would jeopardize the educational development of the school’s pupils, or (iv) failure to improve pupil outcomes across multiple state and school priorities identified in the charter. Regulations promulgated by the SBE require the California Department of Education to identify and notify the SBE of each charter school that is determined to warrant action pursuant to clause (iii) of the immediately preceding sentence by November 1 of each year. Under these regulations, charter schools so notified are required to be given an opportunity to submit written information as to why its charter should not be revoked. Any resulting action to revoke a charter is effective at the end of the fiscal year in which the action is taken, unless the SBE identifies departures at the school that are so significant as to be cause for immediate revocation and closure of the charter school. The regulations require the SBE to hold a public hearing to consider action including but not limited to charter revocation not later than March 31. See “CERTAIN RISK FACTORS – Specific Risks of Charter Schools – Non-Renewal or Revocation of Charters” herein.

The Lessee has not received any notice from the SBE or the Charter Authorizer regarding any violation or proposal to revoke any of the Schools’ Charters or of any other violation requiring corrective action. In addition, as noted above, any future adverse decision by the governing board of the Charter Authorizer may be appealed to the SBE. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached to this Limited Offering Memorandum.

Amendments to the Charter Schools Act

The Legislature has amended the Charter Schools Act frequently since its initial adoption in 1992, and the Legislature has amended other provisions of State law applicable to charter schools. Neither the Lessee nor the Borrower nor any charter school has any control over State legislation or regulatory decision making that could affect the Schools’ operations or funding.

Neither the Borrower nor the Lessee makes any representation as to whether any proposed amendments to the Charter Schools Act, or to other provisions of State law applicable to charter schools, will be enacted into law, or what, if any, impact such proposed amendments would have on the Borrower or the Lessee.

Assembly Bill 130 (“AB 130”) was signed into law by the Governor on July 9, 2021. AB 130 was an omnibus budget trailer bill relating to the State’s budget for the 2021-22 fiscal year. Among other things, AB 130 provided for the following:

- All charter schools whose charter term expires on or between January 1, 2022 and June 30, 2025 will automatically have their term extended by two years.

- The existing moratorium on the establishment of new nonclassroom-based charter schools is extended from January 1, 2022 to January 1, 2025.
- Require certain high-poverty schools (including charter schools) to apply to operate a federal universal meal service and provide breakfast and lunch free of charge through such program to all pupils at such school upon State approval.
- Expands the State’s existing transitional kindergarten program to require admission of all children having their fourth birthday before September 1, which program previously only required admission of four-year-old children having their fifth birthday between September 2 and December 2, to be phased in between the 2022-23 school year and 2025-26 school year.

Assembly Bill 1505 (“AB 1505”) was signed into law by the Governor on October 3, 2019. The provisions of AB 1505 amending existing law relating to the review, approval and appeal of charter petitions became operative on July 1, 2020. AB 1505 made various changes to provisions relating to the review of charter school petitions and renewals by authorizers, including the following:

- Requiring a charter school that, concurrently with its renewal, proposes to expand operations to one or more additional sites or grade levels shall request a material revision to its charter. A material revision to the provisions of a charter petition may be made only with the approval of the chartering authority. A material revision of a charter is governed by the standards and criteria described in Education Code Section 47605.
- Adding additional factors for a school district to consider when reviewing a charter school petition, including the interests of the community, the academic needs of the pupils, by which means the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils, including redesignated fluent English proficient pupils, that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted, the fiscal impact on the school district, and whether the charter school would substantially undermine existing services, academic offerings or programmatic offerings of the school district. The factors may not be used to deny a renewal of an existing charter school, however may be used to deny a proposed expansion constituting a material revision.
- Renewals of existing charter school petitions will not be subject to the authorizer’s evaluation of the fiscal impact on the school district, so long as the renewal does not request an expansion to additional sites or grade levels.
- Authorizers must deny a renewal if the charter school has received certain low performance levels on the California School Dashboard for the most recent two years prior to renewal, unless the authorizer makes certain findings.
- Authorizers may not deny a renewal, and may renew for a term between 5 and 7 years, if the charter school has received certain high performance levels on the California School Dashboard for the most recent two years prior to renewal, unless the authorizer makes certain findings.
- Petitions denied by a school district or county office of education may be authorized on appeal to the State Board of Education only if the State Board of Education finds an abuse of discretion by the school district or county office of education. If approved on State appeal, the State Board of Education will designate either the school district or the county office of education as the authorizer.
- All charter school teachers will be required to be certified by June 30, 2025.

On September 30, 2020, the Governor signed into law Assembly Bill 2765 (“AB 2765”). AB 2765 makes any construction, alteration, demolition, installation or repair work done on a charter school facility subject to prevailing wages, when such work is paid for, in whole or in part, with proceeds of conduit revenue bonds issued on or after January 1, 2021, unless such charter school has an average daily attendance not exceeding 80 pupils. The Series 2023 Bonds are conduit revenue bonds within the meaning of this provision.

Growth in Charter Schools in California

As reported by the California Department of Education, California has the largest concentration of charter schools in the nation and had approximately 690,000 students enrolled in charter schools for the 2020-21 school year, which was approximately 11.5% of total state-wide enrollment in the 2020-21 school year. The following table shows the total number of charter schools in California by year since 1998-99.

TOTAL CHARTER SCHOOLS IN CALIFORNIA Fiscal Years 1998-99 Through 2021-22

<i>Fiscal Year</i>	<i>Number of Charter Schools</i>
2021-22	1,300
2020-21	1,296
2019-20	1,304
2018-19	1,323
2017-18	1,275
2016-17	1,254
2015-16	1,230
2014-15	1,182
2013-14	1,130
2012-13	1,063
2011-12	982
2010-11	912
2009-10	809
2008-09	746
2007-08	682
2006-07	585
2005-06	560
2004-05	502
2003-04	443
2002-03	408
2001-02	349
2000-01	299
1999-00	235
1998-99	177

STATE FUNDING OF EDUCATION

General

The Charter Schools Act provides that the State legislature intended “each charter school be provided with operational funding that is equal to the total funding that would be available to a similar school district serving a similar pupil population . . .” As is true for school districts in the State, charter schools’ revenue is derived primarily from two sources: a State portion funded from the State’s general fund and a locally generated portion derived from each sponsoring school district’s share of the local *ad valorem* property tax. Decreases in State revenues, or in the legislative appropriations made to fund education, may significantly affect charter school operations.

Adoption of Annual State Budget. According to the State Constitution, the Governor of the State is required to propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted by the State Legislature no later than June 15, although this deadline has been breached in previous years. Historically, the budget required a two-thirds vote of each house of the State Legislature for passage. However, on November 2, 2010, the State's voters approved Proposition 25, which amended the State Constitution to lower the vote requirement necessary for each house of the State Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50% plus one) of each house of the State Legislature. This lower vote requirement also applies to trailer bills that appropriate funds and are identified by the State Legislature "as related to the budget in the budget bill." The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the State Legislature is still required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2021-22 State budget on July 16, 2021.

Failure by the State to adopt a budget may restrict the State Controller's ability to disburse State funds. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002 and later refined by a California Supreme Court decision in 2003, the State Controller may be able to disburse State funds after the beginning of the fiscal year prior to the adoption of the State budget bill or emergency appropriation if the expenditure, among other things, is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the Lessee and the Borrower might experience delays in receiving certain expected revenues. See "CERTAIN RISK FACTORS" in the forepart of this Limited Offering Memorandum.

Aggregate State Education Funding. Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is mandated for school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs, including charter schools.

The Proposition 98 guaranteed amount for education is based on prior year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post year end revisions, as additional information regarding the various factors becomes available. Over the long run, the guaranteed amount may increase as enrollment and per capita personal income grow.

If, at year end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the State Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

In recent years, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the mandated amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of

the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal years 2004-05, 2010-11, 2011-12 and 2012-13; and by proposing to amend the Constitution's definition of the guaranteed amount and settle up requirement under certain circumstances. The 2014-15 State Budget and 2015-16 State Budget reversed certain of these trends by, among other things, eliminating certain deferrals, authorizing payments of certain deferred amounts owed to schools subject to State General Fund Revenues and authorizing settle-up payments with respect to deferred apportionments of the Proposition 98 minimum guarantee.

2022-23 State Budget.

On June 30, 2022, the Governor signed a \$308 billion state budget bill, which includes \$234.4 billion in general fund spending (the "2022-23 Budget"). The 2022-23 Budget reports that after two years dominated by COVID-19, the first half of 2022 has brought a new challenge of elevated global inflation spurred by lingering supply-chain disruption and Russia's war in Ukraine that has sent prices soaring. The 2022-23 Budget provides over \$17 billion in relief to millions of Californians to help offset rising costs, and reflects an accelerated minimum wage increase, effective January 1, 2023. The 2022-23 Budget adds substantial investments to address homelessness and behavioral health challenges and includes funding to make neighborhoods safer. It also supports additional protection from the impacts of wildfire and drought. The 2022-23 Budget makes a massive multi-year commitment to the state's infrastructure – funding schools, higher education, broadband infrastructure, and a clean transportation system to assure California's success for generations to come. Finally, the 2022-23 Budget includes critical actions to maintain energy reliability, creating a strategic reserve, protecting ratepayers, and accelerating clean energy projects. It also reshapes California public schools, and it expands access to the state's colleges and universities.

The 2022-23 Budget includes \$37.2 billion in budgetary reserves. These reserves include: \$23.3 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$9.5 billion in the Public School System Stabilization Account; \$900 million in the Safety Net Reserve; and \$3.5 billion in the state's operating reserve. The Rainy Day Fund will be at its constitutional maximum (ten percent of General Fund revenues) requiring \$465 million to be dedicated for infrastructure investments in FY 2022-23. Over the multi-year forecast period, the 2022-23 Budget reflects \$8 billion in supplemental deposits split evenly between the Rainy Day Fund and the Safety Net Reserve. These deposits are above what is constitutionally required. To further build budget resiliency, the 2022-23 Budget includes a \$4.9 billion multi-year plan to prepay callable general obligation bonds, with a focus on variable rate bonds, and to shift lease revenue bond-financed projects to cash. The 2022-23 Budget also estimates supplemental payments to reduce state retirement liabilities of \$3.4 billion in FY 2022-23 and an additional \$7.5 billion projected over the next three years.

The 2022-23 Budget includes total funding of \$128.6 billion (\$78.6 billion General Fund and \$50 billion other funds) for all K-12 education programs. The 2022-23 Budget reflects the highest Proposition 98 funding levels ever and provides ongoing funding for core programs such as the Local Control Funding Formula (LCFF), special education, transitional kindergarten, nutrition, school facilities, preschool and expanded learning, including, but not limited to the following:

- **Proposition 98 Rainy Day Fund** – The 2022-23 Budget includes FY 2020-21, 2021-22, and 2022-23 payments of approximately \$3.1 billion, \$4 billion, and \$2.2 billion (respectively) into the Public School System Stabilization Account, for a balance of more than \$9.5 billion at the end of 2022-23. Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the Account is equal to or greater than 3 percent of the total K-12 share of the Guarantee. The balance of \$7.1 billion in 2021-22 triggers school district reserve caps beginning in FY 2022-23.

- Local Control Funding Formula (“LCFF”) – The 2022-23 Budget includes an LCFF cost-of-living adjustment of 6.56 percent—the largest cost-of-living adjustment in the history of LCFF. Additionally, to help school districts and charter schools address ongoing fiscal pressures, staffing shortages, and other operational needs, the 2022-23 Budget includes \$4.32 billion ongoing Proposition 98 General Fund to increase LCFF base funding by an additional 6.28 percent. The 2022-23 Budget also includes \$101.2 million ongoing Proposition 98 General Fund to augment LCFF funding for county offices of education, which face similar cost pressures to school districts and charter schools.
- School Fiscal Stability – To support the fiscal stability of all local educational agencies, including those with a declining student population, the 2022-23 Budget allows school districts to use the greater of current year or prior year average daily attendance or an average of the three prior years’ average daily attendance to calculate LCFF funding. Further, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in FY 2021-22, the 2022-23 Budget enables all classroom-based local educational agencies that can demonstrate they provided independent study offerings to students in FY 2021-22 to be funded at the greater of their current year average daily attendance or their current year enrollment adjusted for pre-COVID-19 absence rates in FY 2021-22. The 2022-23 Budget also allows all classroom-based charter schools to be funded at the greater of their current year average daily attendance or their current year enrollment adjusted for pre-COVID-19 absence rates in FY 2021-22. The 2022-23 Budget reflects \$2.8 billion ongoing Proposition 98 General Fund and \$413 million one-time Proposition 98 General Fund to implement these school fiscal stabilization policies.
- Learning Recovery Emergency Block Grant – The 2022-23 Budget establishes the Learning Recovery Emergency Fund and appropriates \$7.9 billion one-time Proposition 98 General Fund to support the Learning Recovery Emergency Block Grant. This block grant will support local educational agencies in establishing learning recovery initiatives through the 2027–28 school year.
- Educator Workforce – Preparing, training, and recruiting a diverse, expert workforce of administrative, credentialed, and classified staff to work in public K-12 schools is critical to the success of the entire system. This is especially true given current staffing shortages that have been exacerbated by the COVID-19 Pandemic. The 2021 Budget Act included \$2.9 billion to accelerate the preparation and support the training and retention of well-prepared educators. To further support this effort, the 2022-23 Budget includes \$48.1 million General Fund for the following:
 - Teacher Examination Fees – \$24 million one-time General Fund in FY 2022-23 and FY 2023-24 to waive certain teacher examination fees.
 - Integrated Teacher Preparation Programs – \$20 million one-time General Fund to support a competitive grant program that provides grants to public and private institutions to develop and implement integrated teacher preparation programs.
 - Commission on Teacher Credentialing (CTC) Support – \$2.7 million General Fund for state operations support at the CTC, including workload associated with the administration of multiple grant programs, data gathering efforts, and early childhood education preparation and licensure activities.
 - Career Counselors – \$1.4 million General Fund to establish career counselors for prospective educators at the CTC.
 - Substitute Teaching Assignments – Extending statute authorizing any holder of a credential or permit issued by the CTC to serve in a substitute teaching assignment aligned with their authorization, including for staff vacancies, for up to 60 cumulative days for any one assignment.

- Teacher and School Counselor Residencies – To increase the pipeline of teachers and school counselors, the 2022-23 Budget provides \$250 million one-time Proposition 98 General Fund to expand residency slots for teachers and school counselors. The 2022-23 Budget also enables school counselor, social worker, and psychologist candidates to be eligible for the Golden State Teacher Grant Program, which provides incentives to individuals to consider earning a credential and serving at a priority school in California for four years, within eight years after completing a preparation program.
- Transitional Kindergarten – The 2022-23 Budget provides \$614 million ongoing Proposition 98 General Fund to, beginning in the 2022-23 school year, to support the first year of expanded eligibility for transitional kindergarten, shifting from all children turning five-years-old between September 2 and December 2 to all children turning five-years-old between September 2 and February 2. Additionally, the 2022-23 Budget provides \$383 million Proposition 98 General Fund to add one additional certificated or classified staff person to every transitional kindergarten class, reducing student-to-adult ratios to more closely align with the State Preschool Program. The 2022-23 Budget also increases the pipeline of qualified transitional kindergarten teachers by allowing the Commission on Teacher Credentialing to issue a one-year emergency specialist teaching permit in early childhood education that authorizes the permit holder to teach transitional kindergarten provided that they hold a bachelor’s degree or higher, a valid child development permit, and meet certain subject matter requirements.
- Special Education – The 2022-23 Budget includes investments and policy changes related to special education, including \$500 million ongoing Proposition 98 General Fund for the special education funding formula, paired with the following policy changes to further the State’s commitment to improving special education instruction and services:
 - Amending the special education funding formula to calculate special education base funding allocations at the local educational agency level, rather than the special education local plan area level.
 - Consolidating two special education extraordinary cost pools into a single cost pool to simplify the current funding formula, and increasing funding by \$14 million ongoing Proposition 98 General Fund.
 - Beginning in FY 2023-24, allocating Educationally Related Mental Health Services funding directly to local educational agencies rather than to SELPAs.
 - Developing an Individuals with Disabilities Education Act addendum to the Local Control and Accountability Plan to support inclusive planning and promote cohesion between special education and general education planning.
 - Supporting efforts to develop comprehensive Individualized Education Programs (IEPs) by focusing a special education resource lead on IEP best practices, and establishing an expert panel to continue the work of creating a model IEP template.
 - Establishing a pathway to a diploma for students who take the California Alternate Assessment and providing resources to identify alternative coursework options for students with disabilities to demonstrate completion of the state graduation requirements.

K-12 School Facilities – The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, authorized \$7 billion in state General Obligation bonds to support K-12 school facilities construction. These funds support new construction, modernization, retrofitting, career technical education, and charter school facility projects. The 2022-23 Budget allocates the remaining Proposition 51 bond funds—approximately \$1.4 billion—to support school construction projects and provides \$1.3 billion one-time General Fund with FY 2021-22 funds, approximately \$2.1 billion one-time General Fund in FY 2023-24 and \$875 million one-time General Fund in FY 2024-25 to support new

construction and modernization projects through the School Facility Program.* The 2022-23 Budget also includes \$100 million one-time General Fund with FY 2021-22 funds and \$550 million in FY 2023-24 to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.† This program’s grant funds may be used to construct new school facilities or retrofit existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms. The 2022-23 Budget also includes \$30 million Proposition 98 General Fund per year for two years to support eligible facilities costs for the Charter School Facility Grant Program. These funds can be used by eligible charter schools for costs associated with remodeling buildings, deferred maintenance, initial installation or extension of service systems and other built-in equipment, site improvements, and facility modifications to mitigate the spread of COVID-19.

Assembly Bill 86. On March 4, 2021, the Governor signed into law Assembly Bill 86 (“AB 86”), urgency legislation which provided approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. Specifically, AB 86 provided \$2 billion for in-person instruction grants to local educational agencies (with the exception of non-classroom based charter schools and independent study programs) that can be used for, among other things, personal protective equipment, ventilation upgrades and COVID-19 testing. To qualify for the funding, local educational agencies were required to offer in-person instruction for Kindergarten through second grade, and all grades levels for high-need students, by March 31, 2021, losing 1% of eligible funds for every day thereafter if they did not. Schools in the Blueprint’s red, orange or yellow tiers were required to offer in-person instruction to all elementary grades and at least one middle or high school grade or risk losing the same amount of funding. Local educational agencies forfeited eligibility for all funding if they did not resume in-person instruction by May 15, 2021. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification.

The remaining \$4.6 billion was allocated for supplemental instruction and support for social and emotional well-being. Schools will be able to use the funds for, among other things, providing more instructional time (including summer school), tutoring, learning recovery programs, mental health services, access to school meal programs, programs to address pupil trauma and supports for credit-deficient students. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification. Local educational agencies will also receive an additional \$1,000 for each homeless pupil enrolled in the 2020-21 fiscal year.

AB 86 also codified several State programs that support the safe re-opening of schools, including (i) setting aside 10% of available vaccines for education workers, (ii) COVID-19-related data reporting requirements, and (iii) additional funding for the State’s “Safe Schools Team,” which provides technical assistance and oversight to schools that experience COVID-19 outbreaks.

Future Actions and Events. Neither the Borrower nor the Lessee can predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. Neither the Borrower nor the Lessee also can predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the Borrower and the Lessee will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State’s ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels. In addition, the pandemic could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See “CERTAIN RISK FACTORS – Risks Related to Infectious Virus and/or Disease” herein. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the Borrower and the Lessee.

* Charter schools are not eligible for the School Facility Program.

† Charter schools are not eligible for the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund (“ERAF”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State’s voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have since been dissolved. Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 4, 2010. Because Proposition 22 reduces the State’s authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years – such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

Allocation of State Funding to Charter Schools

General Purpose Entitlement. Under the Charter Schools Act, each charter school is calculated to have a “general purpose entitlement,” which has in the past been based on the statewide average amount of State aid, local property taxes and other revenue received by school districts of similar type and serving similar pupil populations. The general purpose entitlement is calculated on a per student basis at each of four grade level ranges (grades K-3, grades 4-5, grades 6-8, and grades 9-12) and is multiplied by the charter school’s Average Daily Attendance (“ADA”) in each grade level range.

Each charter school’s general purpose entitlement is funded from local funding in lieu of property taxes and, to the extent such funding is insufficient to fulfill the entire entitlement, from money appropriated by the State from the State’s general fund for education. The local share, which must be transferred in monthly installments to the charter school by the applicable local educational agency in lieu of property taxes, is the average amount of property taxes per ADA received by the district, including charter school students, multiplied by the charter school’s ADA.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) (“AB 97”), enacted as part of the 2013-14 State budget, established a new system for funding school districts, charter schools and county offices of education. Certain provisions of AB 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) (“SB 91”).

Funding. The primary component of AB 97, as modified by SB 91, is the implementation of the Local Control Funding Formula (“LCFF”), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. Under the LCFF, State allocations are provided on the basis of target base funding grants per unit of ADA (a “Base Grant”) assigned to each of four grade spans (identical to the grade spans previously used for charter school funding). Each Base Grant is subject to certain adjustments and add-ons, as discussed below. LCFF was fully implemented over a period of six fiscal years, by

fiscal year 2018-19. Beginning in fiscal year 2013-14, an annual transition adjustment as calculated for each charter school, equal to such charter school's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, charter schools had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of the charter school's respective funding gaps.

Base Grant. For fiscal year 2013-14, the Base Grants per unit of ADA for each grade span are as follows: (i) \$6,845 for grades K-3; (ii) \$6,947 for grades 4-6; (iii) \$7,154 for grades 7-8; and (iv) \$8,289 for grades 9-12. In each subsequent year, the Base Grants are to be adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs are subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. The LCFF also provides additional add-ons to charter schools that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

Supplemental Grant. Charter schools that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI. Foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed herein separately. The LCFF authorizes a supplemental grant add-on (each, a "Supplemental Grant") for charter schools that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such charter schools' respective percentages of unduplicated EL/LI student enrollment.

Concentration Grant. Charter schools whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such charter school's unduplicated EL/LI student enrollment in excess of the 55% threshold; provided that a charter school may not receive a Concentration Grant for a greater proportion of EL/LI than the highest percentage of any school district in which the charter school has a physical location.

For certain charter schools that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the general purpose funding such charter schools would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such charter schools in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a 1.94% COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the eight-year implementing period of the LCFF.

The sum of a charter school's adjusted Base Grants, Supplemental Grants and Concentration Grants will be multiplied by the charter school's total current year ADA. This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district or charter school will amount to the difference between such total LCFF allocation and such entity's share of applicable local property taxes. Most school districts and charter schools receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts and charter schools.

Accountability. The SBE has adopted regulations regarding the expenditure of supplemental and concentration funding. These regulations include a requirement that school districts and charter schools increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts/schools on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school districts and charter schools can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts and charter schools are also required to adopt local control and accountability plans (“LCAPs”) disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. Charter school LCAPs are required to be included in charter petitions and updated annually. School district and charter school LCAPs must be annually updated and posted on the district or charter school’s website using a State-mandated standard reporting format.

Lottery Funding. Charter schools receive funding from the State Lottery Fund, which receives all proceeds from, among other sources, the sale of lottery tickets. Lottery funding is allocated to charter schools per unit of ADA. Lottery funds are distributed quarterly by the State Controller’s Office. Funding is based on annual average ADA. Lottery funds are identified as either “Proposition 20” funds or “non-Proposition 20” funds. Proposition 20 lottery funds may only be used to purchase instructional materials. Non-Proposition 20 lottery funds are unrestricted, except that they may not be used for acquisition of property, construction of facilities, financing of research, or for other non-instructional purposes. Lottery funding is not included in the charter school categorical block grant. Lottery funding is approximately 2% of public school revenues and is estimated at \$228 per unit of ADA for the 2021-22 fiscal year, of which approximately \$163 is “non-Proposition 20” and \$65 is “Proposition 20” funding.

Categorical Funding. Charter schools may apply for and receive categorical funds for many programs that are not included in general purpose entitlement funding, if otherwise eligible, but may not receive aid for programs exclusively or almost exclusively provided by a county office of education.

Charter School Facility Grant Program Funding. In fiscal year 2021-22, charter schools that meet certain criteria are eligible to receive up to \$1,232 per unit of ADA to reimburse an amount up to 75% of their annual facilities rent and lease costs from amounts appropriated under the annual Budget Act (as defined below) under the Charter School Facility Grant (“SB740”) Program. This per-ADA amount may increase in future years based on cost of living adjustments. To be eligible for SB 740 benefits: (i) 55% or more of the charter school’s students must be eligible for free or reduced priced meals; or (ii) the charter school must be located in the attendance area of a public elementary school in which 55% or more of students are eligible for free or reduced priced meals and the charter school must give a preference in admissions to students who are currently enrolled in that public elementary school and to students who reside in the elementary school attendance area where the charter school is located. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto.

SB 740 facilities funding may be used for costs associated with facilities rents and leases (consistent with the definitions used in the California School Accounting Manual) (“Facility Rents”), and for costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites (collectively, “Other Costs”). SB 740 facilities funding is not included in the charter school categorical block grant.

SB 740 funding is subject to the annual Budget Act. In the event insufficient moneys are appropriated to the program, the available moneys are first used to reimburse for Facility Rents (on a pro rata basis if moneys are insufficient), and any remaining moneys are apportioned to reimburse for Other Costs on a pro rata basis. In addition to the risk of underfunding, should there be any changes to the free and reduced-price meal eligibility data, the amount of grant moneys, which is awarded in three disbursements, may be adjusted or transfer of moneys back to the Authority may be required.

The SB 740 program is administered by the Authority. In prior years, the program has been “undersubscribed,” meaning that awards were not limited by the level of appropriation. However, the program was “oversubscribed” in fiscal years 2017-18 through 2021-22, and is expected to be in the current fiscal year, with awards being reduced on a pro-rata basis.

Effective beginning fiscal year 2017-18, reimbursable costs under the SB 740 program are limited to either of the following conditions: (i) reimbursable facility rent or lease costs do not exceed the prior year’s costs on file with CSFA as of fiscal year 2016–17, subject to a cost-of-living adjustment; or (ii) the rent or lease costs of new

facility agreements are at or below market rate based on an independent appraisal paid for by the charter school. See “CERTAIN RISK FACTORS – SB 740 Funding” herein.

Set forth in the following table are historical data regarding SB 740 funding and awards for fiscal years 2017-18 through 2022-23.

HISTORICAL SB 740 GRANT AWARDS
Fiscal Years 2017-18 to 2022-23

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
A. No. of Schools Awarded	417	415	437	424	423	425 ⁽¹⁾
B. Total Amount Awarded	\$133,177,000	\$136,786,000	\$136,786,000	\$136,786,000	\$143,520,000 ⁽¹⁾	\$184,273,000 ⁽¹⁾
Amount awarded for lease costs	116,965,203	124,180,307	136,786,000	136,786,000	143,520,000 ⁽¹⁾	154,273,000 ⁽¹⁾
Amount awarded for Other Costs	16,211,797	12,605,693	--	-- ⁽¹⁾	-- ⁽¹⁾	30,000,000 ⁽¹⁾
C. Total Moneys Appropriated to SB 740⁽²⁾						
D. Subscription Percentage⁽⁴⁾	\$133,177,000 ⁽³⁾	\$136,786,000	\$136,786,000	\$136,786,000	\$143,520,000	\$184,273,000
E. Total Average Daily Attendance (“ADA”)⁽⁵⁾	104%	109%	103%	108% ⁽⁴⁾	103% ⁽⁴⁾	105% ⁽⁴⁾
F. Average Award Per ADA⁽⁶⁾	151,630	175,087	165,489	172,143	171,812	172,624 ⁽⁸⁾
G. Maximum Award Allowed Per ADA⁽⁷⁾						

(1) Figures are current estimates as of September 30, 2022, and subject to change.

(2) Moneys annually appropriated by the State Legislature toward SB 740 grant awards. For 2022-23, an amount of \$30 million is reserved for reimbursement of other costs.

(3) Includes an additional approximately \$21.1 million appropriated for the 2017-18 fiscal year in the 2018-19 Budget.

(4) From fiscal years 2013-14 to 2016-17, the SB 740 Program had been undersubscribed. However, for fiscal year 2017-18, the SB 740 Program was oversubscribed. CSFA made SB 740 awards by first reimbursing lease costs, and then applying a pro-rata reduction in the award amount for applied-for “other costs” spread across all eligible applicants. In fiscal year 2017-18, lease costs were fully funded at 100%, and other costs were funded at a pro-rata rate of 73.01%. In fiscal year 2018-19, lease costs were fully funded at 100%, and other costs were funded at a pro-rata rate of 49%. In fiscal years 2019-20, 2020-21 and 2021-22, CSFA expected to fund lease costs at 97.47%, 92.61%, and 94.5%, respectively, and therefore was unable to fund other costs. CSFA expects the SB 740 Program to be oversubscribed in fiscal year 2022-23 and fund lease cost awards at approximately 94.4%. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS” attached hereto.

(5) Total ADA from all schools awarded in each fiscal year.

(6) Equal to the “Amount Awarded” divided by the “Total ADA.” The Average Award Per ADA is lower than the Maximum Award Allowed Per ADA because a significant number of schools do not qualify for the maximum amount allowed; instead they are capped at 75% of actual rent. For 2020-21 and 2021-22, figures are current estimates because SB 740 applications are still being received and final awards are being calculated.

(7) SB 740 Program grant awards are calculated at the lower of: (a) 75% of actual rent paid or (b) maximum award allowed per ADA by State law. From fiscal years 2012-13 to 2016-17, the maximum award allowed per ADA by State law was \$750 per ADA. Pursuant to a change in State law passed by the Legislature in June 2017, the maximum award allowed by State law was increased from \$750 per ADA to \$1,117 per ADA, subject to cost of living adjustments. The maximum award for fiscal year 2022-23 is \$1,313.

(8) Total ADA for fiscal year 2022-23 estimated based on average ADA per applicant in fiscal year 2021-22.

Source: *The Authority*.

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Annual Funding Components. The following tables describe ADA-based state funding of California charter school education for Fiscal Year 2018-19 through 2022-23:

STATE FUNDING OF CHARTER SCHOOL EDUCATION

	<u>Fiscal Year 2018-19</u>			
	<i>Grades</i>			
	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>
Target LCFF Base Grant	\$7,459	\$7,571	\$7,796	\$9,034
CTE/CSR Add-ons	776	--	--	235
Lottery ⁽²⁾	<u>204</u>	<u>204</u>	<u>204</u>	<u>204</u>
Total ⁽¹⁾	\$8,439	\$7,775	\$8,000	\$9,473
	<u>Fiscal Year 2019-20</u>			
	<i>Grades</i>			
	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>
Target LCFF Base Grant	\$7,702	\$7,818	\$8,050	\$9,329
CTE/CSR Add-ons	801	--	--	243
Lottery ⁽²⁾	<u>207</u>	<u>207</u>	<u>207</u>	<u>207</u>
Total ⁽¹⁾	\$8,710	\$8,025	\$8,257	\$9,779
	<u>Fiscal Year 2020-21</u>			
	<i>Grades</i>			
	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>
Target LCFF Base Grant	\$7,702	\$7,818	\$8,050	\$9,329
CTE/CSR Add-ons	801	--	--	243
Lottery ⁽²⁾	<u>199</u>	<u>199</u>	<u>199</u>	<u>199</u>
Total ⁽¹⁾	\$8,702	\$8,017	\$8,249	\$9,771
	<u>Fiscal Year 2021-22</u>			
	<i>Grades</i>			
	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>
Target LCFF Base Grant	\$8,093	\$8,215	\$8,458	\$9,802
CTE/CSR Add-ons	842	--	--	255
Lottery ⁽²⁾	<u>228</u>	<u>228</u>	<u>228</u>	<u>228</u>
Total ⁽¹⁾	\$9,163	\$8,443	\$8,686	\$10,285
	<u>Fiscal Year 2022-23⁽³⁾</u>			
	<i>Grades</i>			
	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>
Target LCFF Base Grant	\$9,132	\$9,270	\$9,544	\$11,061
CTE/CSR Add-ons	950	-	-	288
Lottery ⁽²⁾	<u>237</u>	<u>237</u>	<u>237</u>	<u>237</u>
Total ⁽¹⁾	\$10,319	\$9,507	\$9,781	\$11,586

⁽¹⁾ Excludes special education, nutrition, After School Education and Safety, SB 740, Charter School Facilities Grants, No Child Left Behind or Every Student Succeeds Act, class size reduction, supplemental instruction, economic impact aid, and National School Lunch Program funding and any private philanthropy, grants, or other fund-raising.

⁽²⁾ Estimated.

⁽³⁾ The Fiscal Year 2022-23 funding amounts are preliminary, used for initial budgeting purposes in general. For specific projections with respect to the Schools, see "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS" attached to this Limited Offering Memorandum.

Sources: California Department of Education.

For a description of the Schools' ADA and funding related thereto, see "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS" attached to this Limited Offering Memorandum.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING EDUCATION REVENUES AND APPROPRIATIONS

Limitations on Revenues

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum ad valorem tax on real property to one percent of “full cash value,” and provides that such tax will be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the one-percent limitation does not apply to ad valorem taxes levied to pay interest and redemption charges on: (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district voting on the ballot proposition, but only if certain accountability measures are included in the bond proposition. Charter schools may not conduct bond elections or issue bonds payable from property taxes, but may benefit from the proceeds of bonds issued by the school district in which the charter school is located.

Section 2 of Article XIII A defines “full cash value” to mean the county assessor’s valuation of real property as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. The Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restored value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any ad valorem property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of local school districts.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place. Charter schools are not directly dependent on local property taxes. To the extent local property taxes fund the general purpose entitlement, losses in local property tax income are required to be made up by the State.

Proposition 30

On November 6, 2012, voters of the State of California approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as “Proposition 30”), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but not over \$300,000 for single filers (over \$340,000 but not over \$408,000 for joint filers), (ii) 2% for taxable income over \$300,000 but not over \$500,000 for single filers (over \$408,000 but not over \$680,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$680,000 for joint filers). The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends through 2030 the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State’s Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing

local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIII B of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the Minimum Funding Guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the Minimum Funding Guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the Minimum Funding Guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated Minimum Funding Guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

Kindergarten Through Community College Public Education Facilities Bond Act of 2016

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (“Proposition 51”) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds for the new construction and modernization of K-14 facilities. The Lessee makes no guarantee that it will either pursue or qualify for Proposition 51 state facilities funding.

K-12 School Facilities. Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1 billion will be available for the modernization and new construction of charter school (\$500 million) and technical education (\$500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at \$3 million for a new facility and \$1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes \$2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor

of the community college system, who then decides which projects to submit to the Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and Legislature will select among eligible projects as part of the annual State budget process.

The table below shows the expected use of bond funds under Proposition 51:

**PROPOSITION 51
Use of Bond Funds
(In Millions)**

<u>K-12 Public School Facilities</u>	
New construction	\$3,000
Modernization	3,000
Career technical education facilities	500
Charter school facilities	500
Subtotal	\$7,000
<u>Community College Facilities</u>	
Total	\$2,000
Total	\$9,000

Future Initiatives

Articles XIII A, Proposition 98, Proposition 30, Proposition 55, and Proposition 51 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, further affecting State and local revenues for education, and the ability or obligation of these government agencies to expend revenues for charter school purposes.

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APPENDIX D

SUMMARY OF PRINCIPAL BOND DOCUMENTS

APPENDIX E

SUMMARY OF THE LEASES

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX G

BOOK-ENTRY SYSTEM

The information in this APPENDIX G concerning The Depository Trust Company (“DTC”) and DTC's book-entry-only system has been obtained from DTC. The Authority, the Borrower, the Landlords, the Lessee, the Bond Trustee and the Underwriter assume no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of each Series of Bonds, each in the aggregate principal amount of that maturity of Series 2023 Bonds, and will be deposited with DTC. If, however, the aggregate principal amount of any series and maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such series and maturity. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2023 BONDS, REFERENCES IN THE LIMITED OFFERING MEMORANDUM TO BONDHOLDERS OR OWNERS OF THE SERIES 2023 BONDS (OTHER THAN UNDER THE CAPTION “TAX MATTERS” IN THE LIMITED OFFERING MEMORANDUM) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2023 BONDS.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2023 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2023 Bonds with DTC and their registration in the name of

Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, defaults, and proposed amendments to the Series 2023 Bond documents. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Bond Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Trustee, the Borrower, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the Authority or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Borrower believes to be reliable, but neither the Authority nor the Borrower take responsibility for the accuracy thereof.

THE AUTHORITY, THE BORROWER, THE LANDLORDS, THE LESSEE, THE BOND TRUSTEE AND THE UNDERWRITER WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2023 BONDS WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY THE DEPOSITORY OR ANY PARTICIPANT; (ii) THE PAYMENT BY THE DEPOSITORY TO ANY PARTICIPANT OR BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, OR REDEMPTION PRICE OF OR

INTEREST ON THE SERIES 2023 BONDS; (iii) THE DELIVERY OF ANY NOTICE BY THE DEPOSITORY TO ANY PARTICIPANT OR BY ANY PARTICIPANT TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO BONDHOLDERS UNDER THE TERMS OF THE INDENTURE; (iv) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2023 BONDS; OR (v) ANY OTHER ACTION TAKEN BY THE DEPOSITORY AS OWNER OF THE SERIES 2023 BONDS.

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APPENDIX H

FORM OF OPINION OF BOND COUNSEL

[To be provided]

APPENDIX I

FORMS OF INVESTOR LETTER

FORM OF INVESTOR LETTER

The Honorable Fiona Ma
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

California School Finance Authority
304 South Broadway
Los Angeles, California 90013

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111

RBC Capital Markets, LLC
777 S. Figueroa St., Suite 850
Los Angeles, California 90017

Re: \$_____ California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and \$_____ California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable)

Ladies and Gentlemen:

The undersigned (the "Investor") hereby acknowledges that it is purchasing \$_____ aggregate principal amount of California School Finance Authority (the "Authority") Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) 2023A (the "Series 2023A Bonds") and \$_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the "Series 2023B Bonds" and, together with the Series 2023A Bonds, the "Bonds"), issued pursuant to an Indenture, dated as of [_____] 1, 2023 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This letter is being provided pursuant to a Bond Purchase Agreement, dated [_____] 1, 2023 (the "Purchase Agreement"), among the Authority, the Treasurer of the State of California, as agent for sale on behalf of the Authority, RBC Capital Markets, LLC (the "Underwriter"), and approved by Grupo Nuevo Los Angeles (the "Borrower" and "Obligated Group Representative") and Camino Nuevo Charter Academy, a California nonprofit corporation (the "Lessee").

The undersigned acknowledges that the Bonds are being delivered for the purpose of financing the acquisition, expansion, remodeling, renovation, and/or equipping of certain charter school facilities located in Los Angeles, California (the "Project") on behalf of the Borrower, as more particularly described in the Loan Agreement, dated as of [_____] 1, 2023 (the "Loan Agreement"), by and between the Authority and the Borrower. The undersigned further acknowledges that the Borrower will lease the charter school facility to the Lessee pursuant to those certain lease agreements (collectively, the "Lease") between the Borrower and the Lessee.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Bonds ("Obligation No. 1") issued by the Obligated Group Representative in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of [_____] 1, 2023 (the "Master Indenture"), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023 (the "Supplemental Master Indenture"), each by and between the Obligated Group Representative, the Borrower and the Landlords, as the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee (the "Master Trustee"). The Indenture, the Loan Agreement, the Lease, the Master Trust Indenture, and the Supplemental Master Indenture are referred to herein as the "Bond Documents."

In connection with the sale of the Bonds to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is either (a) a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “Act”), or (b) an “accredited investor,” described in Sections (a)(1), (2), (3), (7), (8), (9), (12), or (13) of Rule 501 of Regulation D promulgated under the Act, and therefore has sufficient knowledge and experience in financial and business matters, including in the purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a current view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Bonds and in the Indenture. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since a sale of the Bonds, or any portion thereof, prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Act and that such registration is not legally required as of the date hereof and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating, and (d) will be delivered in a form which may not be readily marketable due to restrictions on transfer.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, which it has requested from the Borrower and which the Investor believes to be significant in making investment decisions, which information is included in the Preliminary Limited Offering Memorandum, dated [____], 2023 (the “Preliminary Limited Offering Memorandum”), and the Limited Offering Memorandum, dated as of [____], 2023 (the “Limited Offering Memorandum”), and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project, the Lessee, the Bond Documents and the Bonds and the security therefor so that the Investor has been able to make a decision to purchase the Bonds.

6. The Investor has received a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. The Investor acknowledges that it has not relied upon any advice, counsel, representation or information of the Authority in connection with the Investor’s purchase of the Bonds.

7. The Investor acknowledges that the obligations of the Authority under the Indenture are special, limited obligations payable solely from amounts paid to the Authority or the Trustee from the Borrower and the Landlords, as the initial Members of the Obligated Group pursuant to the Loan Agreement and Obligation No. 1 and the Authority shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of the Authority to pay any portion of the costs of the Project, the Costs of Issuance, or any other costs or expense in connection with the Project, the Costs of Issuance, the Bonds or the Bond Documents. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Authority (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal of or interest on the Bonds and that the liability of the Authority and the State of California with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

8. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Investor is aware that the business of the Borrower and the Lessee involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Investor has reviewed the documents executed in conjunction with the issuance of the Bonds, or summaries thereof, including, without limitation, the Indenture, the Master Indenture, the Supplemental Master Indenture, the Lease and the Loan Agreement.

9. The Investor acknowledges and agrees that the Authority takes no responsibility for, and makes no representation to the Investor, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bonds in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Investor also acknowledges that, with respect to the Authority’s obligations and liabilities, the Investor is solely responsible for compliance with the sales restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by the Investor.

10. The Investor agrees that it is bound by and will abide by the provisions of the Indenture relating to transfer, the restrictions noted on the face of the Bonds and this Investor Letter. The Investor also covenants to comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Bonds by the Investor.

11. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties herein by the addressees hereto.

12. The Investor hereby waives any and all claims, actions, or causes of action which the Investor may have from and after the date hereof against the Authority, counsel to the Authority, and their respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Authority took or could have taken in connection with the authorization, execution, delivery, and sale of the Bonds or the purchase of the Bonds by the undersigned or in connection with any statements or representations which induced the undersigned to purchase the Bonds. This waiver does not go to the Borrower, the Underwriter, Bond Counsel, the Lessee, or their counsel, their respective members, officers, agents, or employees.

The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.

Date: _____, 2023

Very truly yours,

NAME OF INVESTOR

By: _____

Name: _____

Title: _____

FORM OF BONDHOLDER REPRESENTATIVE LETTER

The Honorable Fiona Ma
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

California School Finance Authority
304 South Broadway
Los Angeles, California 90013

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111

RBC Capital Markets, LLC
777 S. Figueroa St., Suite 850
Los Angeles, California 90017

Re: \$ _____ California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and \$ _____ California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable)

Ladies and Gentlemen:

This letter is being delivered in connection with the sale of \$ _____ aggregate principal amount of California School Finance Authority (the "Authority") Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) 2023A (the "Purchased Series 2023A Bonds") and \$ _____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the "Purchased Series 2023B Bonds" and, together with the Purchased Series 2023A Bonds, the "Purchased Bonds"), issued pursuant to an Indenture, dated as of [_____] 1, 2023 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association (the "Trustee").

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This letter is being provided pursuant to a Bond Purchase Agreement, dated [_____] 2023 (the "Purchase Agreement"), among the Authority, the Treasurer of the State of California, as agent for sale on behalf of the Authority, RBC Capital Markets, LLC (the "Underwriter"), and approved by Grupo Nuevo Los Angeles (the "Borrower" and "Obligated Group Representative") and Camino Nuevo Charter Academy, a California nonprofit public benefit corporation ("Camino Nuevo").

The undersigned acknowledges that the Bonds are being delivered for the purpose of financing the acquisition, expansion, remodeling, renovation, furnishing and/or equipping of certain charter school facilities located in Los Angeles, California (the "Project") on behalf of the Borrower, as more particularly described in the Loan Agreement, dated as of [_____] 1, 2023 (the "Loan Agreement"), by and between the Authority and the Borrower. The undersigned further acknowledges that the Lessee will lease the charter school facility to the Borrower, and the Borrower will sublease the charter school facility to the Lessee pursuant to those certain lease and sublease agreements (collectively, the "Lease") between the Borrower and the Lessee.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Bonds ("Obligation No. 1") issued by the Obligated Group Representative in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of [_____] 1, 2023 (the "Master Indenture"), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023 (the "Supplemental Master Indenture"), each by and between the Obligated Group Representative, the Borrower and the Landlords, as the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee (the "Master Trustee"). The Indenture, the Loan Agreement, the Lease, the Master Trust Indenture, and the Supplemental Master Indenture are referred to herein as the "Bond Documents."

In connection with the sale of the Purchased Bonds, the undersigned (the "Bondholder Representative") hereby makes the following representations upon which you may rely:

1. The Bondholder Representative is a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “Act”) or a registered investment adviser as defined in the Investment Advisers Act of 1940, responsible for managing at least \$1 billion in assets.

2. The Bondholder Representative has discretionary authority over the investments of its clients who will be the owners of the Purchased Bonds (the “Owners”), is the duly appointed representative of the Owners of all of the Purchased Bonds and is authorized to act on behalf of the Owners.

3. Each Owner is an “accredited investor” as described in Sections (a)(1), (2), (3), (7), (8), (9), (12) or (13) of Rule 501 of Regulation D promulgated under the Act, or a “qualified institutional buyer” as defined in Rule 144A of the Act, and therefore has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Purchased Bonds.

4. The Bondholder Representative and each Owner understands that the Bonds are not registered under the Act and that such registration is not legally required as of the date hereof and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating, and (d) may not be readily marketable due to restrictions on transfer.

5. Each Owner is acquiring its Bonds for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and each Owner intends to hold its Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of its Bonds. However, each Owner, or the Bondholder Representative on behalf of such Owner, may sell such Owner’s Bonds at any time such Owner, or the Bondholder Representative on behalf of such Owner, deems appropriate, subject to the transfer restrictions set forth in the Bonds and in the Indenture. Each Owner understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

6. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, which it has requested from the Borrower and to which the Bondholder Representative, on behalf of itself and each Owner would attach significance in making investment decisions, which information is included in the Preliminary Limited Offering Memorandum, dated [____], 2023, (the “Preliminary Limited Offering Memorandum”), and the Limited Offering Memorandum, dated as of [____], 2023 (the “Limited Offering Memorandum”), and the Bondholder Representative, on behalf of itself and each Owner, has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project, the Lessee, the Bond Documents and the Bonds and the security therefor so that, as a reasonable investor, the Bondholder Representative, on behalf of itself and each Owner, has been able to make a decision to purchase the Bonds.

7. The Bondholder Representative, on behalf of itself and each Owner, has received a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that it has not relied upon any advice, counsel, representation or information of the Authority in connection with the Bondholder Representative's purchase, on behalf of the Owner, of the Bonds.

8. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that the obligations of the Authority under the Indenture are special, limited obligations payable solely from amounts paid to the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 and the Authority shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of the Authority to pay any portion of the costs of the Project, the Costs of Issuance, or any other costs or expense in connection with the Project, the Costs of Issuance, the Bonds or the Bond Documents. The Bondholder Representative, on behalf of itself and each Owner, understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Authority (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a

pledge of the faith and credit of the Authority, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal of or interest on the Bonds and that the liability of the Authority and the State of California with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

9. The Bondholder Representative, on behalf of itself and each Owner, has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Bondholder Representative and each Owner are aware that the business of the Borrower and the Lessee involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Bondholder Representative, on behalf of itself and each Owner, has also reviewed the documents executed in conjunction with the issuance of the Bonds, or summaries thereof, including, without limitation, the Indenture, the Master Indenture, the Supplemental Master Indenture, the Lease and the Loan Agreement.

10. The Bondholder Representative, on behalf of itself and each Owner, acknowledges and agrees that the Authority takes no responsibility for, and makes no representation to the Bondholder Representative or such Owner, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bonds in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Bondholder Representative, on behalf of itself and each Owner, also acknowledges that, with respect to the Authority's obligations and liabilities, the Bondholder Representative and such Owner are solely responsible for compliance with the sales restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by such Owner or by the Bondholder Representative on behalf of such Owner.

11. The Bondholder Representative, on behalf of itself and each Owner, agrees that it is bound by and will abide by the provisions of the Indenture relating to transfer, the restrictions noted on the face of the Bonds and this Investor Letter. The Bondholder Representative and each Owner will comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Purchased Bonds by such Owner, or by the Bondholder Representative on behalf of such Owner.

12. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that the sale of the Bonds to such Owner is made in reliance upon the certifications, representations and warranties herein by such Owner and by the Bondholder Representative on behalf of itself and on behalf of such Owner.

13. The Bondholder Representative, on behalf of itself and each Owner, hereby waives any and all claims, actions, or causes of action which such Owner or the Bondholder Representative on behalf of such Owner may have from and after the date hereof against the State Treasurer, the Authority, counsel to the Authority, counsel to the State Treasurer and their respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Authority or the State Treasurer took or could have taken in connection with the authorization, execution, delivery, and sale of the Bonds or the purchase of the Bonds by the Owner or by the Bondholder Representative on behalf of such Owner or in connection with any statements or representations which induced the Owner or the Bondholder Representative on behalf of such Owner to purchase the Bonds. This waiver does not go to the Borrower, the Underwriter, Bond Counsel, the Lessee, or their counsel, their respective members, officers, agents, or employees.

14. The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.

Date: _____, 2023

Very truly yours,

NAME OF BONDHOLDER REPRESENTATIVE

By: _____

Name: _____

EXHIBIT E

FORM OF DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

RECORDING REQUESTED BY)
AND WHEN RECORDED, RETURN TO:)
))
Kutak Rock LLP)
777 S Figueroa Street, Suite 4550)
Los Angeles, California 90017)
))
Attn: Jessica Shaham, Esq.)
))
_____)
COUNTY OF LOS ANGELES)

**DEED OF TRUST
WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “Deed of Trust”), is made as of [_____] 1, 2023, by [Landlord], a California limited liability company, as trustor (“Trustor”), to [Fidelity Title Insurance Company], as trustee (“Trustee”), for the benefit of the U.S. Bank Trust Company, National Association, a national banking association, as Beneficiary (“Beneficiary” and “Master Trustee”), as master trustee under that certain Master Indenture of Trust, dated as of [_____] 1, 2023 (the “Master Indenture”), as amended and supplemented from time to time, among the Trustor, as Borrower and as the obligated group representative, other members of the obligated group, and the Beneficiary. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Indenture.

ARTICLE I. GRANT IN TRUST

1.1 Trustor hereby grants and assigns to Trustee, in trust, with power of sale and right of entry and possession, all of Trustor’s right, title and interest in that certain real property located in the County of Los Angeles, State of California, as described on Exhibit A attached hereto and by this reference incorporated herein (the “Site” or the “Land”), together with all of the Trustor’s right, title and interest, whether now owned or hereafter acquired, in or to the property and rights listed in paragraphs (a) through (m) below (hereinafter collectively with the Site referred to as the “Property”):

- (a) All buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located on the Site (hereinafter referred to as the “Improvements”); and to the extent permitted by law, the name or names, if any, as may now or hereafter be used for each Improvement;

(b) All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Site or the Improvements and the reversions, remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Site to the center line thereof and all the estates, rights, titles, interests, property, possession, claim and demand whatsoever, both in law and in equity, of Trustor of, in and to the Site and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(c) All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), inventory and articles of personal property and accessions thereof and renewals, replacements thereof and substitutions therefor, and other tangible property of every kind and nature whatsoever owned by Trustor, or in which Trustor has or shall have an interest, now or hereafter located upon the Site or the Improvements, or appurtenances thereto, or used in connection with the present or future operation and occupancy of the Site or the Improvements;

(d) All awards of payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property to the extent actually received by Trustor, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer of the Property or part thereof made in lieu of or in anticipation of the exercise of said right), or for any other injury to or decrease in the value of the Property;

(e) All rights to minerals, oil and gas and other hydrocarbon substances, all water, irrigation and drainage rights, and all crops and timber on, under or relating to the Land; all shares of stock in any water company or other utility supplying water or utility services to the Land; and all damages, royalties and revenues of every kind, nature and description whatsoever that Trustor may be entitled to receive from any person or entity owning or hereafter acquiring a right to any oil, gas and mineral rights and reservations appurtenant or otherwise related to the Land;

(f) All privileges and other rights now or hereafter appurtenant or incidental to the Land, including air rights and development rights relating to the Land and all streets, curbs, gutters, sidewalks, sewers, storm drains, roads and public places, open or proposed; and all easements and rights of way, public or private, now or hereafter used in connection with the Land;

(g) All reserves, escrows and deposit accounts maintained by Trustor with respect to the Property (including, without limitation, all reserves, escrows, deposit accounts and other accounts established pursuant to the Loan Agreement), together with all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property from time to time held therein, and all proceeds, products, distributions, dividends or substitutions thereon or thereof;

(h) All plans, drawings, specifications, contracts and agreements for development, subdivision, grading or construction of any Improvements now located on, or hereafter to be constructed on, the Land and all studies, data and drawings relating thereto; all approvals, permits, entitlements, development agreements or other rights relating thereto; all payment, performance or other bonds and all deposits and other security delivered to, by or for the benefit of Trustor in connection with the construction of Improvements on the Land; any and all construction materials, supplies and equipment used or to be used in connection with the construction of Improvements on the Land, whether or not stored on the Land, and all warranties and guaranties relating thereto; any and all contracts, subcontracts, agreements, and purchase orders with architects, engineers, consultants, contractors, subcontractors, suppliers and materialmen incidental to construction of Improvements on the Land; all reserves, deferred payment deposits, cost savings and payments of any kind relating to the construction of such Improvements; and all drawings, maps, plats, surveys, studies and reports relating to the Land;

(i) All leases and other agreements affecting the use, enjoyment or occupancy of the Property now or hereafter entered into (the "Leases") and all oil and gas or other mineral royalties, bonuses and rents, revenues, security deposits, issues and profits from the Property (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the obligations secured by this Deed of Trust;

(j) All insurance policies and proceeds of and any unearned premiums on any insurance policies covering the Property including, without limitation, the right to receive and apply the proceeds of any insurance, judgments (including with respect to a casualty thereto or condemnation thereof), or settlements made in lieu thereof, for damage to the Property;

(k) The right, in the name and on behalf of Trustor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Beneficiary in the Property; and

(l) All right, title and interest of every nature of the Trustor in all receivables and other accounts of Trustor relating to the Property and in all monies deposited or to be deposited in any funds or account maintained or deposited with Beneficiary, or its assigns, in connection herewith, if any.

ARTICLE II. ASSIGNMENT OF RENTS

2.1 Trustor absolutely and irrevocably assigns to Beneficiary the Rents of the Property upon the terms and conditions hereinafter set forth. The foregoing assignment shall not impose upon Beneficiary any duty to produce Rents from the Property, and said assignment shall not cause Beneficiary to be a "mortgagee in possession" for any purpose. This assignment of the Rents and profits of the Property is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest. Beneficiary is hereby authorized to collect and receive the foregoing Rents, to give proper receipts and acquittances therefor and to apply the same to the payment of the obligations secured hereby. However, Beneficiary hereby grants Trustor a

revocable license to collect and receive, and to use in accordance with the provisions of the Master Indenture, such Rents until after an Event of Default (as that term is defined herein in Article V, Default Provisions) has occurred and while such Event of Default is continuing. Upon an Event of Default, the license shall be automatically revoked, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all Rents of the Property as the same shall become due and payable, including, but not limited to, Rents then due and unpaid. All such Rents thereafter collected by Trustor shall be held by Trustor as trustee in a constructive trust for the benefit of Beneficiary only. Trustor agrees that commencing upon delivery of such written notice of revocation of license, each tenant of the Property shall make such Rents payable to and pay such Rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant, without any liability on the part of said tenant to inquire further as to the existence of a default or license by Trustor.

ARTICLE III. OBLIGATIONS SECURED

3.1 Trustor makes the foregoing grant for the purpose of securing (collectively, the "Secured Obligations"):

(a) Payment to the California School Finance Authority (the "Authority") of all Loan Repayments and Additional Payments and other amounts to be paid by Trustor arising under the Loan Agreement, dated of even date herewith, between the Authority and the Borrower (the "Loan Agreement") and amounts due under the obligations issued pursuant to the Master Indenture;

(b) The observance and performance by Trustor of each covenant and obligation on the part of Trustor to be observed or performed pursuant to the Loan Agreement (hereinafter as amended, supplemented or otherwise modified from time to time referred to collectively with the Master Indenture, as the "Financing Documents");

(c) The payment of all payments required with respect to Related Bonds issued or executed and delivered from time to time by or for the benefit of the Trustor or another Member and the performance by Trustor of each covenant and obligation on part of Trustor to be observed or performed pursuant to the agreements and/or instruments pursuant to which such Related Bonds is issued or executed and delivered;

(d) The observance and performance of each covenant and obligation of Trustor herein contained or incorporated herein by reference and payment of each fee, cost and expense by Trustor as herein set forth; and

(e) Payment of such further sums and/or performance of such further obligations as the then record owner of the Property may undertake to pay and/or perform (whether as principal, surety or guarantor), for the benefit of Beneficiary, its successors or assigns, when said borrowing and/or obligation is evidenced by a writing or writings signed by such owner reciting that it or they are so secured.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, THE PARTIES AGREE AS FOLLOWS:

ARTICLE IV. RIGHTS AND DUTIES OF THE PARTIES.

4.1 Title. Trustor warrants that it lawfully holds and possesses the real property as shown in Exhibit A, in fee simple, free and clear of all liens, encumbrances and other exceptions, other than the Permitted Liens, and without limitation on the right to encumber except as set forth in the Loan Agreement.

4.2 Taxes and Assessments. Trustor shall pay or cause to be paid prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Property, any part thereof or interest therein (unless contested in good faith by Trustor). Trustor shall also pay, after notice and prior to delinquency, all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in the Property created hereby or by reason of any payment, or portion thereof, made to Beneficiary hereunder or pursuant to any obligation hereby secured; provided, however, that Trustor shall have no obligation to pay or discharge Beneficiary's business or franchise taxes, federal or state income taxes or other taxes and which are measured by and imposed upon Beneficiary's net or gross income or receipts.

4.3 Insurance. Trustor shall provide all insurance specified in the Financing Documents.

4.4 Liens and Encumbrances. Except as permitted by the Financing Documents, Trustor shall pay, when due at or prior to maturity or such other period as permitted in the Loan Agreement, all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber the Property or any part thereof or interest therein, whether senior or subordinate hereto, including without limitation all claims for work or labor performed, or materials or supplies furnished, in connection with any work of demolition, alteration, improvement of or construction upon the Property. Trustor shall have the right to contest in good faith any such obligation or claim provided such contest shall be prosecuted diligently and in a manner not prejudicial to Beneficiary, and if a judgment adverse to Trustor is obtained, such judgment shall be fully paid or discharged within ten (10) days after the entry of such judgment unless such judgment is stayed. Upon demand by Beneficiary, Trustor shall defend, indemnify and hold Beneficiary harmless against any such obligation or claim, so contested by Trustor, and upon demand by Beneficiary, Trustor shall make suitable provision by payment to Beneficiary or by posting a bond or other security satisfactory to Beneficiary for the possibility that the contest will be unsuccessful, including, if Beneficiary requests, a one-and-one half times bond with respect to mechanics' or materialmens' liens, if available. Such provision shall be made within ten (10) days after demand therefor and, if made by payment of funds to Beneficiary, the amount so deposited shall be disbursed in accordance with the resolution of the contest either to Trustor or the adverse claimant. If Trustor fails to post a suitable bond or other acceptable security as provided, Beneficiary may remove or pay such lien or encumbrance at Trustor's expense.

4.5 Disposition of Insurance and Condemnation Proceeds. Trustor agrees to apply all insurance and condemnation proceeds in accordance with the terms and conditions of the Financing Documents.

4.6 Maintenance and Preservation of the Property.

(a) Trustor covenants: (i) to maintain or cause to be maintained the Property in good condition and repair; (ii) to pay when due all claims for work performed and for materials furnished on or to the Property to the extent required by the Financing Documents and which are not otherwise being contested by the Trustor in good faith, and to pay within the periods permitted in the Financing Documents any and all liens or encumbrances arising out of or resulting from work performed or materials supplied on or to the Property to the extent required by the Financing Documents; (iii) to comply in all material respects with and not suffer material violations of, (a) any and all laws, ordinances and regulations (“Laws”), (b) any and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character (“Covenants”), and (c) all requirements of insurance companies (“Requirements”), which Laws, Covenants or Requirements affect the Property and pertain to acts committed or conditions existing thereon, including without limitation such work of alteration, improvement or demolition as such Laws, Covenants or Requirements mandate; (iv) not to commit or permit waste of the Property or any material part thereof; (v) to do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value; (vi) to perform all material obligations required to be performed in leases, conditional sales contracts or like agreements affecting the Property or the operation, occupation or use thereof (and upon the occurrence and continuance of an Event of Default all right, title and interest of Trustor under any such leases, conditional sales contracts or like agreements shall be automatically assigned to Beneficiary hereunder, together with any deposits made in connection therewith); (vii) not to create any deed of trust or encumbrance upon the Property other than Permitted Liens; (viii) to make no further assignment of Rents of the Property other than Permitted Liens; and (ix) to execute and, where appropriate, acknowledge and deliver such further instruments as Beneficiary or Trustee reasonably deems necessary or appropriate to preserve, continue, perfect and enjoy the security provided for herein, including without limitation assignments of Trustor’s interest in leases of the Property.

(b) Without the prior written consent of Beneficiary, which consent will not be unreasonably withheld or delayed, Trustor will not apply for, directly or indirectly, any change in the zoning or permitted land uses of the Property, other than to permit the development of the Facilities as required by the Loan Agreement and Indenture, which change could reasonably be expected to materially and adversely affect the use or value of the Property.

4.7 Defense and Notice of Actions. Trustor shall, without liability, cost or expense to Beneficiary or Trustee, protect, preserve and defend (by counsel satisfactory to Beneficiary) title to the Property, the security hereof and the rights or powers of Beneficiary or Trustee hereunder. Said protection, preservation and defense shall include protection, preservation and defense against all adverse claimants to title or any possessory or non-possessory interest therein, whether or not such claimants or encumbrances assert title paramount to that of Trustor or claim their interest on the basis of events or conditions arising subsequent to the date hereof, other than Permitted Liens. Trustor shall give Beneficiary and Trustee prompt notice in writing of the filing of any such action or proceeding.

4.8 Books and Records.

(a) Trustor will keep adequate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Upon the occurrence and continuance of an Event of Default (as such term is defined in Article V, Default Provisions), Beneficiary will have the right to examine, copy and audit Trustor's records and books of account at all reasonable times during normal business hours upon not less than five (5) Business Days' prior written notice to Trustor. Trustor shall deliver to Beneficiary such records, statements and notices as may be required from time to time pursuant to the terms of the Loan Agreement.

(b) Trustor will promptly furnish, within fifteen (15) days after Beneficiary's written request, a duly acknowledged written statement setting forth all amounts due on the indebtedness secured by this Deed of Trust and stating whether, to the best of Trustor's knowledge, any offsets or defenses exist, and containing such other matters as Beneficiary may reasonably require.

4.9 Collection of Rents. Subject to the provisions of the Financing Documents, Beneficiary confers upon Trustor the authority to collect and retain Rents of the Property as they become due and payable; provided, however, that Beneficiary may revoke said authority and collect and retain the Rents of the Property assigned herein to Beneficiary upon the occurrence and continuance of an Event of Default by Trustor upon giving written notice to Trustor, and without regard to the adequacy of any security for the indebtedness hereby secured, and without taking possession of all or any part of the Property or becoming a "mortgagee in possession." The right to collect Rents as herein provided shall not grant to Beneficiary or Trustee the right to possession, except as expressly herein provided; nor shall said right impose upon Beneficiary or Trustee the duty to produce Rents or profits or maintain the Property in whole or in part. Trustor hereby agrees that it will do nothing to impair Beneficiary's ability to collect and retain the Rents and interests herein assigned on the terms hereof and that any tenant or subtenant occupying the Property or any part thereof may pay any and all Rents or other charges directly to Beneficiary upon notice from Beneficiary without the necessity of any notice from Trustor. Beneficiary may apply, in its sole discretion, any Rents, so collected by Beneficiary against any indebtedness secured hereby or any obligations of Trustor arising hereunder or any other obligations of Trustor to Beneficiary, whether existing on the date hereof or hereafter arising. Collection of any Rents by Beneficiary shall not cure or waive any default or notice of default hereunder or invalidate any acts done pursuant to such notice.

4.10 Right of Inspection. Beneficiary, its agents, contractors and employees, may enter the Property in accordance with the safety and security protocols for Camino Nuevo Charter Academy in order to inspect the Property and in accordance with the rights set forth in the Loan Agreement.

4.11 Acceptance of Trust; Notice of Indemnification. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, becomes a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless Trustee brings such action. Trustee shall not be obligated to perform any act required of it hereunder unless

the performance of such act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.

4.12 Powers of Trustee. From time to time upon the written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of the obligation secured hereby, Trustee may, without liability therefor and without notice, (i) reconvey all or any part of the Property, (ii) consent to the making of any map or plat thereof, (iii) join in granting any easement thereon, (iv) join in any declaration of covenants and restrictions, or (v) join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee shall, upon request by Trustor, and at no expense to Trustee or Beneficiary, consent to utility easements, subdivision maps and similar rights in the Property granted or applied for by Trustor, provided that rights granted or applied for (a) are customary in connection with the development of real property, (b) are reasonable in form and content, and (c) do not materially and adversely diminish the value of the Property. Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and Trustee or Beneficiary may obtain orders or decrees directing or confirming or approving acts in the execution of said trusts and the enforcement of said remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding unless held or commenced and maintained by Trustee under this Deed of Trust. Trustor shall pay to Trustee reasonable compensation and rents for services and expenses in the administration of the trusts created hereunder upon the occurrence of an Event of Default, including reasonable attorneys' fees. Trustor indemnifies Trustee and Beneficiary against all losses, claims, demands and liabilities (except losses, claims, demands or liabilities arising from the negligence or willful misconduct of the indemnified party) which may be incurred, suffered or sustained in the execution of the trusts created hereunder or in the performance of any act required or permitted hereunder or by law.

4.13 Substitution of Trustees. From time to time, by a writing signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Property is located, a copy of which shall be delivered to Trustor, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall refer to this Deed of Trust and set forth the date, book and page of its recordation. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this paragraph shall be conclusive proof of the proper substitution of such new trustee.

4.14 Reconveyance. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust and a copy of the instrument or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Property or that portion thereof then held hereunder. The recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto." Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last

such reconveyance shall operate as a reassignment of all future Rents of the Property to the person or persons legally entitled thereto, unless such reconveyance expressly provides to the contrary.

4.15 Certain Taxes. In the event of the passage, after the date of this Deed of Trust, of any law deducting from the value of the Property for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust or similar instruments, or the manner of the collection of any such taxes, so as to affect this Deed of Trust, or imposing payment of the whole or any portion of any taxes, assessments or other similar charges against the Property upon Beneficiary, Trustor shall pay such tax or increased portion and shall agree with Beneficiary in writing to pay, or reimburse Beneficiary for the payment of, any such tax or increased portion thereof when thereafter levied or assessed against the Property or any portion thereof. The obligations of Trustor under such agreement shall be secured by this Deed of Trust.

4.16 Environmental Matters.

(a) Definitions. The following definitions apply to the provisions of this Section 4.16:

(1) The terms “Responsible Person” shall mean Trustor, and any other person who owns or acquires any interest in any part of the Property so long as Trustor continues to own the Property, including but not limited to any tenants, easement holders, licensees and other persons using or occupying the Property or any portion thereof and all persons in transit across any part of the Property.

(2) The term “Applicable Law” shall include, but shall not be limited to, each statute named or referred to in (3) below, and all rules and regulations thereunder, and any other local, state and/or federal laws, rules, regulations and ordinances, whether currently in existence or hereafter enacted, which govern, to the extent applicable to the Property,

(i) the existence, cleanup and/or remedy of contamination on property;

(ii) the protection of the environment from soil, air or water pollution, or from spilled, deposited or otherwise emplaced contamination;

(iii) the emission or discharge of hazardous substances into the environment;

(iv) the control of hazardous wastes; or

(v) the use, generation, transport, treatment, removal or recovery of hazardous substances.

(3) The term “Hazardous Substance” shall mean (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a

hazard to the Property or to persons on or about the Property or (ii) cause the Property to be in material violation of any Applicable Law; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Applicable Law including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §§ 9601 *et seq.*; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. §§ 6901 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 *et seq.*; the California Hazardous Waste Control Law (“HWCL”), CAL. HEALTH & SAFETY CODE §§ 25100 *et seq.*; the Hazardous Substance Account Act (“HSAA”), CAL. HEALTH & SAFETY CODE §§ 25300 *et seq.*; the Underground Storage of Hazardous Substances Act, CAL. HEALTH & SAFETY CODE §§ 25280 *et seq.*; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), CAL. WATER CODE §§ 13000 *et seq.*; the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property, or any other person coming upon the Property or adjacent property; and (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

(b) Covenants and Representations.

(1) Except as set forth in the Limited Offering Memorandum, dated [____], 2023 (the “Limited Offering Memorandum”), related to the issuance of the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable), Trustor represents to its actual knowledge and warrants that there have not been during the period of Trustor’s ownership and, to the best of Trustor’s knowledge, information and belief, without any duty of investigation or inquiry there have not been at any other times, any activities on the Property involving, directly or indirectly, the use, generation, treatment, storage or disposal of any Hazardous Substances in material violation of Applicable Law (a) under, on or in the land included in the Property, whether contained in soil, tanks, sumps, ponds, lagoons, barrels, cans or other containments, structures or equipment, (b) incorporated in the buildings, structures or improvements included in the Property, including any building material containing asbestos, or (c) used in connection with any operations on or in the

Property, in each case that would have a material adverse effect on the Trustor's operations, taken as a whole.

(2) Trustor shall not allow, nor shall it permit any other Responsible Person to allow, any Hazardous Substances to be brought onto, installed, used, stored, treated or disposed or transported over the Property in material violation of Applicable Law. Without limiting the generality of the foregoing, Trustor shall not, nor shall it permit any Responsible Person to, install, use or permit to be installed or used any product or substance containing asbestos, urea formaldehyde foam insulation or polychlorobiphenyls (pcbs) on the Property in violation of Applicable Law.

(3) Trustor represents that all activities and conditions on the Property are currently in compliance with Applicable Law, except to the extent that non-compliance could not reasonably be expected to materially impair the use of the Property or materially and adversely affect the value thereof. So long as Trustor shall own the Property, Trustor covenants and agrees that all activities on the Property, whether conducted by any Responsible Person or by any other person under the Trustor's license or control, shall at all times comply with Applicable Law except to the extent that non-compliance could not reasonably be expected to materially impair the use of the Property or materially and adversely affect the value thereof.

(4) Within ten (10) days after receipt or completion of any material report, citation, order, manifest or other written or oral communication from any local, state or federal agency or authority empowered to enforce, investigate or oversee compliance with Applicable Law, concerning the Property, any condition thereon, or the activities of any person on or near the Property, Trustor shall notify Beneficiary in writing of the contents of such communication, and shall provide Beneficiary with a copy of all relevant documents.

(5) Notwithstanding any other provision of this Deed of Trust, upon discovery of any Hazardous Substance on or in the Property in material violation of Applicable Law, including, without limitation, substances that have leached onto the Property from neighboring property, substances that were deposited prior to Trustor's ownership of the Property and all substances spilled, discharged or otherwise emitted or deposited on the Property during Trustor's ownership, Trustor shall immediately notify Beneficiary thereof. Trustor shall immediately take all actions necessary to comply with Applicable Law requiring notification of government agencies concerning such Hazardous Substance and to the extent required by law to remedy or correct the violation. Trustor shall handle and dispose of such substances in accordance with Applicable Law. Trustor shall take any and all actions, including institution of legal action against third parties, which in Trustor's reasonable business judgment are appropriate to obtain reimbursement or compensation from such persons as were responsible for the presence of any Hazardous Substance on the Property or otherwise obligated by law to bear the cost

of such remedy. Beneficiary shall be subrogated to Trustor's rights in all such claims.

(6) Trustor shall be solely responsible for and agrees to indemnify Beneficiary, the Authority and the Master Trustee, protect and defend with counsel acceptable to Beneficiary, the Master Trustee and the Authority, and hold Beneficiary, the Master Trustee and the Authority harmless from and against any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), reasonable consultant fees, and expert fees that arise directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Substance in, or from the Property, whether into the air, soil, surface water or groundwater at the Property, or any other violation of Applicable Law, or any breach of the foregoing representations and covenants. The provisions of this subparagraph 4.16(b)(6) shall survive the termination and reconveyance of this Deed of Trust.

(c) Right of Entry. In addition to all rights of entry contained in this Deed of Trust, Beneficiary shall have the right during normal business hours, upon not less than five (5) Business Days' prior written notice to Trustor, and in accordance with its safety and security protocols to enter and inspect the condition of the Property at any time and to conduct, or to designate a representative to conduct such inspection, testing, environmental audit or other procedures that Beneficiary reasonably believes are necessary or desirable to determine current compliance with the covenants and representations contained herein, provided that such inspection, testing, environmental audit or other procedures do not disrupt or negatively impact Trustor's ordinary business operations on the property and shall be at Beneficiary's sole cost and expense.

(d) Beneficiary's Obligations. Nothing contained in this Section 4.16 shall obligate Beneficiary to take any action with respect to the Property, any Hazardous Substances thereon, or any condition or activity that is in violation of Applicable Law, or to take any action against any person with respect to such substances, condition or activity.

4.17 Wetlands. Trustor shall be solely responsible for and agrees to indemnify Beneficiary, protect and defend with counsel acceptable to Beneficiary, and hold Beneficiary harmless from and against any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), reasonable consultant fees, and expert fees that arise directly or indirectly from or in connection with the presence on the Property of wetlands, tidelands or swamp and overflow lands. The provisions of this Section 4.17 shall survive the termination and reconveyance of this Deed of Trust.

ARTICLE V. DEFAULT PROVISIONS.

5.1 Event of Default. As used in this Deed of Trust, the term “Event of Default” means each of the following:

(a) Trustor fails to perform or observe any term or condition of this Deed of Trust applicable to Trustor or to the Property, and such event or circumstance, if capable of being cured, is not cured within 60 days after written notice thereof is given by Trustee or Beneficiary to Trustor;

(b) The holder of any junior, subordinated or senior mortgage, deed of trust or other lien on the Property, or any part thereof (without hereby implying Beneficiary’s consent to any junior, subordinated or senior mortgage, deed of trust or other lien) is granted relief in any foreclosure or similar proceeding for the enforcement of its remedies thereunder, which relief (i) negatively affects Beneficiary’s rights hereunder and (ii) is not stayed; or

(c) If any Event of Default under the Indenture or under the Loan Agreement shall occur and be continuing.

5.2 Rights and Remedies. At any time after the occurrence and during the continuance of an Event of Default, Beneficiary and Trustee shall each have the following rights and remedies:

(a) To declare all obligations secured hereby immediately due and payable;

(b) With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor and, in connection therewith, to enter upon the Property and to perform such acts and things as Beneficiary or Trustee deem necessary or desirable to inspect, investigate, assess and protect the security hereof, including without limitation of any of its other rights: to obtain a court order to enforce Beneficiary’s right to enter and inspect the Property pursuant to California Civil Code Section 2929.5, to which the decision of Beneficiary as to whether there exists a release or threatened release of a Hazardous Substance onto the Property shall be deemed reasonable and conclusive as between the parties hereto; to have a receiver appointed pursuant to California Code of Civil Procedure Section 564 to enforce Beneficiary’s right to enter and inspect the Property for Hazardous Substances; to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of either Beneficiary or Trustee, is prior or superior hereto, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; to pay any premiums or charges with respect to insurance required to be carried hereunder; and to employ counsel, accountants, contractors and other appropriate persons to assist them;

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy;

(d) Beneficiary or its employees, acting by themselves or through a court-appointed receiver may enter upon, possess, manage, operate, dispose of and contract to dispose of the Property or any part thereof; negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; make, terminate, enforce or modify leases of the Property upon such terms and conditions as Beneficiary deems proper; contract for goods and services, hire agents, employees and counsel, make repairs, alterations and improvements to the Property necessary, in Trustee's or Beneficiary's judgment, to protect the security hereof; incur the risks and obligations ordinarily incurred by owners of property (without any personal obligation on the part of the receiver); and/or take any and all other actions which may be reasonably necessary or desirable to comply with Trustor's obligations hereunder and under the Financing Documents. All sums realized by Beneficiary under this subparagraph, less all costs and expenses incurred by it under this subparagraph, including reasonable attorneys' fees, and less such sums as Beneficiary reasonably deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness nor any other action taken by Beneficiary under this subparagraph shall cure or waive any Event of Default, or notice of default hereunder or nullify the effect of any such notice of default. Beneficiary or Trustee, or any employee or agent of Beneficiary or Trustee, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to (i) the adequacy of the security for the indebtedness secured hereunder, (ii) the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or (iii) the filing of a notice of default except as otherwise provided in Section 5.1 above; and

(e) To execute a written notice of such Event of Default, and of its election to cause the Property to be sold to satisfy the obligations secured hereby, Trustee shall give and record such notice as the law then requires as a condition precedent to a Trustee's sale. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as otherwise required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale and in such order as it or Beneficiary may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale (the obligations hereby secured being the equivalent of cash for purposes of said sale). If the Property consists of several lots, parcels, or items of property, Beneficiary may: (i) designate the order in which such lots, parcels, or items shall be offered for sale or sold, or (ii) elect to sell such lots, parcels or items through a single sale, through two or more successive sales, or in any other manner Beneficiary deems in its best interest. Trustor shall have no right to direct the order in which the Property is sold. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at such time fixed by the preceding postponement. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary, may purchase at such sale.

In connection with any sale or sales hereunder, Beneficiary may elect to treat any of the Property which consists of a right in action or which is property that can be severed from the real property covered hereby or any improvements thereon without causing structural damage thereto as if the same were personal property or a fixture, as the case may be, and dispose of the same in accordance with applicable law, separate and apart from the sale of real property. Any sale of any personal property or fixtures hereunder shall be conducted in any manner permitted by the California Uniform Commercial Code.

After deducting all reasonable costs, fees and expenses of Trustee and of this trust, including all costs of evidence of title and reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums so expended under the terms hereof not then repaid, the payment of all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto;

(f) To resort to and realize upon the security hereunder and any other security now or hereafter held by Beneficiary in such order and manner as Trustee and Beneficiary or either of them may, in their sole discretion, determine; and resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both;

(g) To seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters set forth above in Section 4.16, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Civil Procedure Code Section 736, whether commenced prior to foreclosure of the Property or after foreclosure of the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other reasonable out-of-pocket costs or expenses actually incurred by Beneficiary (collectively, the "Environmental Costs") incurred or advanced by Beneficiary relating to the cleanup, remediation or other response action required by Applicable Law or to which Beneficiary reasonably believes necessary to protect the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation or other response action of or to the Property were made by Beneficiary in good faith. All Environmental Costs incurred by Beneficiary pursuant to this subparagraph (including without limitation court costs, reasonable consultants' fees and reasonable attorneys' fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Default Rate (as hereinafter defined) from the date of invoice thereof until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Property held pursuant to subparagraph (e) above, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein, the Environmental Costs shall be exceptions to any non-recourse or exculpatory provision and Trustor shall be fully and personally liable for the Environmental Costs hereunder and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust; and

(h) To waive its lien against the Property or any portion thereof, whether fixtures or personal property, to the extent such property is found to be environmentally impaired in accordance with California Code of Civil Procedure Section 726.5 and to exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including, but not limited to, seeking an attachment order pursuant to California Code of Civil Procedure Section 483.010. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure Section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) was not in any way negligent in permitting the release or threatened release of the Hazardous Substance. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein, to the extent permitted by law, all judgments and awards entered against Trustor shall be exceptions to any non-recourse or exculpatory provision and Trustor shall be fully and personally liable for all judgments and awards entered against Trustor hereunder and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust.

5.3 Payment of Costs, Expenses and Attorneys' Fees. All reasonable costs and expenses incurred by Trustee and Beneficiary pursuant to subparagraphs (a) through (h) inclusive of Section 5.2 (including without limitation court costs, reasonable consultants' fees and reasonable attorneys' fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at a rate equal to the interest rate on the Loan Repayments (the "Default Rate"), from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Property held pursuant to subparagraph 5.2(e) above, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

5.4 Remedies Cumulative. All rights and remedies of Beneficiary and Trustee hereunder are cumulative and in addition to all rights and remedies provided by law.

5.5 Releases, Extensions, Modifications and Additional Security. Without affecting the liability of any person for payment of any indebtedness secured hereby, or the lien or priority of this Deed of Trust upon the Property, Beneficiary may, from time to time, with or without notice, do one or more of the following as otherwise permitted under the Financing Documents: release any person's liability for the payment of any indebtedness secured hereby, make any agreement or take any action extending the maturity or otherwise altering the terms or increasing the amount of any indebtedness secured hereby, and accept additional security or release all or a portion of the Property and/or other security held to secure the indebtedness secured hereby.

5.6 Marshalling. Trustor hereby waives any right to require that any security given hereunder or under any other agreement securing the obligations secured hereby be marshalled and further waives any right otherwise available in respect to marshalling of assets which secure any obligation secured or imposed hereby or to require Beneficiary to pursue its remedies against any such assets.

ARTICLE VI. SECURITY AGREEMENT AND FIXTURE FILING.

6.1 Grant of Security Interest. As additional security for the obligations secured by this Deed of Trust, Trustor hereby grants to Beneficiary a security interest in and to the following items (collectively, the “Collateral”). Trustor is sometimes referred to herein as “Debtor” and Beneficiary is sometimes referred to herein as “Secured Party.”

(a) All goods, fixtures and other equipment of every kind in which Debtor now or at any time hereafter owns or acquires any interest in connection with the Property, including, without limitation, all tools, equipment, appliances, heating, ventilating and air conditioning systems, plumbing, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, carpets and carpeting, furnishings, furniture, trailers, mobile homes, service equipment, building or maintenance equipment, and all additions and accessions thereto, whether located at the Property, Debtor’s places of business or elsewhere;

(b) All inventory and tangible assets used or consumed in connection with the Property in which Debtor now or at any time hereafter owns or acquires any interest, and all products thereof, whether in the possession of Debtor, warehousemen, bailees or any other person and to the extent now or hereafter located at the Property;

(c) All goods and property covered by any warehouse receipts, bills of lading and other documents evidencing any goods or other tangible personal property of any kind in which Debtor now or at any time hereafter has any interest in connection with the Property or Collateral;

(d) All goods and other tangible personal property of every kind, character or nature in which Debtor now has or at any time hereafter shall have any interest, located on or used in the operation, use, maintenance, development or construction of or otherwise in connection with the Property or Collateral, including, without limitation, any equipment, inventory and other goods and assets which are now or hereafter acquired with loan proceeds or acquired pursuant to or in connection with any lease or other contract pertaining to any use of the Property;

(e) All general intangibles, accounts, agreements, contracts, documents and leases of any kind or nature in which Debtor now or at any time hereafter has an interest related to the Property or the use, operation or maintenance of the Property or any part thereof, and all amendments, supplements, substitutions and renewals thereof, including without limitation all contract rights of Debtor in leases, warranties, letters of credit, construction contracts, permits, licenses, approvals, governmental authorizations, consulting contracts, bonds, plans and specifications, architectural and engineering drawings, fire insurance policies and other insurance policies, condemnation awards and settlements, copyrights, goodwill, and accounts receivable;

(f) All profits, payments or proceeds of and from any and all agreements for the sale, lease, transfer or conveyance of all or any portion of the Property, subject to the

rights of Debtor to collect and retain the same so long as no Event of Default shall have occurred and is continuing; and

(g) Any and all products, accessions, additions, substitutions, replacements or proceeds of or to any of the Collateral which may now or hereafter exist, and any and all rent or income derived from any or all of the Collateral, subject to the rights of Debtor to collect and retain the same so long as no Event of Default shall have occurred and is continuing.

6.2 Remedies. Upon an Event of Default, Beneficiary is and shall be entitled to all the rights, powers and remedies granted a secured party under the California Uniform Commercial Code and other applicable law, including, but not limited to, the right to take possession of all such Collateral. Beneficiary or its representatives may enter upon the Property (without Beneficiary being deemed to be taking possession of the Property or being deemed a mortgagee-in-possession) at any time to inspect, repair, assemble, have appraised or to remove the Collateral and may advertise and conduct public auctions and private sales thereon. Beneficiary may require Trustor to assemble the Collateral and make it available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties. In addition to the expenses of retaking, holding, preparing for sale, selling and otherwise exercising its remedies hereunder, Beneficiary shall be entitled to recover reasonable attorneys' fees and legal expenses before applying the balance of the proceeds from the sale or other disposition of the Collateral towards satisfaction of the obligations secured hereby. Trustor shall remain liable for any deficiency remaining after such sale or other disposition.

With respect to fixtures, Beneficiary or Trustee may elect to treat same as either real property or personal property and proceed to exercise such rights and remedies applicable to the categorization so chosen. Beneficiary may proceed against the items of real property and any items of Collateral separately or together in any order whatsoever, without in any way affecting or waiving Beneficiary's rights and remedies under the California Uniform Commercial Code or its rights and remedies provided under this Deed of Trust.

6.3 Fixture Filing. Trustor agrees that this Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder where the Property is located with respect to any and all fixtures included within the term "Property" as used herein and with respect to any goods and other personal property that may now be or hereafter become fixtures. The names and mailing addresses of the debtor (Trustor) and the secured party (Beneficiary) are set forth below in Section 7.12 of this Deed of Trust. Trustor is, or is one of, the record owners of the Property. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Trustor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproductions of this Deed of Trust in such form as Beneficiary may require to perfect a security interest with respect to such Collateral. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Beneficiary may reasonably require.

6.4 Limitations. Except as otherwise clearly and expressly provided in the Borrower Documents, the Master Indenture, the Limited Offering Memorandum or this Deed of Trust: (i) Beneficiary has not consented to any other security interest of any other person in any Collateral and has not disclaimed any interest in any Collateral; and (ii) Beneficiary has not agreed or consented to the removal of any Collateral from the Property, and such consent by Trustor shall not be binding on Beneficiary.

6.5 Removal. Notwithstanding any other provision of this Deed of Trust or any other agreement or contract between Trustor and Beneficiary to the contrary, Trustor shall not, without the prior written consent of Beneficiary, remove or permit the removal of any fixture from the Property with a replacement cost in excess of Fifty Thousand Dollars (\$50,000) for any one item or Two Hundred Fifty Thousand Dollars (\$250,000) in the aggregate of all such fixtures removed from the date of such completion until the date this Deed of Trust is reconveyed, except for fixtures removed and replaced in the ordinary course of business. Beneficiary further reserves the right to prohibit the removal of any such fixture by any person with the legal right to remove any fixture from the Property unless and until such person makes arrangements with (and satisfactory to) Beneficiary for the payment to Beneficiary of all costs of repairing any physical injury to the Property which may be caused by the removal of that fixture.

ARTICLE VII. MISCELLANEOUS PROVISIONS.

7.1 Non-Waiver. By accepting payment of any sum secured hereby after its due date or late performance of any obligation secured hereby, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder or on any obligation hereby secured, either to require prompt payment or performance when due of all other sums and obligations so secured or to declare default for failure to make such prompt payment or performance. No exercise of any right or remedy by Beneficiary or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

7.2 Further Assurances. Trustor shall, upon demand by Beneficiary or Trustee, execute, acknowledge (if appropriate) and deliver any and all documents and instruments and do or cause to be done all further acts reasonably necessary or appropriate to effectuate the provisions hereof.

7.3 Statements of Condition. From time to time as required by law, Beneficiary shall furnish to Trustor such statement as may be required concerning the condition of the obligations secured hereby. Upon demand by Beneficiary, Trustor covenants and agrees to pay Beneficiary's reasonable costs incurred in furnishing such statement, but not in excess of the maximum amount allowed by law.

7.4 Usury Savings Clause. Nothing contained herein or in the Financing Documents shall be deemed to require the payment of interest or other charges by Trustor in excess of the amounts that may be lawfully charged to the Trustor pursuant to the Financing Documents or under the applicable usury laws. In the event Beneficiary shall collect monies which are deemed to constitute interest which would increase the effective interest rate to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of

the legal rate shall, upon such determination, at the option of Beneficiary, be returned to Trustor or credited against the principal balance of any obligation secured hereby then outstanding.

7.5 Attorneys' Fees. In the event legal action, suit or any proceeding is commenced between Trustor and Trustee or Beneficiary regarding their respective rights and obligations under this Deed of Trust or any of the other Financing Documents, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, attorneys' fees and court costs. As used herein the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise settlement or judgment. If the party which shall have commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

7.6 Waiver of Personal Liability. No officer, agent, director or employee of the Trustor shall be individually or personally liable for payment of any principal (or Redemption Price) and interest on the Related Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of the Deed of Trust; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or specifically provided by this Deed of Trust.

7.7 Trustor and Beneficiary Defined. The term "Trustor" herein includes both the original Trustor and any subsequent owner or owners of any of the Property, and the term "Beneficiary" includes the original Beneficiary and also any subsequent duly appointed beneficiary, and each of their successors.

7.8 No Joint Venture. The relationship of Trustor and Beneficiary under this Deed of Trust and the Loan Agreement is, and shall at all times remain, solely that of borrower and lender; and Beneficiary neither undertakes nor assumes any responsibility or duty to Trustor or to any third party with respect to the Property. Notwithstanding any other provisions of this Deed of Trust and the Financing Documents: (a) Beneficiary and Authority are not, and shall not be construed as, a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Trustor and Beneficiary and Authority do not intend to ever assume such status; (b) the activities of Beneficiary and Authority in connection with this Deed of Trust and the Financing Documents shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as amended or recodified from time to time, and Beneficiary and Authority do not intend to ever assume any responsibility to any person for the quality, suitability, safety or condition of the Property; and (c) Beneficiary and Authority shall not be deemed responsible for or a participant in any acts, omissions or decisions of Trustor. The Beneficiary and Authority shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any construction on, or occupancy or use of, any of the Property, whether caused by or arising from: (i) any defect in any building, structure, grading, fill, landscaping or other improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Trustor or any of Trustor's agents, employees, independent contractors, licensees or invitees; (iii) any accident in or on any of the Property or any fire, flood or other casualty or hazard thereon; (iv) the failure of Trustor, any of Trustor's licensees, employees, invitees, agents, independent contractors or other representatives

to maintain the Property in a safe condition; and (v) any nuisance made or suffered on any part of the Property.

7.9 Rules of Construction. When the identity of the parties hereto or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. Specific enumeration of rights, powers and remedies of Trustee and Beneficiary and of acts which they may do and acts Trustor must or must not do shall not exclude or limit the general. The headings of each paragraph are for information and convenience and do not limit or construe the contents of any provision hereof.

7.10 Severability. If any term of this Deed of Trust, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

7.11 Successors in Interest. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

7.12 Notices. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by hand delivery, recognized overnight courier, registered or certified mail addressed as follows:

To TRUSTOR at: [Landlord]
c/o Grupo Nuevo Los Angeles
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

To MASTER TRUSTEE at: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department

The addresses may be changed from time to time by any party by serving notice as heretofore provided. Service of such notice or demand shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or at the expiration of the second day after the date of mailing, whichever is earlier in time.

7.13 No Merger. The parties' rights, obligations and interests in land created by or arising under the Financing Documents are separate, cumulative, and independent and there shall be no merger of any such rights, obligations or interests.

7.14 Beneficiary's Right to Perform. If Trustor fails to make any payment or perform any act required by this Deed of Trust or by any junior, subordinated or senior deed of trust or other lien on the Property (without hereby implying the Beneficiary's consent to any such lien or encumbrance), then, at any time thereafter (but subject to any grace period or cure period and notice requirements under the Financing Documents), and without waiving or releasing any

obligation or default, Beneficiary may make such payment or perform such act for the account and at the expense of Trustor and shall have the right to enter the Property for such purpose and to take all such action thereon and with respect to the Property as may be necessary or appropriate for such purpose. Notwithstanding anything to the contrary in this Deed of Trust, Beneficiary shall have no obligation to do anything set out in this Section 7.14. Beneficiary shall be entitled to interest on all sums so paid by Beneficiary and all costs and expenses so incurred from the date paid by Beneficiary until reimbursed in full by Trustor at the Default Rate. All sums so paid by Beneficiary, all costs and expenses so incurred and interest thereon shall be paid by Trustor to Beneficiary on demand. If Beneficiary shall elect to pay any tax, assessment, levy or charge mentioned in Section 4.2 of this Deed of Trust, Beneficiary may do so in reliance on any bill, statement or assessment procured from the appropriate public or nonpublic office, without inquiring into the accuracy thereof or into the validity of such tax, assessment, levy or charge. Similarly, in making any payments to protect the security interests intended to be created by this Deed of Trust, Beneficiary shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

7.15 Amendments; Releases or Reconveyances. This Deed of Trust may be amended, changed, modified or terminated at any time, without the necessity of obtaining the consent of the Master Trustee or the holders of the Related Bonds, subject to the conditions and as provided in Section 3.04(b) of the Master Indenture.

In addition, if, from time to time, the Trustor withdraws from the Obligated Group (as defined in the Master Indenture) in accordance with Section 3.12 of the Master Indenture or any other condition of Section 3.04(e) of the Master Indenture is satisfied, then, upon request of the Trustor, Beneficiary shall direct Trustee to issue a partial reconveyance of the Deed of Trust with respect to such portion of the Property as permitted by the Master Indenture.

Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security for the full amount of all unpaid obligations, the Trustee may from time to time, and with notice to the Trustor, release any person other than the Trustor so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed, any portion or all of the Property, release any other or additional security for any obligation herein mentioned, or make compositions or other arrangements with debtors in relation thereto; and if the Trustee at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently herewith or after a sale is made hereunder.

7.16 Headings. The headings of the articles of this Deed of Trust are for convenience only and do not limit its provisions.

7.17 Master Trustee and Trustee. To the extent Beneficiary is the Master Trustee, all provisions of the Master Indenture relating to the rights, powers, privileges and protections of the Master Trustee thereunder shall apply with equal force and effect to all actions taken by the Master Trustee as Beneficiary in connection with this Deed of Trust.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust on the day and year set forth above.

TRUSTOR PLEASE NOTE: IN THE EVENT OF YOUR DEFAULT, CALIFORNIA PROCEDURE PERMITS THE TRUSTEE TO SELL THE SUBJECT PROPERTY AT A SALE HELD WITHOUT SUPERVISION BY ANY COURT AFTER EXPIRATION OF A PERIOD PRESCRIBED BY LAW. SEE SECTION 5.2.(e) ABOVE FOR A DESCRIPTION OF THIS PROCEDURE. UNLESS YOU PROVIDE AN ADDRESS FOR THE GIVING OF NOTICE, YOU MAY NOT BE ENTITLED TO OTHER NOTICE OF THE COMMENCEMENT OF SALE PROCEEDINGS. BY EXECUTION OF THIS DEED OF TRUST, YOU CONSENT TO SUCH PROCEDURE. IF YOU HAVE ANY QUESTIONS CONCERNING IT, YOU SHOULD CONSULT YOUR LEGAL ADVISOR. BENEFICIARY URGES YOU TO GIVE IT PROMPT NOTICE OF ANY CHANGE IN YOUR ADDRESS SO THAT YOU MAY RECEIVE PROMPTLY ANY NOTICE GIVEN PURSUANT TO THIS DEED OF TRUST.

TRUSTOR:

[LANDLORD],
a California limited liability company

By: _____

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

[To be attached]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____,
(insert name and title of the officer)

personally _____ appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

LOAN AGREEMENT

between

CALIFORNIA SCHOOL FINANCE AUTHORITY,

and

**GRUPO NUEVO LOS ANGELES,
a California nonprofit corporation, as Borrower,**

and

**Acknowledged and agreed to by
FIFTEENTH AND ARDMORE LLC, 3500 WEST TEMPLE LLC, [3435 WEST TEMPLE
LLC], AND GNLA 697 S BURLINGTON LLC, as Landlords**

Dated as of [_____] 1, 2023

Relating to:

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023A**

and

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023B (TAXABLE)**

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS.....	2
	SECTION 1.01 Definitions.....	2
	SECTION 1.02 Interpretation.....	2
ARTICLE II	FINDINGS, REPRESENTATIONS, COVENANTS AND WARRANTIES	3
	SECTION 2.01 Findings by the Authority	3
	SECTION 2.02 Representations and Warranties of the Borrower	4
ARTICLE III	LOAN FINANCING; LOAN REPAYMENTS; INDEMNIFICATION; PROJECT FUND DRAWS	9
	SECTION 3.01 Agreement to Issue Bonds and Application of Bond Proceeds	9
	SECTION 3.02 The Loan; Loan Repayments; Intercept; Additional Payments	10
	SECTION 3.03 Costs of Issuance and Other Expenses.....	14
	SECTION 3.04 [Reserved]	15
	SECTION 3.05 Indemnification	15
	SECTION 3.06 Project Fund Draws.....	16
ARTICLE IV	ADDITIONAL COVENANTS AND AGREEMENTS OF BORROWER..	17
	SECTION 4.01 Inspection of Books	17
	SECTION 4.02 Reports and Information	17
	SECTION 4.03 Notice.....	17
	SECTION 4.04 Reports and Budgets	18
	SECTION 4.05 Reliance.....	18
	SECTION 4.06 Tax Covenants	18
	SECTION 4.07 Continuing Disclosure	19
	SECTION 4.08 Warranty of Truth	20
	SECTION 4.09 Credit Enhancement Program Requirements.....	20
	SECTION 4.10 Reserved.....	20
	SECTION 4.11 Prohibited Uses	20
	SECTION 4.12 Indenture Provisions	20
	SECTION 4.13 Terms of Lease.....	21
ARTICLE V	[RESERVED]	21
ARTICLE VI	DEFAULTS AND REMEDIES	21
	SECTION 6.01 Events of Default	21
	SECTION 6.02 Remedies.....	22
	SECTION 6.03 Additional Remedies.....	23
	SECTION 6.04 No Remedy Exclusive.....	23
	SECTION 6.05 No Additional Waiver Implied by One Waiver	23
	SECTION 6.06 Agreement to Pay Fees and Expenses Upon Default.....	23

TABLE OF CONTENTS
(continued)

	Page
ARTICLE VII PREPAYMENT	24
SECTION 7.01 Prepayment of the Loan	24
SECTION 7.02 Redemption of Bonds Upon Prepayment	25
SECTION 7.03 Amount of Prepayment	25
ARTICLE VIII MISCELLANEOUS	25
SECTION 8.01 Notice	25
SECTION 8.02 Concerning Successors and Assigns	25
SECTION 8.03 Governing Law; Venue	26
SECTION 8.04 Amendments; Modifications in Writing	26
SECTION 8.05 Captions	26
SECTION 8.06 Severability	26
SECTION 8.07 Counterparts	26
SECTION 8.08 Effective Date and Term	26
SECTION 8.09 Non-Liability of Authority	26
SECTION 8.10 Waiver of Personal Liability	27
SECTION 8.11 No Prevailing Party Provision	27
SECTION 8.12 Binding Effect	27
SECTION 8.13 Authority’s Performance	27
SECTION 8.14 Survival of Covenants	27
EXHIBIT A THE PROJECT	
EXHIBIT B [FORM OF COMPLETION CERTIFICATE]	
EXHIBIT C SCHEDULE OF LOAN REPAYMENTS	

THIS LOAN AGREEMENT (this “Loan Agreement”), dated as of [_____] 1, 2023, is by and between the **CALIFORNIA SCHOOL FINANCE AUTHORITY** (the “Authority”), a public instrumentality of the State of California and **GRUPO NUEVO LOS ANGELES**, a California nonprofit corporation (the “Borrower”) and acknowledged and agreed to by Fifteenth and Ardmore LLC, 3500 West Temple LLC, [3435 West Temple LLC] and GNLA 697 S Burlington LLC, each a California limited liability company whose sole member is the Borrower (each, a “Landlord” and collectively, the “Landlords”).

WITNESSETH:

WHEREAS, the Authority is a public instrumentality of the State of California, created by the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (the “Act”) and is authorized to issue bonds and loan the proceeds thereof for purposes of financing or refinancing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (as defined in the Act) to a participating party (as defined in the Act), including an entity that undertakes the financing or refinancing of a project (as defined in the Act) pursuant to the Act in conjunction with schools (“charter schools”) established pursuant to the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the Education Code) (the “Charter School Law”);

WHEREAS, the Authority proposes to issue its California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A in the aggregate principal amount of \$[PARA] (the “Tax-Exempt Bonds”) and its California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the “Taxable Bonds” and together with the Tax-Exempt Bonds, the “Bonds”) in the aggregate principal amount of \$[PARB] pursuant to an Indenture, dated as of [_____] 1, 2023, as originally executed and as amended and supplemented from time to time (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association (the “Bond Trustee”);

WHEREAS, proceeds of the Bonds will be applied to fund a loan to the Borrower to (i) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping (A) an educational facility known as Camino Nuevo Elementary #3, located at 2755 W 15th St, Los Angeles, CA 90006 (“Eisner Middle Campus”) (B) administrative offices, located at 3435 W. Temple St., Los Angeles, CA 90026 (“Head Office”) (C) an educational facility known as Camino Nuevo High School #2, located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004 (“Dalzell High Campus”) (D) an educational facility known as Camino Nuevo Charter Academy, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (“Burlington Campus” and collectively with Eisner Middle, Head Office, and Dalzell High, the “Facilities” and each a “Facility”); (E) finance certain capital improvements to the Facilities (collectively, the “Project”); (ii) pay capitalized interest on the Bonds; (iii) fund a debt service reserve fund with respect to the Bonds, and (iv) fund related working capital

WHEREAS, the Authority and the Borrower desire to enter into this Loan Agreement to specify the terms and conditions of the loan by the Authority to the Borrower of proceeds of the Bonds;

WHEREAS, under this Loan Agreement, the Borrower is required to make Loan Repayments (defined herein) sufficient to pay when due the principal of, and premium, if any, and interest on, the Bonds;

WHEREAS, each of the Authority and the Borrower has duly authorized the execution, delivery and performance of this Loan Agreement;

WHEREAS, each Facility will be leased by a Landlord to Camino Nuevo Charter Academy (the “Lessee”), a California nonprofit public benefits corporation and which is an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), for use and occupancy by the Lessee pursuant to a Lease;

WHEREAS, during the term each Lease, the related Facility will be used and operated in conjunction with the Schools;

WHEREAS, the Schools have elected to provide for payment of the amounts due to the Landlords from the Lessee under the Leases relating to such Schools, and in turn, the Bonds pursuant to and in accordance with Section 17199.4 of the California Education Code;

WHEREAS, all acts and proceedings required by law necessary to constitute this Loan Agreement a valid and binding legal agreement of the Authority for the uses and purposes herein set forth, in accordance with its terms, have been done and taken, and the execution and delivery of this Loan Agreement by the Authority have been in all respects duly authorized; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions. Unless the context otherwise requires, all capitalized terms used herein but not defined shall have the meanings assigned to such terms in Section 1.01 of the Indenture and Section 1.01 of the Master Trust Indenture.

SECTION 1.02 Interpretation. In this Loan Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “herein,” “hereunder,” “hereinafter” and any similar terms as used in this Loan Agreement, refer to this Loan Agreement as a whole and not to a particular section or provision of this Loan Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the effective date of this Loan Agreement.

(b) Words of any gender shall mean and include correlative words of any other gender, and words importing the singular number shall mean and include the plural number, and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings or titles preceding the texts of the several Articles and Sections of this Loan Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Loan Agreement nor affect its meaning, construction or effect.

(e) Any certificates, letters or opinions required to be given pursuant to this Loan Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Loan Agreement.

(f) Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Authority or the Borrower, signed by an authorized representative of the Authority or the Authorized Borrower Representative, as the case may be.

(g) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Loan Agreement and the Indenture. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Loan Agreement or the Indenture or any amendment or supplement or exhibit hereto or thereto.

ARTICLE II

FINDINGS, REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.01 Findings by the Authority. The Authority hereby finds and determines, based upon the representations, warranties and agreements of the Borrower and such other information as the Authority deems necessary, that (i) the Borrower constitutes a “participating party” as such term is defined in the Act; (ii) the Loan to be made hereunder with proceeds of the Bonds will promote the purposes of the Act by providing funds to pay the costs of a “project” as defined in the Act; (iii) said Loan is in the public interest, serves a public purpose and meets the requirements of the Act; and (iv) the amount of the Loan (corresponding to the portion of the proceeds of the Bonds allocated under the Indenture to the funding of the Project) does not exceed the costs of the Project as determined by the Borrower.

SECTION 2.02 Representations and Warranties of the Borrower. The Borrower represents and warrants to the Authority that, as of the date of the execution of this Loan Agreement and as of the date of delivery of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) The Borrower is a nonprofit public benefit corporation duly incorporated and in good standing under the laws of the State, and has full legal right, power and

authority to enter into the Borrower Documents, and to carry out all of its obligations under and consummate all transactions contemplated by the Borrower Documents, and by proper corporate action has duly authorized the execution, delivery and performance of the Borrower Documents.

(b) The officers of the Borrower executing the Borrower Documents are duly and properly in office and fully authorized to execute the same.

(c) The Borrower Documents have been duly authorized, executed and delivered by the Borrower.

(d) The Borrower Documents, when assigned to the Bond Trustee pursuant to the Indenture, will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower by the Bond Trustee in accordance with their terms for the benefit of the Holders of the Bonds, and any rights of the Authority and obligations of the Borrower not so assigned to the Bond Trustee constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower by the Authority in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy, or the exercise of judicial discretion in appropriate cases.

(e) The execution and delivery of the Borrower Documents, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Borrower, its bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents, or the financial condition, assets, properties or operations of the Borrower.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of the Borrower Documents, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) The Borrower is not (i) in violation of any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree, which violation would materially adversely affect the financial condition, assets, properties or operations of the Borrower; or (ii) in default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Borrower is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, which default would materially adversely affect the financial condition, assets, properties or operations of the Borrower.

(h) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower or the assets, properties or operations of the Borrower which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Borrower Documents, or upon the financial condition, assets, properties or operations of the Borrower, and the Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents, or the financial condition, assets, properties or operations of the Borrower. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. Each Landlord enjoys the peaceful and undisturbed possession of one or more Facilities, subject to the related Lease.

(i) No written information, exhibit or report furnished to the Authority by the Borrower in connection with the negotiation of the Borrower Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) The Borrower is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business taxable income under Section 511 of the Code, and is not a private foundation as described in Section 509(a) of the Code.

(k) The Loan will be used by the Borrower solely to satisfy one or more of its charitable purposes, which have been previously recognized by the Internal Revenue Service as bona fide charitable purposes. The Borrower has full power and authority to carry on its business as now being conducted and to enter into the Borrower Documents and the transactions contemplated therein.

(l) All financial statements and information heretofore delivered to the Authority by the Borrower, including without limitation, information relating to the financial condition of the Members of the Obligated Group, the Project, and/or any guarantor, and including the audited consolidated balance sheets of the Members of the Obligated Group at June 30, 2021 and June 30, 2022 and the related consolidated statements of income and consolidated statements of cash flows for the years ended June 30, 2022 and June 30, 2021 (copies of which have been furnished to the Authority) fairly and accurately present the financial position of each respective entity at such date and the results of operations for the year ended on such date, and have been prepared (except where specifically noted therein) in accordance with generally accepted accounting principles consistently applied. Since the date of such statements, there has been no material adverse change in the financial condition or results of operations of the Borrower or other subjects of such statements.

(m) The Borrower's purposes, character, activities, and methods of operation have not changed since its organization and are not different from the purposes, character, activities and methods of operation contemplated at the time of its determination by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code; the Borrower has not and will not divert any part of its corpus or income for a purpose or purposes other than the purpose or purposes for which it is organized or operated; the Borrower has not operated, and will not operate, in a manner that would result in it being classified as an "action" organization within the meaning of Section 1.501(c)(3)-(1)(c)(3) of the Regulations, including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities; none of its directors, officers, or any related Persons, or any other Person having a private or professional interest in the Borrower's activities has acquired or received, nor will such Persons be allowed to acquire or receive, directly or indirectly, any of the Borrower's goods, services, income or assets, without fair compensation or consideration received in exchange therefor; it has not received any indication or notice to the effect that the Borrower's exemption from federal income taxation under Section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect; the Borrower has not devoted and will not devote more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code; and the Borrower has not taken any action, nor knows of any action that any other Person has taken, nor knows of the existence of any condition that would cause the Borrower to lose its exemption from federal income taxation under Section 501(c)(3) of the Code or cause interest on the Tax-Exempt Bonds to be includable in the income of the recipients thereof for federal income tax purposes. As long as the Tax-Exempt Bonds are Outstanding, the Borrower will not take, permit to be taken, fail to take, or permit to fail to be taken, any action that would cause the interest on the Tax-Exempt Bonds to become includable in the gross income of the owners of the Tax-Exempt Bonds for federal income tax purposes.

(n) The Borrower shall not use (or permit the use of) any proceeds of the Tax-Exempt Bonds, or any income from the investment thereof or any property financed or refinanced with such proceeds or income, in any trade or business carried on by any Person

that is not an Exempt Person or in any unrelated trade or business, as defined in Section 513(a) of the Code, of an Exempt Person or permit the direct or indirect loan of any such proceeds, income, or property to any Person other than an Exempt Person or to any Person that is an Exempt Person for use in an unrelated trade or business, as defined in Section 513(a) of the Code, if the amount of such proceeds, income, or property so used or loaned or portions thereof so used in the aggregate, when added to the cost of issuance financed directly or indirectly with the Tax-Exempt Bond proceeds, exceeds 5% of the proceeds of the Tax-Exempt Bonds.

(o) Except as provided in the Master Indenture of Trust, Indenture and this Loan Agreement, the Borrower shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under this Loan Agreement and shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Bonds.

(p) The Borrower has made and shall continue to make all required contributions to all employee benefit plans, if any, and Borrower has no knowledge of any material liability which has been incurred by the Borrower and remains unsatisfied for any taxes or penalties with respect to any employee benefit plan or any multi-employer plan, and each such plan has been administered in compliance with its terms and the applicable provisions of ERISA and any other federal or state law.

(q) The Borrower has no known material contingent liabilities, and has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Borrower is a party or by which the Borrower is otherwise bound, other than obligations incurred in connection with the ownership and operation of the Facilities incurred in the ordinary course of business, none of which constitutes indebtedness for borrowed money.

(r) The Borrower has not entered into this transaction or any Borrower Document with the actual intent to hinder, delay, or defraud any creditor and the Borrower has received reasonably equivalent value in exchange for its obligations under the Borrower Documents. Giving effect to the transactions contemplated by the Borrower Documents, the fair saleable value of the Borrower's assets exceeds and will, immediately following the execution and delivery of the Borrower Documents, exceed the Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed or contingent liabilities. The fair saleable value of the Borrower's assets is and will, immediately following the execution and delivery of the Borrower Documents, be greater than the Borrower's probable liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. The Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including, without limitation, contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

(s) The Borrower is not (1) an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended; (2) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (3) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

(t) The Borrower reasonably believes that the Gross Revenues will be sufficient (without any other borrowing) during the term of the Loan to pay the principal of, prepayment premium, if any, and interest on the Loan.

(u) The Borrower has not applied for the Authority’s assistance in financing the Loan for the purpose of covering any long-term budget deficit or shortfall in operating funding of the Borrower or any of the Members of the Obligated Group.

(v) All representations, warranties and certifications made by the Lessee or the Borrower in connection with the delivery of the Bonds on the Closing Date, including, but not limited to, those representations, warranties and certifications contained in any certificate or agreement concerning the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation executed by the Borrower, are true, correct, and complete in all material respects as of the Closing Date.

(w) The Borrower or the Landlords, as applicable, have and will have title to or a leasehold estate in the Facilities sufficient to carry out the purposes of this Loan Agreement and Leases;

(x) The Borrower is a “participating party” as defined in the Act, and the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Project is a “project” as defined in the Act. The Borrower shall use the Loan to finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Project.

(y) The Borrower does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

(z) All material certificates, approvals, permits and authorizations of applicable local governmental agencies, and agencies of the State and the federal government have been or will be obtained with respect to the Project and will be acquired, constructed, expanded, remodeled, renovated, improved, furnished, equipped and/or installed (as applicable) and the Facilities will be operated pursuant to and in accordance with such certificates, approvals, permits and authorizations.

(aa) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing and refinancing to which the Borrower is a party or of which it is a beneficiary, including the Indenture; that it understands the risks inherent in such transactions; and that

it has not relied on the Authority for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Borrower Documents and the Indenture or otherwise relied on the Authority for any advice.

(bb) The Project and the Facilities are not in violation of any federal, state or local Environmental Regulations. Neither the Borrower nor any of the Facilities is the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(cc) The Project and the Facilities are not in violation of any federal, state or local Environmental Regulations. Neither the Borrower nor the Facilities are subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(dd) The Borrower has no material contingent liability in connection with any release of any Hazardous Substances into the environment.

SECTION 2.03 Representations and Warranties of the Landlords. Each Landlord represents and warrants to the Authority that, as of the date of execution of this Loan Agreement and as of the date of delivery of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) The Landlord is a duly organized limited liability company, whose sole member is the Borrower, in good standing under the laws of the State, and has full legal right, power and authority to accept and acknowledge this Loan Agreement and to carry out all of its obligations under and consummate all transactions contemplated by this Loan Agreement, and by proper corporate action has duly authorized the execution, delivery and performance of this Loan Agreement.

(b) The officers of the Landlord, or of the sole member of the Landlord, as the case may be, are duly and properly in office and are fully authorized to execute this Loan Agreement.

(c) This Loan Agreement has been duly authorized, executed and delivered by the Landlord.

(d) This Loan Agreement, when assigned to the Bond Trustee pursuant to the Indenture, will constitute the legal, valid and binding agreement of the Landlord enforceable against the Landlord by the Bond Trustee in accordance with its terms for the benefit of the Holders of the Bonds, and any rights of the Authority and obligations of the Landlord not so assigned to the Bond Trustee constitute the legal, valid, and binding agreements of the Landlord enforceable against the Landlord by the Authority in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is

sought in a proceeding at law or in equity and by public policy, or the exercise of judicial discretion in appropriate cases.

(e) The execution and delivery of this Loan Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of organization of the Landlord, its operating agreements, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Landlord is a party or by which the Landlord or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Landlord, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Loan Agreement, or the financial condition, assets, properties or operations of the Landlord.

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of any Landlord, after reasonable investigation, threatened, against or affecting any Landlord or the assets, properties or operations of any Landlord which, if determined adversely to any Landlord or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, this Loan Agreement, or upon the financial condition, assets, properties or operations of any Landlord, and the Landlord is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Loan Agreement, or the financial condition, assets, properties or operations of any Landlord. All tax returns (federal, state and local) required to be filed by or on behalf of the Landlord have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Landlord in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Landlord enjoys the peaceful and undisturbed possession of the Facilities, subject to the Lease to which such Landlord is a party.

(g) The Landlord has full power and authority to carry on its business as now being conducted and to enter into this Loan Agreement and the transactions contemplated therein.

(h) All representations, warranties and certifications made by the Landlord in connection with the delivery of the Bonds on the Closing Date, are true, correct, and complete in all material respects as of the Closing Date.

(i) The Landlord has and will have good and marketable title [or valid leasehold possession] to its applicable Facility, sufficient to carry out the purposes of this Loan Agreement and the Lease to which such Landlord is a party, free and clear from all encumbrances other than Permitted Liens.

(j) The Project and the Facilities are not in violation of any federal, state or local Environmental Regulations. Neither the Landlord nor any of the Facilities is the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(k) No Landlord has any material contingent liability in connection with any release of any Hazardous Substances into the environment.

(l) The Landlord represents that (a) it is a single member limited liability company, (b) its sole member is an organization described in Section 501(c)(3) of the Code, (c) it has not filed Form 8832 to be treated as a corporation and has not otherwise made an election to be treated as a corporation for federal income tax purposes, (d) the Landlord's sole member has not filed Form 8832 to treat the Landlord as a corporation and has not otherwise made an election to treat the Landlord as a corporation for federal income tax purposes, and (e) the Landlord continues to be treated, or has made an election to be treated, as a single member "disregarded entity" for federal income tax purposes.

(m) The Landlord acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project and Working Capital; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions; and that it has not relied on the Authority for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Loan Agreement and the Indenture or otherwise relied on the Authority for any advice.

ARTICLE III

LOAN FINANCING; LOAN REPAYMENTS; INDEMNIFICATION; PROJECT FUND DRAWS

SECTION 3.01 Agreement to Issue Bonds and Application of Bond Proceeds.

(a) To fund the Loan and for the other purposes set forth in the Indenture, the Authority, concurrently with the execution of this Loan Agreement, will issue, sell and deliver the Bonds and direct the proceeds thereof to be deposited with the Bond Trustee and applied as provided in Article III of the Indenture. The Authority and the Borrower hereby agree that the proceeds of the Bonds shall be applied solely in accordance with the Indenture.

(b) The Borrower hereby approves the terms and provisions of the Indenture and, to the extent applicable, agrees to be bound by such terms.

(c) In consideration of the issuance of the Bonds by the Authority and the application of the proceeds thereof as provided in the Indenture, the Borrower agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Authority or its designee, pursuant to the Master Indenture of Trust and the Supplemental MTI for Obligation No. 1, concurrently with the issuance and delivery of the Bonds, Obligation No. 1 in substantially the form described in Section 11 of and set forth in Exhibit A to the Supplemental MTI for Obligation No. 1. The Authority agrees that Obligation No. 1 shall be registered in the name of the Bond Trustee. The Borrower agrees that the aggregate principal amount of Obligation No. 1 shall be limited to [_____] and 00/100 Dollars (\$[PAR]), except for any Obligation No. 1 subsequently authenticated and delivered in lieu of another Obligation No. 1 as provided in Section 7 of the Supplemental MTI for Obligation No. 1 with respect to the mutilation, destruction, loss or theft of Obligation No. 1 or, subject to the provisions of Section 6 of the Supplemental MTI for Obligation No. 1, upon transfer of registration of Obligation No. 1. Issuance and delivery of the Bonds by the Authority shall be a condition of the issuance and delivery of Obligation No. 1.

(d) The Borrower agrees that, except as otherwise provided in this Section 3.01(d), so long as any Bond remains Outstanding, Obligation No. 1 shall be issuable only as a single obligation without coupons, registered as to principal and interest in the name of the Bond Trustee, and no transfer of Obligation No. 1 shall be registered under the Master Indenture of Trust or be recognized by the Borrower except for transfers to a successor Bond Trustee. Upon the principal of Obligation No. 1 being declared immediately due and payable, Obligation No. 1 may be transferred if and to the extent that the Bond Trustee requests that the aforementioned restrictions on transfers of this Section 3.01(d) be terminated.

SECTION 3.02 The Loan; Loan Repayments; Intercept; Additional Payments.

(a) The Loan. The Authority agrees, upon the terms and conditions herein specified, to loan to the Borrower that portion of the proceeds received by the Authority from the sale of the Bonds by causing such proceeds to be deposited with the Bond Trustee for application as provided in the Indenture. The obligation of the Authority to make the Loan is limited solely to such sale proceeds of the Bonds received by the Authority and shall be deemed fully discharged upon the deposit of the proceeds of the Bonds with the Bond Trustee pursuant hereto.

(b) Loan Repayments. In consideration of the issuance of the Bonds by the Authority and the loan of the proceeds thereof to the Borrower, the Borrower agrees that, on or before the 25th day of each month and as long as any of the Bonds remain Outstanding, it shall pay to the Bond Trustee for deposit in the Revenue Fund such amount as is required by the Bond Trustee to make the transfers and deposits required on such date by Section 5.02 of the Indenture, including amounts necessary for deposit into the Repair and Replacement Fund. Notwithstanding the foregoing, if five business days prior to any interest or principal payment date with respect to the Bonds, the aggregate amount in the Revenue Fund is for any reason insufficient or unavailable to make the required payments of principal (or Redemption Price) of or interest on the Bonds then becoming due (whether by maturity, redemption or acceleration), the Borrower shall promptly provide written

notice to each Member and forthwith pay (or cause to be paid) the amount of any such deficiency (which, in the event there is more than one Member of the Obligated Group, such deficiency shall be made up by the various Members of the Obligated Group as set forth in the Master Indenture of Trust) to the Bond Trustee. Each payment by the Borrower to the Bond Trustee hereunder (the “Loan Repayments”) shall be in lawful money of the United States of America and paid to the Bond Trustee at its designated corporate trust office and held, invested, disbursed and applied as provided in the Indenture. Notwithstanding anything to the contrary herein, the Borrower shall instruct or cause the Landlord to instruct the Lessee to pay any shortfall in Base Rent (as defined in each Lease) directly to the Bond Trustee for deposit in the Revenue Fund.

The Borrower shall pay, or cause to be paid, the Loan Repayments from the Gross Revenues, including the Rental Payments, or from any other legally available funds of the Borrower, without any further notice thereof except as may be specifically required by this Section 3.02. The Loan Repayments payable by the Borrower under this Loan Agreement are expected to be equal in the aggregate to an amount which, together with other funds in the Revenue Fund then available for the payment of principal and interest on the Bonds, shall be sufficient to provide for the payment in full of the interest on, premium, if any, and principal of the Bonds as the same become due and payable.

(c) Intercept. Simultaneously with the execution and delivery of the Bonds, the Borrower shall cause the Lessee to deliver Intercept Notices to the State Controller.

Not later than the fifteenth (15th) calendar day of any month in which a payment hereunder is scheduled, the Borrower may revise any Intercept Notice and cause such revision to be delivered to the State Controller from time to time as necessary or appropriate (including without limitation as a result of redemption prior to maturity) to specify transfers to the Bond Trustee necessary to pay the amounts due under this Loan Agreement and other costs necessary or incidental to the financing pursuant to the Act relating to the Bonds, as the same become due, and to cure any delinquency in payment of such amounts. The Borrower shall, and shall cause the Lessee to, cooperate with the Bond Trustee in any manner the Bond Trustee may request (but has no duty to request) in connection with revising an Intercept Notice. If at any time an Intercept Notice is revised for any reason, the Borrower shall cause the Lessee to promptly provide to the Authority, the Department of Education and the Bond Trustee a copy of such revised Intercept Notice. An Intercept Notice may provide additional amounts payable to the Bond Trustee for purposes set forth in the Indenture; provided the Lessee shall not grant preference or any prior right of funding access or security in respect of any payment indicated in the Intercept Notice or any other notice delivered pursuant to Section 17199.4 of the Education Code or any successor provision. The Borrower agrees and acknowledges that any revision to the Intercept Notice may take up to 60 days for the State Controller to process.

All deposits hereunder of moneys derived from any Intercept hereunder shall be made at the corporate trust office of the Bond Trustee set forth in each Intercept Notice. The Borrower shall cause the Lessee to timely revise the Intercept Notices to require transfers to such other location as shall be designated in writing by the Bond Trustee.

(d) Additional Payments. In addition to the Loan Repayments, the Borrower shall also pay to the Authority or to the Bond Trustee, or to the appropriate payee, as the case may be, “Additional Payments,” as follows:

(i) All taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, at the Borrower’s expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Bond Trustee;

(ii) All reasonable fees, charges and expenses of the Bond Trustee for services rendered under the Indenture and all amounts referred to in Section 8.06 of the Indenture, as and when the same become due and payable;

(iii) All reasonable fees, charges and expenses of the Master Trustee for services rendered under the Master Indenture and all amounts referred to in Section 5.05 of the Master Indenture, as and when the same become due and payable;

(iv) The fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Loan Agreement, the other Borrower Documents or the Indenture;

(v) All fees and expenses of any Rating Agency, and the Rebate Analyst, and if a deposit is required to be made to the Rebate Fund as a result of any calculation made pursuant to Section 5.07 of the Indenture, the amount of such deposit, which shall be deposited in the Rebate Fund not later than the tenth day of the calendar month immediately following the date on which such calculation was made pursuant to Section 5.07 of the Indenture;

(vi) All amounts necessary for deposit into the Repair and Replacement Fund pursuant to Sections 5.02 and 5.10 of the Indenture;

(vii) The annual fee of the Authority and the fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with this Loan Agreement, the other Borrower Documents, the Bonds

or the Indenture, including, without limitation, any and all expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this Loan Agreement, the other Borrower Documents, the Bonds or the Indenture or any of the other documents contemplated thereby, or in connection with the supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of this Loan Agreement and the other Borrower Documents; and

(viii) The amount necessary to replenish any fund established under the Indenture, but only to the extent then required under Section 5.02 of the Indenture.

All such payments shall be made by the Borrower from the Gross Revenues or other legally available funds for payment to the Person or Persons entitled to such payments or for deposit to the appropriate fund or account held by the Bond Trustee under the Indenture.

(e) Failure to Make Payments. In the event the Borrower shall fail to deposit, or fail to cause to be deposited, with the Bond Trustee any Loan Repayments or Additional Payments as required by this Section 3.02, the Loan Repayments, Additional Payments or other payments required hereunder not paid from such Gross Revenues shall continue to be an obligation hereunder of the Borrower until the amount in default shall have been fully paid.

(f) Obligations of Borrower Unconditional.

(i) The Borrower shall pay to or upon the order of the Authority, at or before the time when payable by the Authority, all costs and liabilities incurred by the Authority, including without limitation fees and expenses of counsel to the Authority, in connection with the issuance of the Bonds and the making of the Loan to the Borrower herein, or otherwise as a result of the transactions contemplated by the Borrower Documents or the Indenture.

(ii) Subject to the provisions of Section 3.02(f)(iii), the obligation of the Borrower to make the payments as required in this Section 3.02, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim which the Borrower may otherwise have against the Authority, with the exception of any Intercept Payments received, which shall be credited against any amounts due. The Borrower shall not: (1) suspend, discontinue, or abate any payment required by this Section 3.02 (except as expressly provided herein); (2) fail to observe any of its other covenants or agreements in this Loan Agreement; or (3) terminate this Loan Agreement for any cause whatsoever (except as provided in Section 7.01 hereof), including without limiting the generality of the foregoing, any declaration or finding that the Bonds, the Indenture, or any portion of this Loan Agreement are invalid or unenforceable, and, any failure of the Authority to perform and observe any agreement, whether

expressed or implied, or any duty, liability, or obligation, arising out of or in connection with this Loan Agreement or otherwise.

(iii) Notwithstanding anything herein to the contrary, the liability of the Borrower or any of its Affiliates under this Loan Agreement to any person or entity, including, but not limited to, the Bond Trustee or the Authority and their respective successors and assigns, is limited to the Gross Revenues and the amounts held in the funds and accounts created under the Indenture (except the Rebate Fund) or hereunder, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Loan Agreement or any other agreement securing the obligations of the Borrower with respect to the Loan or the Bonds.

(iv) The Authority covenants that it shall not take recourse against the Borrower or any of its Affiliates with respect to the failure by the Borrower or any of its Affiliates to make any payment under this Loan Agreement or the Bonds except recourse to the Gross Revenues and the amounts held in the funds and accounts created under the Indenture (except the Rebate Fund) or hereunder, or to such other security as may from time to time be given for the payment of obligations arising out of this Loan Agreement or any other agreement securing the obligations of the Borrower with respect to the Loan or the Bonds.

SECTION 3.03 Costs of Issuance and Other Expenses. In addition to the payments required to be paid by the Borrower under Section 3.02 hereof, the Borrower agrees that it shall pay from the proceeds of the Bonds or Gross Revenues or other legally available funds of the Borrower, all Costs of Issuance of the Bonds. The Borrower agrees that it also shall pay all expenses incurred by it, including the expenses of its counsel. The Borrower shall also pay the costs of filing any financing statement(s) pursuant to Section 3.02 hereof or the Indenture.

The Borrower acknowledges that certain provisions of the Indenture set forth Administrative Fees and Expenses of the Bond Trustee as the amount of annual compensation and reimbursement payable from funds held under the Indenture to the Bond Trustee. In the event that the Bond Trustee incurs fees and expenses in the course of performing its duties in excess of Administrative Fees and Expenses or in excess of the funds available for the payment thereof under the Indenture, the Borrower agrees to compensate and reimburse the Bond Trustee from Gross Revenues or other legally available funds of the Borrower, for Administrative Fees and Expenses and for any extraordinary fees and expenses, which compensation to the Bond Trustee shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust.

The Borrower covenants and agrees to pay and indemnify the Authority, the State Treasurer and the Bond Trustee against all fees, costs and charges, including fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Bond Trustee, without negligence) and arising out of or in connection with the Borrower Documents, the Bonds or the Indenture. These obligations and those in Section 3.05 hereof shall remain valid and in effect notwithstanding repayment of the Loan hereunder or the Bonds or termination of this Loan Agreement or the Indenture or resignation or removal of the Bond Trustee.

SECTION 3.04 [Reserved].

SECTION 3.05 Indemnification. To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Authority, the State Treasurer, the Bond Trustee, and each of their respective officers, governing members, directors, officials, employees, attorneys and agents (collectively, the “Indemnified Parties”), against any and all losses, damages, claims, actions, suits, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, attorneys’ fees and expenses, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(a) the Bonds, the Indenture, the Borrower Documents or the Tax Regulatory Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(b) any act or omission of the Borrower or the Lessee or any of their agents, contractors, servants, employees or licensees in connection with the Loan, the Facilities, the Project or the Lease, the operation of the Facilities or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Facilities, including the Project, or any part thereof;

(c) any lien or charge upon payments by the Borrower or the Lessee to the Authority or the Bond Trustee, as the case may be, hereunder or under the Leases, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Bond Trustee (excluding taxes, assessments and charges based on Trustee’s income or due to the nature of its business) in respect of any portion of the Project or the Facilities;

(d) any violation of any Environmental Regulations with respect to, or the release of any Hazardous Substances at, on or under the Facilities or any part thereof;

(e) any defeasance or redemption, in whole or in part, of the Bonds;

(f) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or any failure to timely file any continuing disclosure document in connection with the Bonds required by any undertaking or by any applicable law, rule or regulation;

(g) any declaration that interest on the Tax-Exempt Bonds is included in gross income for federal income tax purposes, or allegations that interest on the Tax-Exempt

Bonds is included in gross income for federal income tax purposes or any regulatory audit or inquiry regarding whether interest on the Tax-Exempt Bonds is included in gross income for federal income tax purposes; and

(h) the Bond Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party;

except (A) in the case of the foregoing indemnification of the Bond Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Authority or the State Treasurer or any of their officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel, or in the case of the Authority or the State Treasurer or any of its officers, members, directors, employees, attorneys and agents, such Indemnified Party engages the Attorney General of the State as separate counsel.

The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Sections 3.02 and 3.03 hereof and this Section 3.05 shall survive the final payment or defeasance of the Bonds and in the case of the Bond Trustee any resignation or removal. The provisions of this Section 3.05 shall survive the termination of this Loan Agreement.

SECTION 3.06 [Construction Draws. The Borrower may draw the amounts from the Project Fund for construction advances subject to the requirements of the Indenture and this Loan Agreement, upon submission to the Bond Trustee of a Requisition of the Borrower, pursuant to Section 5.08 of the Indenture. Upon the final disbursement from the Project Fund, an Authorized Borrower Representative, on behalf of the Borrower, shall provide a Certificate of the Borrower certifying the same to the Authority and the Bond Trustee. In the event the moneys in the Project Fund should be insufficient to pay the costs of the Project in full, the Borrower agrees to pay directly, or to deposit in the Project Fund moneys sufficient to pay, any costs of completing the Project in excess of the moneys available for such purpose in the Project Fund. The Authority makes no express or implied warranty that the moneys deposited in the Project Fund and available for payment of the Project costs under the provisions of this Loan Agreement, will be sufficient to pay all the amounts which may be incurred for such Project costs. The Borrower agrees that if,

after exhaustion of the moneys in the Project Fund, the Borrower should pay, or deposit moneys in the Project Fund for the payment of, any portion of the Project costs pursuant to the provisions of this Section 3.06, it shall not be entitled to any reimbursement therefor from the Authority, the Bond Trustee or the Holders of any of the Bonds, nor shall it be entitled to any diminution of the amounts payable hereunder. Upon Completion of the Project, the Borrower shall file with the Bond Trustee and the Authority the Completion Certificate with respect to the Project pursuant to Section 5.08 of the Indenture.]

ARTICLE IV

ADDITIONAL COVENANTS AND AGREEMENTS OF BORROWER

SECTION 4.01 Inspection of Books.

(a) The Authority and the Bond Trustee shall have the right, but not obligation, upon reasonable notice, during business hours, to examine and audit any and all of the Borrower's records or accounts pertaining to the Loan, the Leases, the Indenture, the Intercept and this Loan Agreement.

(b) Upon written notice to the Borrower delivered at least five Business Days in advance of an inquiry, the Borrower shall make its management personnel available for periodic inquiries from the Authority; provided that the Borrower shall not be obligated to incur any material out-of-pocket costs in connection with such inquiries.

SECTION 4.02 Reports and Information.

(a) At the request of the Authority or the Bond Trustee, their agents, employees or attorneys, the Borrower shall furnish to the Authority and the Bond Trustee, such information as may be reasonably requested in writing from time to time relative to compliance by the Borrower with the provisions of this Loan Agreement, including, without limitation, the most recently prepared consolidated financial statements.

(b) Within sixty (60) days of the Authority's request, which request is to be made on or about July 1 of each year (commencing July 1, 2023), the Borrower shall provide information to the Authority needed for the Authority to comply with the reporting requirements contained in California Government Code Section 8855(k)(1). The covenant contained in this Section 4.02(b) shall remain in effect until the later of the date (i) the Bonds are no longer Outstanding or (ii) the proceeds of the Bonds have been fully spent.

SECTION 4.03 Notice. Promptly following obtaining knowledge of an Event of Default under any Borrower Document, the Borrower hereby agrees to provide to the Bond Trustee and to the Authority notice of such Event of Default (such notice to include a description of the nature of such event and what steps are being taken to remedy such Event of Default).

SECTION 4.04 Quarterly Financial Reports. The Borrower shall, within 60 days after the end of each fiscal quarter, commencing with the fiscal quarter ending [March 30, 2023], provide to the Bond Trustee a copy of the consolidated unaudited quarterly financial statements of the Borrower and the Landlords, together with a certificate signed by an Authorized Borrower

Representative whether any Event of Default (or any event that with the giving of notice or passage of time would constitute an Event of Default) has occurred and is continuing under the Loan Agreement as of the date of such certificate.

SECTION 4.05 Reliance. The Borrower hereby recognizes and agrees that the representations and covenants set forth in this Loan Agreement may be relied upon by all Persons interested in the legality and validity of the Bonds and in the exemption from federal income taxation of the interest on the Tax-Exempt Bonds including, without limitation, the Bond Trustee for the benefit of the Owners of the Bonds. In performing its duties and obligations hereunder, the Bond Trustee may rely upon statements and certificates of the Borrower believed in good faith to be genuine and upon audits of the books and records of the Borrower pertaining to the Loan. The Bond Trustee, in its name or as assignee of the Authority, may, for and on behalf of the Bondholders, enforce all rights of the Authority which have been assigned to and are held by the Bond Trustee and all obligations of the Borrower under and pursuant to this Loan Agreement, whether or not the Authority has pursued or attempted to enforce any of such rights and obligations. In addition, the Authority and the Bond Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Authority or the Bond Trustee hereunder in good faith and in conformity with the opinion of such counsel. In determining whether any default or lack of compliance by the Borrower exists under this Loan Agreement, none of the Bond Trustee or the Authority shall be required to conduct any investigation into or review of the operations or records of the Borrower and may rely solely upon any notice or certificate delivered to the Bond Trustee by the Borrower with respect to the occurrence or absence of a default.

SECTION 4.06 Tax Covenants.

(a) It is the intention of the Borrower that interest on the Tax-Exempt Bonds shall be and remain excluded from the gross income of the Beneficial Owners thereof for federal income tax purposes, and to that end the covenants and agreements of the Borrower in this Section and in the Tax Regulatory Agreement are for the benefit of the Bond Trustee on behalf of and for each and every Beneficial Owner of the Tax-Exempt Bonds.

(b) The Borrower covenants and agrees that it will not use or permit the use of any of the funds provided by the Authority hereunder or any other legally available funds of the Borrower, directly or indirectly, or direct the Bond Trustee to invest any funds held by it hereunder or under the Indenture, in such manner as would, or enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the Tax-Exempt Bonds that would, or take or omit to take any other action that would cause any Tax-Exempt Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and applicable regulations promulgated from time to time thereunder.

(c) In the event that at any time the Borrower is of the opinion or becomes otherwise aware, including from the Lessee, that for purposes of this Section or Section 6.10 of the Indenture it is necessary to restrict or to limit the yield on the investment of any moneys held by the Bond Trustee under the Indenture, the Borrower shall determine the

limitations and so instruct the Bond Trustee in writing and cause the Bond Trustee to comply with those limitations under the Indenture. The Borrower will take such action or actions as may be reasonably necessary in the opinion of Bond Counsel, or of which it otherwise becomes aware, to comply fully with Section 148 of the Code.

(d) The Borrower shall not, pursuant to an arrangement, formal or informal, purchase Tax-Exempt Bonds in an amount related to the amount of the Loan, except as otherwise permitted under the Indenture.

(e) To maintain the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners thereof for federal income purposes and to assure compliance with the laws of the State, the Borrower hereby agrees that it shall, concurrently with or before the execution and delivery of the Tax-Exempt Bonds, execute and deliver the Tax Regulatory Agreement, and shall comply with every term of the Tax Regulatory Agreement. The Borrower covenants with the Authority, for the benefit of the Owners of the Tax-Exempt Bonds from time to time outstanding, that so long as any Tax-Exempt Bonds remain Outstanding, moneys on deposit in any fund, or account in connection with the Tax-Exempt Bonds, whether or not such moneys were derived from the proceeds of the sale of the Tax-Exempt Bonds or from any other sources, and moneys pledged directly or indirectly to the payment or for the securing of the Tax-Exempt Bonds, will not be used by or for the Borrower in a manner that will cause the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Borrower expressly recognizes that, to the extent required by Section 148 of the Code, “proceeds” of the Tax-Exempt Bonds (including investment proceeds and “replacement” proceeds) may be required to be invested at a yield not exceeding the yield on the Tax-Exempt Bonds to comply with this Section. In furtherance of the covenant in this Section, the Borrower agrees that it will not direct any investments or reinvestments that would contravene either the investment representations made by the Authority in the Tax Regulatory Agreement or any investment directions provided by the Authority and deemed reasonably necessary in the opinion of Bond Counsel to preserve the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes.

(f) In the event of any conflict between the terms of this Loan Agreement and the requirements of the Tax Regulatory Agreement, the Tax Regulatory Agreement shall control.

SECTION 4.07 Continuing Disclosure. The Borrower hereby covenants and agrees that it shall comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Loan Agreement or the Indenture, failure of the Borrower or the Dissemination Agent (as defined in the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder or under the Indenture.

SECTION 4.08 Warranty of Truth. The Borrower covenants that no information, certificate, statement in writing or report required by this Loan Agreement, any other Borrower Documents or otherwise furnished by the Borrower to the Authority or the Bond Trustee shall

contain any untrue statement of a material fact or omit a material fact necessary to make such information, certificate, statement or report not misleading as it relates to the Borrower.

SECTION 4.09 Credit Enhancement Program Requirements. The Borrower shall comply with all applicable State and federal regulations and other legal requirements related to the Charter School Facilities Credit Enhancement Grant Program in connection with the Project.

SECTION 4.10 Reserved.

SECTION 4.11 Prohibited Uses. No portion of the proceeds of the Bonds shall be used to finance or refinance any facility, place or building to be used (1) primarily for sectarian instruction or study or as a place for devotional activities or religious worship or (2) by a person that is not a 501(c)(3) Organization or a Governmental Unit or by a 501(c)(3) Organization (including the Borrower and the Lessee) in an “unrelated trade or business” (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Tax-Exempt Bonds being treated as an obligation not described in Section 103(a) of the Code. The Borrower may not cause or permit any portion of the Facilities that are part of the Project to be used or operated in any manner except in conjunction with a school under the Charter School Law.

SECTION 4.12 Indenture Provisions. The execution and delivery of this Loan Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower. Whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower shall carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture. Any provisions governing the rights, immunities and protections of the Bond Trustee under the Indenture are incorporated by reference into this Loan Agreement as being applied to the Bond Trustee as though fully set forth herein.

SECTION 4.13 Terms of Leases. If any Bonds are Outstanding, the Borrower may not voluntarily terminate any Lease before completion of its stated term nor amend a Lease to result in an earlier end of its stated term except in accordance with Section 3.06 of the Master Trust Indenture; provided that nothing in this section limits the exercise of or the remedies provided in the Lease in the event of Lessee default.

ARTICLE V

[RESERVED]

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01 Events of Default. Any one of the following which occurs and continues shall constitute an Event of Default hereunder:

- (a) failure by the Borrower to pay or cause to be paid the Loan Repayments when due, or

(b) failure by the Borrower to pay or cause to be paid when due any other amounts not subject to Section 6.01(a) required to be paid under this Loan Agreement and continuation of such failure to pay for ten (10) Business Days following the giving of written notice thereof to the Borrower; or

(c) failure of the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder (other than failure by the Borrower to pay the amounts required to be paid hereunder, as referred to in Section 6.01(a) or (b) above, and other than as provided in subparagraph (d) below) after the Borrower shall have been given 60 days' written notice specifying such default and requesting it be remedied, unless the Bond Trustee shall have consented to an extension beyond such 60-day period, which extension shall not exceed 90 days; provided that the Borrower, Landlords or a Member of the Obligated Group shall have commenced cure and be diligently pursuing cure thereof in good faith; or

(d) voluntary initiation by the Borrower or any Member of the Obligated Group of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower or any Member of the Obligated Group of any such proceeding that shall remain undismissed for 60 calendar days, or failure by the Borrower or any Member of the Obligated Group to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower or any Member of the Obligated Group to carry on its operations, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower or any Member of the Obligated Group into an agreement of composition with creditors or the failure generally by the Borrower or any Member of the Obligated Group to pay its debts as they become due;

(e) occurrence and continuance of an "Event of Default" under the Indenture or any of the Borrower Documents, provided, however, that an Event of Default under the Indenture arising solely from the actions or inactions of the Authority or the Bond Trustee shall not be an Event of Default hereunder; or

(f) any representation or warranty made herein or any statement or representation made by the Borrower in any certificate, report, opinion, financial statement or other instrument furnished in connection with the Loan or any of the Borrower Documents proves to be false or misleading in any material respect when made.

SECTION 6.02 Remedies.

(a) Upon the occurrence of an Event of Default pursuant to Section 6.01 hereof and at any time thereafter during the continuance of such Event of Default, the Bond Trustee, subject to the Bond Trustee's right and protections under the Indenture, may take one or more or any combination of the following remedial steps:

(i) By written notice to the Borrower, declare the unpaid indebtedness on the Bonds and all amounts then due and payable hereunder, whether by

acceleration of maturity or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

(ii) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower or the Landlords under this Loan Agreement, the Bonds or any other Borrower Document.

Any amounts collected pursuant to action taken by the Bond Trustee under this Section 6.02(a) shall be applied in accordance with provisions of the Indenture. Notwithstanding anything herein to the contrary, the indebtedness of the Borrower under this Loan Agreement may be separately and independently accelerated with or without an acceleration of the Bonds.

(b) If the Bond Trustee shall have proceeded to enforce the rights of the Authority under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee or the Authority, then the Borrower, the Bond Trustee and the Authority shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Borrower, the Authority and the Bond Trustee shall continue as though no such proceedings had taken place.

SECTION 6.03 Additional Remedies. In addition to the above remedies, if an Event of Default occurs hereunder, the Authority and the Bond Trustee shall have the right and remedy, without posting bond or other security, to have the provisions of this Loan Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach will cause irreparable injury to the Bond Trustee or the Authority and that money damages will not provide an adequate remedy thereto.

SECTION 6.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Bond Trustee or the Authority to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give notice, other than such notice as may be required in this Article VI. Such rights and remedies as are given the Authority hereunder shall also extend to Bond Trustee on behalf of the Holders of the Bonds, who shall be entitled to the benefit of all covenants and agreements herein contained.

SECTION 6.05 No Additional Waiver Implied by One Waiver. In the event any agreement or covenant contained in this Loan Agreement should be breached by the Borrower and thereafter waived by the Authority or the Bond Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 6.06 Agreement to Pay Fees and Expenses Upon Default. In the event the Borrower is in default under any provision of this Loan Agreement or causes an event of default under the other Borrower Documents, the Borrower shall be liable to, and upon demand shall pay to, the Authority and the Bond Trustee all reasonable fees and disbursements of such Persons and their respective agents (including attorneys' fees and expenses) that are reasonably connected therewith or incidental thereto, except with respect to the Bond Trustee and the Authority, such payment obligation shall be reduced to the extent such fees and disbursements are paid to the Bond Trustee and the Authority from money available therefor under the Indenture.

ARTICLE VII

PREPAYMENT

SECTION 7.01 Prepayment of the Loan.

(a) General. As further described below, the Borrower shall have the right, so long as all amounts which have become due hereunder have been paid, at any time or from time to time to prepay all or any part of its Loan Repayments and the Authority agrees that the Bond Trustee shall accept such prepayments when the same are tendered. Prepayments may be made by payments of cash or surrender of Bonds. All such prepayments (and the additional payment of any amount necessary to pay the applicable redemption price, if any, payable upon the redemption of Bonds) shall be deposited upon receipt in the applicable account of the Redemption Fund and, at the request of and as determined by the Borrower, credited against payments due hereunder or used for the redemption of Outstanding Bonds in the manner and subject to the terms and conditions set forth in Section 4.01 or Section 4.02 of the Indenture. The Borrower also shall have the right to surrender Bonds acquired by it in any manner whatsoever to the Bond Trustee for cancellation, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired. Notwithstanding any such prepayment or surrender of Bonds, as long as any Bonds remain Outstanding or any Additional Payments required to be made hereunder remain unpaid, the Borrower shall not be relieved of its obligations hereunder.

(b) Prepayment in Whole or in Part. The Loan may be prepaid in whole or in part at any time by delivering to the Bond Trustee amounts sufficient to defease a like principal amount of Bonds to their optional redemption date pursuant to Section 4.02 and Article X of the Indenture.

(c) Prepayment in Whole or in Part from Amounts Transferred from Insurance and Condemnation Proceeds Fund. The Loan may be prepaid in whole or in part at any time in a principal amount corresponding to amounts transferred from the Insurance and Condemnation Proceeds Fund pursuant to the Indenture and used to redeem Bonds at the option of the Borrower pursuant to Section 4.01(a) the Indenture.

(d) Prepayment in Whole or in Part from Amounts Deposited with Trustee in connection with Prohibited Use. The Loan may be prepaid in whole or in part at any time in the event the Project is used or operated in any manner that violates the provisions of

the Act, in a principal amount corresponding to amounts transferred to the Redemption Fund and used to redeem Bonds pursuant to Section 4.01(d) of the Indenture.

SECTION 7.02 Redemption of Bonds Upon Prepayment. Upon prepayment of the Loan as provided in Section 7.01, the Bond Trustee shall do any of the following, as applicable: (1) call all or part of the Bonds for redemption, as required by the Indenture in the respective amounts set forth in the applicable paragraph of Section 4.01 or Section 4.02 of the Indenture and (2) provide for the defeasance of Bonds pursuant to Article X of the Indenture.

SECTION 7.03 Amount of Prepayment. In the event of any prepayment pursuant to Section 7.01, the amount of the Loan deemed to be prepaid shall be equal to the principal amount of Bonds defeased or redeemed as described in Section 4.01 or Section 4.02 of the Indenture. In the case of prepayment of the Loan in full, the Borrower shall pay to the Bond Trustee an amount sufficient, together with other funds held by the Bond Trustee and available for such purpose, to pay all reasonable and necessary fees and expenses (including attorneys' fees) of the Authority, the Bond Trustee and any paying agent accrued and to accrue through final payment of the Bonds and all other liabilities of the Borrower accrued and to accrue under this Loan Agreement and shall pay to the Authority an amount required by Section 3.02(d). In the case of partial prepayment of the Loan, the Borrower shall pay or cause to be paid to the Bond Trustee an amount sufficient, together with other funds held by the Bond Trustee and available for such purpose, to pay expenses of redemption of the Bonds to be redeemed upon such prepayment.

The Borrower agrees that it will not prepay the Loan or any part thereof, except in amounts sufficient to redeem Bonds in Authorized Denominations.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Notice. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or by messenger or overnight delivery service or by Electronic Notice, to the notice addresses set forth in the Indenture.

A duplicate copy of each notice, certificate or other communication given hereunder by the Authority or the Borrower shall also be given to the Bond Trustee. The Authority, the Borrower and the Bond Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 8.02 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the execution and delivery of this Loan Agreement by the Authority and the Borrower. Whenever in this Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower that are contained in this Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Authority.

SECTION 8.03 Governing Law; Venue. This Loan Agreement is a contract made under the laws of the State of California, and shall be governed by and construed in accordance with the Constitution and the laws applicable to contracts made and performed in said State. This Loan Agreement shall be enforceable in the State of California, and any action arising out of this Loan Agreement shall be filed and maintained in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement.

SECTION 8.04 Amendments; Modifications in Writing. Except as otherwise provided in this Loan Agreement or the Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full, or provision for such payment having been made as provided in the Indenture, this Loan Agreement may be effectively amended, changed, modified, altered or terminated only as permitted under the Indenture, by written instrument executed by the parties hereto. The Authority hereby agrees that it will not consent to an amendment of the Indenture without the approval of the Borrower.

SECTION 8.05 Captions. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Loan Agreement.

SECTION 8.06 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 8.07 Counterparts. This Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 8.08 Effective Date and Term. This Loan Agreement shall become effective upon its execution and delivery by the Parties hereto, shall remain in full force from the date thereof and, subject to the provisions hereof, shall continue in effect as long as any of the Bonds are outstanding or the Bond Trustee holds any money under the Indenture.

SECTION 8.09 Non-Liability of Authority. The Authority shall not be obligated to pay the principal (or redemption price) of or interest on the Bonds, except from certain Payments. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Authority or any member is pledged to the payment of the principal (or redemption price) or interest on the Bonds. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

The Borrower hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower to the Bond Trustee pursuant to this Loan Agreement, together with other amounts received by the Bond Trustee pursuant to the Indenture and investment income on certain funds and accounts held by the Bond Trustee under the Indenture, and hereby agrees that if such amounts shall ever prove insufficient to pay all

principal (or redemption price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Bond Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or redemption price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Bond Trustee, the Authority or any such third party, as the case may be, therefor.

SECTION 8.10 Waiver of Personal Liability. No member, officer, agent or employee of the Borrower, any Landlord, or the Lessee or of the Authority shall be individually or personally liable for the payment of any principal (or redemption price) or interest on the Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

SECTION 8.11 No Prevailing Party Provision. Nothing in this Loan Agreement shall be construed to provide for award of attorneys' fees and costs to the Authority or the Borrower for the enforcement of this Loan Agreement as described in Section 1717 of the Civil Code. Nothing in this Section affects the rights of the Bond Trustee provided herein.

SECTION 8.12 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority, the Bond Trustee, the Borrower, the Landlords and their respective successors and assigns, subject, however, to the limitations contained in Section 8.02 hereof.

SECTION 8.13 Authority's Performance. None of the provisions of this Loan Agreement shall require the Authority to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Payments pledged under the Indenture, or the Authority shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Authority shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds and the Facilities (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Trustee or the Borrower.

SECTION 8.14 Survival of Covenants. Notwithstanding the payment in full of the Bonds, the discharge of the Indenture, and the termination or expiration of this Loan Agreement, all provisions in this Loan Agreement concerning (a) the tax-exempt status of the Bonds (including, but not limited to provisions concerning rebate) in Sections 4.06 hereof, (b) the interpretation of this Loan Agreement in Section 1.02 hereof, (c) the governing law and venue in Section 8.03 hereof, (d) the Authority's right to rely on facts or certificates, (e) the immunity of the Authority's directors, officers, counsel, financial advisors, and agents in Sections 8.09 and 8.10 hereof shall survive and remain in full force and effect

SECTION 8.15 Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this agreement may be conducted by electronic means. Each party agrees,

and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement as of the date first stated above.

**CALIFORNIA SCHOOL FINANCE
AUTHORITY**

By _____
Deputy Treasurer for Chair,
State Treasurer, Fiona Ma

By _____
Katrina Johantgen, Executive Director

GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit
corporation

By _____
[Name, Title]

[Signature Page to Loan Agreement –
Camino Nuevo Charter Academy 2023 – Obligated Group]

Acknowledged and agreed to:

FIFTEENTH AND ARDMORE LLC,
a California limited liability company

By: GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation,
its Sole Member

By: _____
Authorized Signatory

Acknowledged and agreed to:

3500 WEST TEMPLE LLC,
a California limited liability company

By: GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation,
its Sole Member

By: _____
Authorized Signatory

Acknowledged and agreed to:

[3545 WEST TEMPLE LLC,]
a California limited liability company

By: GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation,
its Sole Member

By: _____
Authorized Signatory

Acknowledged and agreed to:

GNLA 697 S BURLINGTON LLC,
a California limited liability company

By: GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation,
its Sole Member

By: _____
Authorized Signatory

EXHIBIT A
THE PROJECT

The “Project” shall consist of refinancing the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping (A) an educational facility known as Camino Nuevo Elementary #3, located at 2755 W 15th St, Los Angeles, California 90006 (“Eisner Middle Campus”) (B) administrative offices, located at 3435 W. Temple St., Los Angeles, California 90026 (“Head Office”) (C) an educational facility known as Camino Nuevo High School #2, located at 3500 and 3515 W. Temple Street, Los Angeles, California 90004 (“Dalzell High Campus”) (D) an educational facility known as Camino Nuevo Charter Academy, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (the “Burlington Campus”).

EXHIBIT B
[FORM OF COMPLETION CERTIFICATE]

EXHIBIT C

SCHEDULE OF LOAN REPAYMENTS

Payment Date	Loan Repayment	Additional Payments	Total
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OHS Draft 1/3/23

[\$A Amount]
California School Finance Authority
Charter School Revenue Bonds
(Camino Nuevo Charter Academy -
Obligated Group)
Series 2023A

[\$B Amount]
California School Finance Authority
Charter School Revenue Bonds
(Camino Nuevo Charter Academy -
Obligated Group)
Series 2023B (Taxable)

BOND PURCHASE AGREEMENT

[BPA Date], 2023

The Honorable Fiona Ma
 Treasurer of the State of California
 915 Capitol Mall, Room 261
 Sacramento, California 95814

Camino Nuevo Charter Academy
 3435 W. Temple Street
 Los Angeles, CA 90026

California School Finance Authority
 915 Capitol Mall, Room 101
 Sacramento, California 95814

Grupo Nuevo Los Angeles
 3435 W. Temple Street
 Los Angeles, CA 90026

Ladies and Gentlemen:

RBC Capital Markets, LLC (the “Underwriter”), acting on its own behalf and not as fiduciary or agent for you, offers to enter into this Bond Purchase Agreement with the California School Finance Authority (the “Authority”), the Honorable Fiona Ma, Treasurer of the State of California (the “State Treasurer”), as agent for sale on behalf of the Authority, Grupo Nuevo Los Angeles (the “Borrower”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and Camino Nuevo Charter Academy (the “Lessee”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code operating (among others) the charter schools known as Camino Nuevo High #2 (Dalzell Lance High School), Camino Nuevo Elementary #3 (Jane B. Eisner) and Camino Nuevo Charter Academy (Burlington) (collectively, the “Schools”), established pursuant to the Charter Schools Act of 1992, as amended. Capitalized terms not otherwise defined herein shall have the same meaning as in the Preliminary Limited Offering Memorandum (as defined below).

1. Introduction.

(a) The Authority is authorized to issue (i) [\$A Amount] aggregate principal amount of its Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A (the “Series 2023A Bonds”) and [\$B Amount] aggregate principal amount of its Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B

(Taxable) (the “Series 2023B Bonds” and, together with the Series 2023A Bonds, the “Series 2023 Bonds”).

The Series 2023 Bonds will be issued pursuant to the Constitution and laws of the State of California (the “State”) and particularly under and pursuant to Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the California Education Code (the “Act”), and an Indenture, dated as of [_____] 1, 2023 (the “Bond Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as Bond Trustee (the “Bond Trustee”). The Series 2023 Bonds will mature on the dates and in the amounts and will bear interest at the rates shown on Schedule I hereto. Interest on the Series 2023A Bonds is intended to be excludable from gross income for federal income tax purposes.

The proceeds of the Series 2023 Bonds will be used to (1) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of (A) an educational facility known as Camino Nuevo Elementary #3, located at 2755 W 15th St, Los Angeles, CA 90006 (“Eisner Middle Campus”), (B) administrative offices, located at 3435 W. Temple St., Los Angeles, CA 90026 (“Head Office Facility”), (C) an educational facility known as Camino Nuevo High School #2, located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004 (“Dalzell High Campus”) and (D) an educational facility known as Camino Nuevo Charter Academy, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (“Burlington Campus” and collectively with Eisner Middle Campus, Head Office Facility, and Dalzell High, the “Facilities”); (2) finance certain capital improvements to the Facilities; (3) pay capitalized interest on the Series 2023 Bonds; (4) fund a debt service reserve fund with respect to the Series 2023 Bonds; (5) fund related working capital; and (6) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds (collectively, the “Project”). A deposit to a debt service reserve account for the Series 2023 Bonds in an amount equal to the Reserve Account Requirement will be funded by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority.

The proceeds of the Series 2023 Bonds will be loaned by the Authority to the Borrower pursuant to a Loan Agreement, dated as of [_____] 1, 2023 (the “Loan Agreement”), by and between the Authority and the Borrower and approved and acknowledged by the Landlords (as defined herein).

The Facilities will be leased to the Lessee pursuant to certain Lease Agreements, each dated as of [_____] 1, 2023 (collectively, the “Leases”), each by and between the Lessee and the applicable Landlord.

The Lessee operates the Schools under the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the California Education Code), and pursuant to the Charters, as defined and further described in the Limited Offering Memorandum.

The Series 2023 Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Bond Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Series 2023 Bonds (“Obligation No. 1”) issued by the Borrower in an amount equal to the aggregate principal amount of the Series 2023 Bonds pursuant to a Master Indenture of Trust, dated as of [_____] 1, 2023 (the “Original Master Indenture”), as

supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [____] 1, 2023 (the “First Supplemental Master Indenture” and, together with the Original Master Indenture, the “Master Indenture”), each by and between the Borrower, as representative of the Obligated Group, the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee thereunder (the “Master Trustee”). The initial Members of the Obligated Group are Fifteenth and Ardmore LLC, a California limited liability company, 3500 West Temple LLC, a California limited liability company, GNLA 3435 W Temple LLC, a California limited liability company, and GNLA 697 S Burlington LLC, a California limited liability company (each a “Landlord” and collectively, the “Landlords”), the sole member of each of which is the Borrower. The Series 2023 Bonds and Obligation No. 1 will also be secured by the Deeds of Trust.

Simultaneously with the issuance of the Series 2023 Bonds, the Lessee will provide to the Controller of the State of California, notices (each an “Intercept Notice”) with respect to the Schools, as applicable, including schedules of transfers to the Bond Trustee for amounts to become due and payable on the Series 2023 Bonds to intercept certain amounts apportioned by the State (collectively, the “Intercept”) pursuant to Section 17199.4 of the Act.

To ensure compliance with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Borrower, the Lessee and Campanile Group, Inc., as dissemination agent, will execute and deliver a continuing disclosure agreement related to the Series 2023 Bonds (the “Continuing Disclosure Agreement”) pursuant to which the Lessee and the Borrower will annually prepare and provide audited financial statements and specified other information, as well as provide notices of certain enumerated events.

The Authority approved the issuance of the Series 2023 Bonds and certain related matters pursuant to Resolution No. 22-36 adopted on August 19, 2023 (the “Authority Resolution”).

(b) Not later than ten (10) calendar days after the Closing Date, with respect to the Series 2023 Bonds, the Underwriter shall submit to the Authority the report referenced by Section 1899.532 of Article 4 of Subchapter 4 of Chapter 4, Division 2 of Title 2 of the California Code of Regulations.

(c) The Underwriter has entered into this Bond Purchase Agreement in reliance upon (i) the representations and warranties of the Authority contained herein, (ii) the representations and warranties of the Borrower and the Lessee contained herein, (iii) the certificates of the Authority, the Borrower, the Lessee and the Bond Trustee to be delivered pursuant hereto and (iv) the opinions of Bond Counsel, counsel to the Authority, counsel to the Bond Trustee, and counsel to the Borrower, the Lessee and the Landlords required to be delivered hereby.

(d) The Underwriter acknowledges the restrictions on registration and transfer of the Series 2023 Bonds described in Section 2.04 of the Bond Indenture and agrees to cause each of the initial purchasers of the Series 2023 Bonds to execute and deliver to the Authority and the Bond Trustee on or prior to the Closing Date an Investor Letter or a Bondholder Representative Letter, as appropriate, forms of which are provided in Appendix I to the Limited Offering Memorandum.

2. Purchase and Sale of the Series 2023 Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Series 2023 Bonds.

(a) Inasmuch as this purchase and sale represents a negotiated transaction, the State Treasurer and the Authority, acknowledge and agree that: (i) the transaction contemplated by this Bond Purchase Agreement is an arm's length, commercial transaction among the State Treasurer, the Authority and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as an agent, advisor or fiduciary to the State Treasurer or the Authority; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the State Treasurer or the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter, has provided other services or is currently providing other services to the State Treasurer or the Authority on other matters); (iii) the only obligations the Underwriter has to the State Treasurer or the Authority with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; (iv) the Underwriter has financial and other interests that differ from those of the State Treasurer and the Authority and (v) the State Treasurer and the Authority have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. Nothing in this paragraph (a) is intended to limit the Underwriter's obligations of fair dealing under MSRB Rule G-17. The Underwriter has been duly authorized to execute this Bond Purchase Agreement and to act hereunder.

(b) Inasmuch as this purchase and sale represents a negotiated transaction, the Borrower and the Lessee acknowledge and agree that: (i) the transaction contemplated by this Bond Purchase Agreement is an arm's length, commercial transaction among the Underwriter, the Borrower and the Lessee in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Borrower or the Lessee; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Borrower or the Lessee with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Borrower or the Lessee on other matters); (iii) the Underwriter is acting solely in its capacity as Underwriter for its own accounts, (iv) the only obligations the Underwriter has to the Borrower or the Lessee with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; and (v) the Borrower and the Lessee have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. The Underwriter has been duly authorized to execute this Bond Purchase Agreement and to act hereunder.

(c) The principal amount of the Series 2023 Bonds to be issued, the dated date therefor, the maturities, sinking fund and optional redemption provisions and interest rates per annum are set forth in Schedule I hereto. The Series 2023 Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Bond Indenture.

The purchase price for (i) the Series 2023A Bonds shall be \$[_____] (equal to the par amount of the Series 2023A Bonds, [plus/less] original issue [premium/discount] of \$[_____] , less

Underwriter's discount of \$[____]) and (ii) the Series 2023B Bonds shall be \$[____] (equal to the par amount of the Series 2023B Bonds, less Underwriter's discount of \$[____]).

3. Closing.

(a) At 10:00 a.m. Pacific Time, on [____], 2023, or at such other time or date as shall have been mutually agreed upon by the Authority, the Borrower, the Lessee, and the Underwriter (the "Closing Date"), the Authority will, subject to the terms and conditions hereof, deliver the Series 2023 Bonds for the account of the Underwriter pursuant to Subsection (b) of this Section 3, duly executed and authenticated, together with the other documents hereinafter mentioned, against the payment of the purchase price of the Series 2023 Bonds as set forth in Section 2 of this Bond Purchase Agreement by wire transfer payable in immediately available funds. Payment for the Series 2023 Bonds as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Authority and the Underwriter.

(b) Delivery of the Series 2023 Bonds shall be made to The Depository Trust Company, New York, New York. The Series 2023 Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Series 2023 Bonds, registered in the name of Cede & Co., all as provided in the Bond Indenture, and shall be made available to the Underwriter at least one business day before the Closing Date for purposes of inspection.

(c) Notwithstanding anything in this Section 3 to the contrary, the Underwriter may elect to take delivery of the Series 2023 Bonds in temporary form. In such event, the Authority agrees that the Series 2023 Bonds in definitive form shall be delivered to the Underwriter no later than 10 days after the Closing Date.

4. Closing Documents. At or prior to the Closing Date, the Underwriter shall have received executed copies of the following (collectively, the "Closing Documents"), except as otherwise provided:

(a) the Preliminary Limited Offering Memorandum dated [____], 2023, relating to the Series 2023 Bonds (the "Preliminary Limited Offering Memorandum");

(b) the Limited Offering Memorandum dated the date hereof relating to the Series 2023 Bonds (the "Limited Offering Memorandum"), executed by the Borrower and the Lessee;

(c) the Original Master Indenture, duly executed by the Borrower and the Master Trustee;

(d) the First Supplemental Master Indenture, duly executed by the Borrower and the Master Trustee;

(e) Obligation No. 1, duly executed by the Borrower and authenticated by the Master Trustee;

(f) the Bond Indenture, duly executed by the Authority and the Bond Trustee;

(g) the Loan Agreement, duly executed by the Authority and the Borrower and approved and acknowledged by the Landlords;

(h) the Tax Regulatory Agreement (the “Tax Regulatory Agreement”), dated the Closing Date, by and among the Authority, the Borrower and the Lessee relating to the Series 2023A Bonds;

(i) the Deeds of Trust from the Landlords to the Deed of Trust trustee, for the benefit of the Master Trustee, securing the applicable Landlord’s obligations pursuant to Obligation No. 1 and the Master Indenture;

(j) the Subordination, Nondisturbance and Attornment Agreements related to each of the Facilities, each dated the Closing Date, by and among the Borrower, the applicable Landlord, the Bond Trustee and the Lessee (collectively, the “SNDA”);

(k) a certified copy of the Authority Resolution, authorizing the issuance of the Series 2023 Bonds, and the execution and delivery of the Bond Indenture, the Loan Agreement, and this Bond Purchase Agreement;

(l) the Charters;

(m) the Continuing Disclosure Agreement; and

(n) the Leases.

Within seven business days of the date hereof, the Borrower and the Lessee shall have delivered to the Underwriter the Limited Offering Memorandum as approved by the Underwriter and reasonably approved by the Borrower and the Lessee.

The Lessee agrees to provide the Underwriter, at the expense of the Lessee, with a reasonable number of additional copies of all of the foregoing documents as the Underwriter shall request. The Authority consents (if and to the extent its consent is required) to the use of all the foregoing documents in connection with the offering, sale, and distribution of the Series 2023 Bonds.

5. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Series 2023 Bonds at a price not to exceed the public offering price set forth on page (i) of the Limited Offering Memorandum and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Series 2023 Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering price stated on page (i) of the Limited Offering Memorandum.

6. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Borrower and the Authority in establishing the issue price of the Series 2023A Bonds and shall execute and deliver to the Borrower and the Authority on the Closing Date a certificate in the form of Exhibit D hereto, together with the supporting pricing wires or equivalent communications, with such modifications as may be

appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority, and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2023A Bonds.

(b) Except as otherwise set forth on Schedule I hereto, the Borrower and the Authority will treat the first price at which 10% of each maturity of the Series 2023A Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Borrower and the Authority, with a copy to the State Treasurer, the price or prices at which the Underwriter has sold to the public each maturity of Series 2023A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2023A Bonds, the Underwriter agrees to promptly report to the Borrower and the Authority, with a copy to the State Treasurer, the prices at which Series 2023A Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2023A Bonds of that maturity or until all Series 2023A Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2023A Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2023A Bonds for which the 10% test has not been satisfied and for which the Borrower and the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Borrower and the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2023A Bonds, the Underwriter will neither offer nor sell unsold Series 2023A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2023A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Borrower and the Authority when the Underwriter has sold 10% of that maturity of the Series 2023A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Authority and the Borrower acknowledge that, in making the representation set forth in this Subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2023A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set

forth in a selling group agreement and the related pricing wire(s), and (ii) in the event that the Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2023A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wire(s). The Authority and the Borrower further acknowledge that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that each underwriter shall be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2023A Bonds.

(d) The Underwriter confirms that any selling group agreement relating to the initial sale of the Series 2023A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group to (A) report the prices at which it sells to the public the unsold Series 2023A Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Series 2023A Bonds of that maturity or all Series 2023A Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this Subsection, the Underwriter will rely on in the event a selling group has been created in connection with the initial sale of the Series 2023A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2023A Bonds.

(e) The Underwriter acknowledges that the sale of any Series 2023A Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2023A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2023A Bonds to the public),

(iii) a purchaser of any of the Series 2023A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both

entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

7. The Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(a) The Preliminary Limited Offering Memorandum and the Limited Offering Memorandum have been prepared by the Borrower and the Lessee for use by the Underwriter in connection with the public offering, sale and distribution of the Series 2023 Bonds.

(b) The Authority has delivered a certificate to the Underwriter representing that the Authority Information (as hereinafter defined) of the Preliminary Limited Offering Memorandum was deemed final by the Authority as of its date, except for the omission of such information, if any, which is dependent upon the final pricing of the Series 2023 Bonds for completion, all as permitted to be excluded by paragraph (b)(1) of Rule 15c2-12.

(c) The Borrower and the Lessee have delivered a certificate to the Underwriter representing that the Preliminary Limited Offering Memorandum was deemed final by it as of its date, except for the omission of such information, if any, which is dependent upon the final pricing of the Series 2023 Bonds for completion, all as permitted to be excluded by paragraph (b)(1) of Rule 15c2-12.

(d) The Borrower, the Lessee, and the Underwriter acknowledge that the Authority assumes no responsibility for the sufficiency, accuracy or completeness of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, other than with respect to information provided under the caption “THE AUTHORITY” and under the caption “ABSENCE OF MATERIAL LITIGATION – The Authority” (collectively, the “Authority Information”), which the Authority has approved.

(e) The Authority consents to the distribution by the Underwriter of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(f) The Underwriter hereby agrees to file the Limited Offering Memorandum with the MSRB. Unless otherwise notified in writing by the Underwriter, the Authority can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

(g) End of the Underwriting Period.

Unless otherwise notified in writing by the Underwriter on or before the Closing Date, the Authority and the Lessee can assume that the “End of the Underwriting Period” for the Series 2023 Bonds for purposes of Rule 15c2-12 shall be the Closing Date. If such notice is so given in writing by the Underwriter, the Underwriter agrees to notify the Authority and the Lessee in writing

following the occurrence of the “End of the Underwriting Period” as defined in Rule 15c2-12. The “End of the Underwriting Period” for the Series 2023 Bonds as used in this Bond Purchase Agreement shall mean the Closing Date or such later date as to which notice is given by the Underwriter in accordance with the preceding two sentences.

8. Representations of the Authority. The Authority hereby represents and covenants with the Underwriter that:

(a) The Authority is duly organized and existing under the Constitution and laws of the State of California, has full power and authority to issue the Series 2023 Bonds, to adopt the Authority Resolution, to enter into the Bond Indenture, the Loan Agreement, the Tax Regulatory Agreement, and this Bond Purchase Agreement (collectively, the “Authority Documents”) and to perform its obligations thereunder, and when executed and delivered by the respective parties hereto and thereto, the Authority Documents will constitute the valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws related to or affecting the enforcement of creditors’ rights generally and by the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered in a proceeding in equity or at law, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in California;

(b) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has authorized and approved the distribution of the Preliminary Limited Offering Memorandum, has deemed the Authority Information in the Preliminary Limited Offering Memorandum “final” for purposes of Rule 15c2-12, the distribution of the Limited Offering Memorandum, and the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Series 2023 Bonds and the Authority Documents and the consummation by the Authority of all other financing transactions on its part contemplated by the Limited Offering Memorandum and this Bond Purchase Agreement;

(c) There is no action, suit or proceeding, at law or in equity, before or by any court pending (with service of process having been accomplished against the Authority) or any action, suit, proceeding, inquiry or investigation before any court, governmental agency, public board or body known to the Authority to be threatened against the Authority seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023 Bonds, or contesting any proceedings of the Authority taken concerning the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, in any way contesting the validity or enforceability of the Series 2023 Bonds or the Authority Documents or contesting in any way the completeness or accuracy of the information contained in the Authority Information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or the existence or powers of the Authority relating to the issuance of the Series 2023 Bonds;

(d) As of the date thereof, and as of the date hereof, and in the case of the Limited Offering Memorandum, as of the Closing Date, the statements and information contained in the Authority Information in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum are true and correct in all material respects, and do not contain an untrue statement

of a material fact or omit to state a material fact necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading, it being further understood that the Authority makes no representation or warranty regarding any other statement or information in or omissions from the Limited Offering Memorandum;

(e) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in endeavoring (i) to qualify the Series 2023 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Series 2023 Bonds for investment under the laws of such states and other jurisdictions, and, subject to Sections 15 and 19 hereof, will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2023 Bonds; provided, however, that in no event shall the Authority be required to qualify as a foreign corporation in any such state or take any action that would subject it to general, special or unlimited service of process in any jurisdiction in which it is now not so subject;

(f) To the best knowledge of the Authority, the execution and delivery by the Authority of the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would have a material adverse effect on the Authority's ability to perform its obligations under the Authority Documents;

(g) The Authority is not in material breach of or in material default under any applicable law or administrative regulation of the State or the United States or any applicable material judgment or material decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would have a material adverse effect on the Authority's ability to perform its obligations under the Authority Documents and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a material breach of or a material default or a material event of default under any such instrument, which breach or default would have a material adverse effect on the Authority's ability to perform its obligations under the Authority Documents;

(h) The Authority agrees to provide the Underwriter, at the expense of the Borrower and the Lessee, with a reasonable number of additional copies of the Authority Documents, as the Underwriter shall request. The Authority authorizes the use of the Authority Documents in connection with the offering, sale and distribution of the Series 2023 Bonds;

(i) Any certificate executed by an authorized officer of the Authority and delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein, and not a representation and warranty of the individual officer executing the same;

(j) If between the date of this Bond Purchase Agreement and up to and including the 25th day following the End of the Underwriting Period an event occurs, of which the Authority has knowledge, which might or would cause the information in the Authority Information contained in the Limited Offering Memorandum, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which they were made, not misleading, or if the Authority is notified by the Borrower or the Lessee pursuant to the provisions of this Bond Purchase Agreement or otherwise requested to amend, supplement or otherwise change the Limited Offering Memorandum, the Authority will notify the Underwriter, the Lessee and the Borrower, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Authority will cooperate in the amendment or supplementing of the Limited Offering Memorandum in a form and in a manner approved by the Underwriter and counsel to the Authority, provided that all expenses thereby incurred will be paid by the Borrower and the Lessee pursuant hereto and provided further that, for purposes of this provision, the End of the Underwriting Period shall be the Closing Date unless the Underwriter on or prior to the Closing provides written notice to the contrary to the Authority, the Borrower and the Lessee;

(k) For 25 days from the date of the End of the Underwriting Period, the Authority will not participate in the issuance of any amendment of or supplement to the Limited Offering Memorandum to which, after being furnished with a copy, the Borrower, the Lessee, the Trustee or the Underwriter shall reasonably object in writing or which shall be disapproved by any of their respective counsel; and

(l) The execution and delivery of this Bond Purchase Agreement by the Authority shall constitute a representation by the Authority to the Underwriter that the representations, warranties and agreements contained in this Section 8 are true as of the date hereof; provided, that as to information furnished by the Borrower or the Lessee pursuant to this Bond Purchase Agreement or otherwise and in the Limited Offering Memorandum, the Authority is relying on such information in making the Authority's representations, warranties and agreements; and as to all matters of law other than federal tax and securities law, the Authority is relying on the advice of counsel to the Authority; as to matters of federal tax and securities law the Authority is relying on the advice of Bond Counsel; and provided further, that no member of the governing body of the Authority or officer, employee or agent of the Authority shall be individually liable for the breach of any representation, warranty or agreement contained herein.

9. Representations and Warranties of the Lessee. The Lessee represents and warrants to the parties hereto:

(a) The Lessee (i) is a California public benefit corporation, a tax exempt charitable organization as described in Section 501(c)(3) of the Code, qualified to transact business pursuant to the laws of the State of California and is in existence under the laws of the State of California; (ii) has the full legal right, power and authority to own or lease its properties and assets, and to carry on its business as now being conducted by it, and as contemplated by the Tax Regulatory Agreement, this Bond Purchase Agreement, the Continuing Disclosure Agreement, the Leases, the SNDA, and the Charters (collectively, the "Lessee Documents").

(b) By all necessary official action of the Lessee prior to or concurrently with the acceptance hereof, the Lessee has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Series 2023 Bonds, (ii) the approval, execution and delivery of, and the performance by the Lessee of the obligations on its part, contained in the Series 2023 Bonds, the Limited Offering Memorandum, and the Lessee Documents, and (iii) the consummation by it of all other transactions contemplated by the Limited Offering Memorandum, and the Lessee Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Lessee in order to carry out, give effect to, and consummate the transactions contemplated herein, and in the Limited Offering Memorandum.

(c) The Lessee Documents and the Limited Offering Memorandum have been duly executed and delivered by the Lessee or will be executed and delivered prior to or on the Closing Date.

(d) The execution and delivery by the Lessee of the Lessee Documents and the Limited Offering Memorandum, and the performance by the Lessee of its obligations under the Lessee Documents, and the consummation by the Lessee of the transactions contemplated hereby, will not violate any provision of any articles of incorporation, bylaws or any resolution of the Lessee, or of any mortgage, indenture, contract, agreement, document, instrument, or other undertaking to which the Lessee is a party or which purports to be binding upon the Lessee or upon any of its assets, including the Charters, or to the knowledge of the Lessee, any provision of law, rule, or regulation applicable to the Lessee, or any order or decree of any court or other agency or government or governmental instrumentality.

(e) Assuming the due authorization, execution, and delivery thereof by any other party thereto, each of the Lessee Documents is a legal, valid, and binding obligation of the Lessee enforceable against the Lessee in accordance with its terms subject to (i) the exercise of judicial discretion in accordance with general principles of equity, and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable.

(f) To the knowledge of the Lessee, the Lessee is not in violation in any material respect under any applicable constitutional provision, law, or administrative regulation of the State of California or any political subdivision thereof or the United States of America. The Lessee is not in breach or default of any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Lessee is a party or to which the Lessee is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Lessee under any of the foregoing; and the execution and delivery of the Series 2023 Bonds and the Lessee Documents and the Limited Offering Memorandum and compliance with the provisions on the Lessee's part contained in the Lessee Documents will not conflict with or constitute a violation in any material respect under any constitutional provision, law, or administrative regulation and will not conflict with or constitute a breach of or default under any judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Lessee is a party or to which the Lessee is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge or other security

interest or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee to be pledged to secure the Series 2023 Bonds or under the terms of any such law, regulation or instrument, except as provided by the Lessee Documents.

(g) All authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Lessee of its obligations under the Lessee Documents and the Series 2023 Bonds have been duly obtained. The Lessee has obtained, or will obtain on or before the date required therefor, all licenses, authorizations, permits and approvals from applicable local, state, and federal governmental agencies necessary for it to operate, or cause to be operated, the Facilities as charter school facilities as contemplated by the Lessee Documents. The Lessee knows of no reason that such licenses, authorizations, permits, and approvals will not be issued or reissued in a timely manner. Except as otherwise disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, no approval, authorization, consent or other order of any public board or body not presently obtained or which will not be obtained by the Closing Date is required for the transactions contemplated hereby (other than (i) such notices and filings, if any, as may be required under the securities or Blue Sky laws of any jurisdiction (ii) such approvals and permits required in connection with the Facilities which can be obtained or are required only following the Closing Date).

(h) Except as may be disclosed in the Preliminary Offering Memorandum and the Limited Offering Memorandum, there is no litigation, action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board, or body, pending or, to the knowledge of the Lessee after due inquiry, threatened against the Lessee, affecting the existence of the Lessee or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain, or enjoin the sale, issuance, or delivery of the Series 2023 Bonds, or the collection of Revenues pursuant to the Intercept, or operation of the Facilities pursuant to the Lessee Documents, or in any way contesting or affecting the validity or enforceability of the Series 2023 Bonds, the Lessee Documents, or contesting the exclusion from gross income of interest on the Series 2023A Bonds for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any supplement or amendment thereto, or contesting the powers of the Lessee or any authority for the issuance of the Series 2023 Bonds, or the execution and delivery of the Lessee Documents, nor, to the knowledge of the Lessee, is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the (i) validity or enforceability of the Series 2023 Bonds or the Lessee Documents or (ii) condition, financial or otherwise, of the Lessee.

(i) The information relating to the Borrower, the Lessee, the Landlords, the Facilities, and the Borrower's, the Lessee's and the Landlords' facilities, operations and financial position in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum including but not limited to the statements and information under the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum headings "INTRODUCTION – The Borrower," "INTRODUCTION – The Lessee and the Schools," "PLAN OF FINANCE," "CERTAIN RISK FACTORS," "ABSENCE OF MATERIAL LITIGATION – The Borrower, the

Landlords and the Lessee,” “FINANCIAL STATEMENTS” and in Appendices A, B, and C to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, is, as of the respective dates thereof, and, in the case of the Limited Offering Memorandum, will be, as of the Closing Date, true and correct in all material respects. The information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (excluding any information with respect to DTC and the book-entry only system, the Underwriter and the Authority Information), does not, as of the respective dates thereof, and, in the case of the Limited Offering Memorandum, as of the Closing Date, does not and will not contain any untrue statement of a material fact, and the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, as of the respective dates thereof, and, in the case of the Limited Offering Memorandum, as of the Closing Date, does not and will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(j) The audited financial statements of the [Lessee] for the fiscal years ended June 30, [____], and other financial information regarding the Lessee, in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum fairly present, in all material respects, the financial position and results of the Lessee’s operations as of the dates and for the periods therein set forth. Prior to the Closing Date, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Lessee. The financial projections of the Lessee included in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum present a reasonable projection of the matters included therein and are based on reasonable assumptions.

(k) The Lessee is an organization (i) organized and operated exclusively for charitable purposes and not for pecuniary profit, and (ii) no part of the net earnings of which inure to the benefit of any Person, private stockholder, or individual, all within the meaning of the Securities Act and the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), respectively.

(l) The Lessee represents and warrants that, except for those matters discussed generally in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the caption “CERTAIN RISK FACTORS,” it knows of no event or circumstance which presently appears likely to occur which would cause it not to have the economic ability to meet all the obligations imposed under the Lessee Documents.

(m) The Lessee is not in default in the payment of principal of or premium, if any, or interest on any obligation issued or guaranteed by it.

(n) Prior to the Closing Date, the Lessee will not incur any material liabilities, direct or contingent, payable from or secured by any of the Revenues or assets which will secure the Series 2023 Bonds without the prior approval of the Underwriter.

(o) Any certificates in connection with the issuance of the Series 2023 Bonds signed by or on behalf of the Lessee or any of its officers, directors, agents, or employees and delivered to the Underwriter, the Bond Trustee or the Authority on or prior to the Closing Date, and any representation of the Lessee in any Lessee Document shall be deemed a representation and warranty by the Lessee to the Authority, the Bond Trustee, the Borrower and the Underwriter as

to the truth of the statements therein contained and may be relied upon by the Authority, the Bond Trustee, the Borrower and the Underwriter and counsel for the same and Bond Counsel.

(p) The Charters are in full force and effect, and the Lessee is not in default or violation of any provision of the Charters.

(q) The Lessee has received, and there are currently in full force and effect, all permits, licenses, franchises, accreditations and certifications necessary, including but not limited to the Charters, (i) to conduct its businesses as those businesses are being conducted currently, as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and (ii) to acquire, construct, improve and equip the Facilities, except as described in Section 9(h) hereof.

(r) The Lessee is in possession of Phase I Environmental Site Assessments, each dated as of [_____] (the "Phase I's"), which were performed on the sites of the Facilities, and such assessment did not reveal any contamination of the Facilities or any violation of any rules or regulations of the Environmental Protection Agency or any other applicable local, state, or federal environmental law, regulation, ordinance, or administrative or judicial order (collectively, the "Environmental Status"). There has been no change in control and no change to the Environmental Status of the Facilities since [_____]. The description of the Phase I's and the environmental status of the Facilities set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is accurate.

(s) In the past five years, the Lessee has not been subject to any undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

The Lessee acknowledges that the Authority has furnished for inclusion in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum only the statements and information appearing in the Authority Information, and all other information contained in the Limited Offering Memorandum has been furnished by parties other than the Authority, which other information has not been independently verified by the Authority.

The Lessee represents that the governing body of the Lessee has reviewed and approved the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and hereby authorizes the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum to be used by the Underwriter in connection with the limited offering and sale of the Series 2023 Bonds. The Lessee hereby approves the form of, and consents to and ratifies the Underwriter's lawful use of, the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in connection with the offering and sale of the Series 2023 Bonds and in connection with any Blue Sky qualifications. The Lessee hereby confirms that it does not object to the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in electronic form.

Further, the Lessee:

(t) covenants and agrees to cause reasonable quantities of the Limited Offering Memorandum to be delivered to the Underwriter, within seven business days of the date hereof and, in the event the Closing Date is less than seven business days after the date hereof, upon

request of the Underwriter in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, provided that four copies of the Limited Offering Memorandum shall be executed on behalf of the Lessee by the authorized officer thereof;

(u) represents and warrants that, if, after the date of this Bond Purchase Agreement and until 25 days after the End of the Underwriting Period (within the meaning of Rule 15c2-12), any event shall occur involving or affecting the Lessee or to the knowledge of the Lessee affecting the information in the Limited Offering Memorandum as a result of which it is necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in light of the circumstances when the Limited Offering Memorandum is delivered to the Underwriter, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, to notify the Underwriter (and for the purposes of this paragraph (v) to provide the Underwriter with such information as it may from time to time request), and to forthwith prepare and furnish a reasonable number of copies of either amendments or supplements to the Limited Offering Memorandum so that the statements in the Limited Offering Memorandum as so amended and supplemented will not, in light of the circumstances when the Limited Offering Memorandum is delivered to any customer of the Underwriter, be misleading or so that the Limited Offering Memorandum shall comply with law; provided, however, if such event shall occur on or prior to the Closing Date, the Underwriter in its sole discretion shall have the right to terminate the obligations of the Underwriter hereunder by written notice to the Lessee, the Borrower and the Authority, in which event the Underwriter shall be under no obligation to purchase and pay for the Series 2023 Bonds;

(v) represents and warrants that, at the time of the Authority's, the Borrower's and the Lessee's acceptance hereof and (unless an event occurs in the nature described in paragraph (v) of this Section) at all times subsequent thereto during the period up to and including 25 days subsequent to the End of the Underwriting Period, the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(w) represents and warrants that, if the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (v) of this Section, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including 25 days subsequent to the End of the Underwriting Period, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact regarding the Lessee or Lessee's operations required to be stated therein or necessary to make the statements therein not misleading; and

(x) shall take all necessary action on its part to cause the Series 2023 Bonds to comply with the provisions of the laws and regulations of the State pursuant to which the Series 2023 Bonds are issued and the provisions of the Code and will not take any action, or permit any action within its control to be taken, that would violate such provisions or that would cause interest on the Series 2023A Bonds to lose the exemption from federal income taxation of interest thereon.

10. Representations and Warranties of the Borrower. The Borrower represents and warrants to the parties hereto:

(a) The Borrower is a California public benefit corporation, a tax exempt charitable organization as described in Section 501(c)(3) of the Code, qualified to transact business pursuant to the laws of the State of California and is in existence under the laws of the State of California; and each Landlord is a disregarded entity treated as a 501(c)(3) corporation for federal income tax purposes. The Borrower has the full legal right, power and authority to (i) own its properties and assets, and to carry on its business as now being conducted by it, and as contemplated by the Loan Agreement, the Leases, Obligation No. 1, the Master Trust Indenture, the Tax Regulatory Agreement, the Continuing Disclosure Agreement, the Deed of Trust, the SNDA, and this Bond Purchase Agreement (collectively, the “Borrower Documents”); (ii) cause the Landlords to enter into the Master Trust Indenture, the applicable Leases to which each Landlord is a party, the applicable Deed of Trust to which each Landlord is a party and the applicable SNDA to which each Landlord is a party (collectively, the “Landlord Documents”) and to execute and deliver on behalf of the Landlords each of such documents; and (iii) execute and deliver, as applicable, the Borrower Documents and the Limited Offering Memorandum, and to perform all the undertakings of the Borrower under the Borrower Documents.

(b) By all necessary official action of the sole member of the Borrower prior to or concurrently with the acceptance hereof, the Borrower has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Series 2023 Bonds, (ii) the approval, execution and delivery of, and the performance by the Borrower of the obligations on its part, contained in the Borrower Documents, (iii) the consummation by it of all other transactions contemplated by the Limited Offering Memorandum and the Borrower Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Borrower in order to carry out, give effect to, and consummate the transactions contemplated herein, in the Limited Offering Memorandum, and (iv) the execution and delivery on behalf of the Landlords of the Landlord Documents to which each Landlord is a party.

(c) The Borrower Documents have been duly executed and delivered by the Borrower or will be executed and delivered prior to or on the Closing Date. The Landlord Documents have been duly executed and delivered by the Borrower, on behalf of the Landlords, or will be executed and delivered prior to or on the Closing Date.

(d) The execution and delivery by the Borrower of the Borrower Documents and the Limited Offering Memorandum, the performance by the Borrower of its obligations under the Borrower Documents, the execution and delivery of the Landlord Documents on behalf of the Landlords by the Borrower, and the consummation by the Borrower and the Landlords of the transactions contemplated hereby, will not violate any provision of the articles of incorporation and bylaws of the Borrower or the operating agreement of any Landlord, or any resolution of the Borrower or any Landlord, or of any mortgage, indenture, contract, agreement, document, instrument, or other undertaking to which the Borrower or any Landlord is a party or which purports to be binding upon the Borrower or any Landlord or upon any of their assets, or to the knowledge of the Borrower, any provision of law, rule, or regulation applicable to the Borrower or any Landlord, or any order or decree of any court or other agency or government or governmental instrumentality.

(e) Assuming the due authorization, execution, and delivery thereof by any other party thereto, each of the Borrower Documents is a legal, valid, and binding obligation of the Borrower

enforceable against the Borrower in accordance with its terms, and each of the Landlord Documents is a legal, valid and binding obligation of the applicable Landlord enforceable against the applicable Landlord in accordance with its terms, in each case subject to (i) the exercise of judicial discretion in accordance with general principles of equity, and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable.

(f) To the knowledge of the Borrower, neither the Borrower nor any Landlord is in violation in any material respect under any applicable constitutional provision, law, or material administrative regulation of the State of California or the United States of America. Neither the Borrower nor any Landlord is in breach or default of any applicable judgment or decree or any loan agreement, indenture, bond, note, agreement, or other instrument to which the Borrower or any Landlord is a party or to which the Borrower or any Landlord is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Borrower or any Landlord under any of the foregoing; and the execution and delivery of the Borrower Documents and compliance with the provisions on the Borrower's part contained in the Borrower Documents, and the execution and delivery of the Landlord Documents and compliance with the provisions on the applicable Landlord's part contained in the Landlord Documents, will not conflict with or constitute a violation in any material respect under any constitutional provision, law, or material administrative regulation and will not conflict with or constitute a breach of or default under any judgment, decree, loan agreement, indenture, bond, note, agreement, or other instrument to which the Borrower or any Landlord, as applicable, is a party or to which the Borrower or any Landlord, as applicable, is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or any Landlord, as applicable, to be pledged to secure the Series 2023 Bonds or under the terms of any such law, regulation or instrument, except as provided by the Borrower Documents and the Landlord Documents.

(g) All authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Borrower of its obligations under the Borrower Documents and the Series 2023 Bonds, or the due performance by the Landlords of their obligations under the Landlord Documents to which each Landlord is a party and the Series 2023 Bonds, have been duly obtained. The Borrower and the Landlords have obtained, or will obtain on or before the date required therefor, all licenses, authorizations, permits and approvals from applicable local, state, and federal governmental agencies necessary for them to operate, or lease to the Lessee for its operation of, the Facilities as charter school facilities as contemplated by the Borrower Documents and the Landlord Documents. The Borrower knows of no reason that such licenses, authorizations, permits, and approvals will not be issued or reissued in a timely manner. Except as otherwise disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, no approval, authorization, consent or other order of any public board or body not presently obtained or which will not be obtained by the Closing Date is required for the transactions contemplated hereby (other than (i) such notices and filings, if any, as may be required under the securities or Blue Sky laws

of any jurisdiction (ii) such approvals and permits required in connection with the Facilities which can be obtained or are required only following the Closing Date).

(h) There is no litigation, action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board, or body, pending or, to the knowledge of the Borrower after due inquiry, threatened against the Borrower or any Landlord, affecting the existence of the Borrower or any Landlord or the titles of their respective officers to their respective offices, or affecting or seeking to prohibit, restrain, or enjoin the sale, issuance, or delivery of the Series 2023 Bonds, or the collection of the Revenues, or the construction or operation of the Facilities pursuant to the Borrower Documents and the Landlord Documents or in any way contesting or affecting the validity or enforceability of the Series 2023 Bonds or the Borrower Documents or the Landlord Documents, or contesting the exclusion from gross income of interest on the Series 2023A Bonds for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, or any supplement or amendment thereto, or contesting the powers of the Borrower or any Landlord or any authority for the issuance of the Series 2023 Bonds, or the execution and delivery of the Borrower Documents or the Landlord Documents, nor, to the knowledge of the Borrower, is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the (i) validity or enforceability of the Series 2023 Bonds or the Borrower Documents or the Landlord Documents or (ii) condition, financial or otherwise, of the Borrower or any Landlord.

(i) The information relating to the Borrower, the Lessee, the Landlords, the Facilities, and the Borrower's, the Lessee's and the Landlords' facilities, operations and financial position in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum including but not limited to the statements and information under the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum headings "INTRODUCTION – The Borrower," "INTRODUCTION – The Lessee and the Schools," "PLAN OF FINANCE," "CERTAIN RISK FACTORS," "ABSENCE OF MATERIAL LITIGATION – The Borrower, the Landlords and the Lessee," "FINANCIAL STATEMENTS" and in Appendices A, B, and C to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, is, as of the respective dates thereof, and, in the case of the Limited Offering Memorandum, will be, as of the Closing Date, true and correct in all material respects. The information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (excluding any information with respect to DTC and the book-entry only system, the Underwriter and the Authority Information), does not, as of the respective dates thereof, and, in the case of the Limited Offering Memorandum, as of the Closing Date, does not and will not contain any untrue statement of a material fact, and the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, as of the respective dates thereof, and, in the case of the Limited Offering Memorandum, as of the Closing Date, does not and will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(j) The Borrower is an organization (i) organized and operated exclusively for charitable purposes and not for pecuniary profit, and (ii) no part of the net earnings of which inure to the benefit of any Person, private stockholder, or individual, all within the meaning of the Exchange Act, respectively.

(k) The Borrower represents and warrants that, except for those matters discussed generally in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the caption “CERTAIN RISK FACTORS,” it knows of no event or circumstance which presently appears likely to occur which would cause it not to have the economic ability to meet all the obligations imposed under the Borrower Documents.

(l) The Borrower is not in default in the payment of principal of or premium, if any, or interest on any obligation issued or guaranteed by it.

(m) Prior to the Closing Date, the Borrower will not incur any material liabilities, direct or contingent, payable from or secured by any of the Revenues or assets which will secure the Series 2023 Bonds without the prior approval of the Underwriter.

(n) Any certificates in connection with the issuance of the Series 2023 Bonds signed by or on behalf of the Borrower or any of its officers, directors, agents, or employees and delivered to the Underwriter, the Bond Trustee or the Authority on or prior to the Closing Date, and any representation of the Borrower in any Borrower Document shall be deemed a representation and warranty by the Borrower to the Authority, the Bond Trustee, the Lessee and the Underwriter as to the truth of the statements therein contained and may be relied upon by the Authority, the Bond Trustee, the Lessee and the Underwriter and counsel for the same and Bond Counsel.

(o) The Borrower has received, and there are currently in full force and effect, all permits, licenses, franchises, accreditations and certifications necessary, (i) to conduct its businesses as those businesses are being conducted currently, as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and (ii) to acquire the Facilities, except as described in Section 10(g) hereof.

(p) The Borrower is in possession of the Phase I's, which were performed on the sites of the Facilities, and such assessment did not reveal any contamination of the Facilities or any violation of any rules or regulations of the Environmental Protection Agency or any other applicable local, state, or federal environmental law, regulation, ordinance, or administrative or judicial order. There has been no change in control and no change to the Environmental Status of the Facilities since [____]. The description of the Phase I's and the environmental status of the Facilities set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is accurate.

(q) The Series 2023 Project constitutes a “project” as such term is defined in the Act, and the Borrower is a “participating party” as such terms are defined in Section 17173, subdivision (i), paragraph (1), of the Act.

(r) Between the date hereof and the Closing Date, without the prior written consent of the Underwriter, the Borrower will not have issued, and no other person will have issued in the name and on behalf of the Borrower, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Limited Offering Memorandum or otherwise consented to in writing by the Underwriter.

(s) The Borrower and the Landlords have complied with, shall continue to comply with, and shall cause the Lessee to comply with, all provisions of that certain Program Agreement,

between the Borrower and the Authority (the “Grant Agreement”), relating to a grant made by the Authority to the Borrower pursuant to the Charter School Facilities Credit Enhancement Program (the “Reserve Grant”), and all State and federal laws and regulations relating to and applicable to the Reserve Grant.

(t) The Series 2023 Project shall comply with Article 2 of Chapter 1 of Part 7 of Division 2 of the California Labor Code.

(u) The Borrower’s representations, warranties, agreements and indemnities herein shall survive the closing of the Series 2023 Bond transaction and any investigation made by or on behalf of either of the Authority or the Underwriter or any person who controls either of such parties of any matters described in or related to the transactions contemplated hereby and by the Borrower Documents or the Limited Offering Memorandum.

The Borrower acknowledges that the Authority has furnished for inclusion in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum only the statements and information appearing in the Authority Information, and all other information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum has been furnished by parties other than the Authority, which other information has not been independently verified by the Authority.

The Borrower represents that the governing body of the Borrower has reviewed and approved the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and hereby authorizes the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum to be used by the Underwriter in connection with the limited offering and sale of the Series 2023 Bonds. The Borrower hereby approves the form of, and consents to and ratifies the Underwriter’s lawful use of, the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, in connection with the offering and sale of the Series 2023 Bonds and in connection with any Blue Sky qualifications. The Borrower hereby confirms that it does not object to the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in electronic form.

(v) In the past five years, the Borrower has not been subject to any undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

Further, the Borrower:

(w) covenants and agrees to cause reasonable quantities of the Limited Offering Memorandum to be delivered to the Underwriter, within seven business days of the date hereof and, in the event the Closing Date is less than seven business days after the date hereof, upon request of the Underwriter in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, provided that four copies of the Limited Offering Memorandum shall be executed on behalf of the Borrower by the authorized officer thereof;

(x) represents and warrants that, if, after the date of this Bond Purchase Agreement and until 25 days after the End of the Underwriting Period (within the meaning of Rule 15c2-12), any event shall occur involving or affecting the Lessee or to the knowledge of the Lessee affecting the information in the Limited Offering Memorandum as a result of which it is necessary to amend or

supplement the Limited Offering Memorandum in order to make the statements therein, in light of the circumstances when the Limited Offering Memorandum is delivered to the Underwriter, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, to notify the Underwriter (and for the purposes of this paragraph (y) to provide the Underwriter with such information as it may from time to time request), and to forthwith prepare and furnish a reasonable number of copies of either amendments or supplements to the Limited Offering Memorandum so that the statements in the Limited Offering Memorandum as so amended and supplemented will not, in light of the circumstances when the Limited Offering Memorandum is delivered to any customer of the Underwriter, be misleading or so that the Limited Offering Memorandum shall comply with law; provided, however, if such event shall occur on or prior to the Closing Date, the Underwriter in its sole discretion shall have the right to terminate the obligations of the Underwriter hereunder by written notice to the Lessee, the Borrower and the Authority, in which event the Underwriter shall be under no obligation to purchase and pay for the Series 2023 Bonds;

(y) represents and warrants that, at the time of the Authority's, the Borrower's and the Lessee's acceptance hereof and (unless an event occurs in the nature described in paragraph (y) of this Section) at all times subsequent thereto during the period up to and including 25 days subsequent to the End of the Underwriting Period, the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(z) represents and warrants that, if the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (y) of this Section, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including 25 days subsequent to the End of the Underwriting Period, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact regarding the Lessee or Lessee's operations required to be stated therein or necessary to make the statements therein not misleading; and

(aa) shall take all necessary action on its part to cause the Series 2023 Bonds to comply with the provisions of the laws and regulations of the State pursuant to which the Series 2023 Bonds are issued and the provisions of the Code and will not take any action, or permit any action within its control to be taken, that would violate such provisions or that would cause interest on the Series 2023A Bonds to lose the exemption from federal income taxation of interest thereon.

11. Conditions to Obligations of the Authority; Consent of Authority to Use of the Limited Offering Memorandum. The obligations of the Authority hereunder and under the Bond Indenture to cause the preparation, execution and delivery of the Series 2023 Bonds on the Closing Date shall be subject to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing Date, and to the following additional conditions:

- (a) The Authority Documents shall have been executed by the other parties thereto;
- (b) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued, nor shall any legislation have been enacted, with the

purpose or effect, directly or indirectly, of prohibiting the offering, sale or execution and delivery of the Series 2023 Bonds as contemplated hereby or by the Limited Offering Memorandum;

(c) With respect to the issuance of the Series 2023 Bonds, the Closing Documents shall have been delivered substantially in the forms set forth herein on or before the Closing Date or, as the case may be, in form and substance satisfactory to Bond Counsel and to the Authority; and

(d) The Authority shall have received evidence of payment or provision for payment of the fees of the Authority and the State Treasurer as agent for sale of the Series 2023 Bonds.

Each of the State Treasurer and the Authority, acting alone, may terminate this Bond Purchase Agreement if the Underwriter or Borrower shall fail, by the Closing, to perform its obligations contained herein, upon written notice of such termination given to the Underwriter.

12. Conditions to Closing. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and agreements of the Authority, and the representations, warranties and agreements of the Borrower and the Lessee contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the Authority, the Borrower, and the Lessee of its obligations hereunder, both as of the date hereof, as of the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase and accept delivery of the Series 2023 Bonds shall be conditioned upon the performance by the Authority, the Borrower, and the Lessee of its obligations to be performed hereunder and under such documents and instruments related to the issuance of the Series 2023 Bonds at or prior to the Closing Date, and shall also be subject to the following additional conditions, including the delivery by the Authority, the Borrower, and the Lessee of the Closing Documents on or before the Closing Date, each in form and substance reasonably satisfactory to the Underwriter:

(a) Except as may have been otherwise agreed to by the Underwriter, at the Closing Date, the Authority Documents, the Lessee Documents, the Borrower Documents, and the Landlord Documents, and all official action of the Authority, the Lessee, the Borrower and the Landlords relating thereto shall be in full force and effect and shall not have been amended, modified or supplemented, and the Limited Offering Memorandum shall not have been amended or supplemented;

(b) The Underwriter and the Authority shall have received the approving opinion of Kutak Rock LLP, Bond Counsel, relating substantially in the form attached to the Limited Offering Memorandum as Appendix H, dated the Closing Date and addressed to, or with a reliance letter to, the Underwriter, the Authority, and the Bond Trustee, and a supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter substantially in the form of Exhibit A hereto;

(c) At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) the opinion of Musick, Peeler & Garrett LLP, as counsel to the Lessee, the Borrower and the Landlords substantially in the form of Exhibit B hereto, in each case with such changes as are acceptable to the Underwriter and the

Authority, and, with respect to the opinion of counsel to the Borrower, addressed to, or with a reliance letter to, the Bond Trustee;

(ii) an opinion of Orrick, Herrington & Sutcliffe LLP, as counsel to the Underwriter (“Underwriter’s Counsel”), dated the Closing Date and addressed to, and satisfactory in form and substance to, the Underwriter;

(iii) the opinions of Musick, Peeler & Garrett LLP, delivered pursuant to Section 2.05(e) and 6.03(a) of the Original Master Indenture in connection with the execution and delivery of the First Supplemental Master Indenture;

(iv) an opinion of counsel to the Bond Trustee, and addressed to the Authority, in form and substance satisfactory to the Authority and Underwriter;

(v) an opinion of counsel to the Master Trustee, and addressed to the Authority, in form and substance satisfactory to the Authority and Underwriter;

(vi) At the Closing Date, the Bond Trustee shall receive in immediately available funds the amounts necessary for deposit in the funds created in the Master Indenture and the Bond Indenture, as applicable;

(vii) a certificate of the Bond Trustee, dated the Closing Date and signed on behalf of the Bond Trustee, in a form acceptable to the Underwriter and the Authority;

(viii) a certificate of the Master Trustee, dated the Closing Date and signed on behalf of the Master Trustee, in a form acceptable to the Underwriter and the Authority;

(ix) a Closing Certificate of the Authority acceptable in form and substance to the Underwriter;

(x) a certificate of an authorized officer of the Lessee acceptable in form and substance to the Underwriter, dated the Closing Date, to the effect that (A) the representations and warranties made by the Lessee in this Agreement and the other Lessee Documents are true and correct in all material respects as of the Closing Date; (B) the Lessee is not in default in the performance of any of the covenants, agreements or provisions contained in the Lessee Documents and applicable to the Lessee; (C) to the best knowledge of such individual, no event has occurred since the date of the Limited Offering Memorandum which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information (other than the information provided by the Authority in the Authority Information 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 not misleading in any material respect; and

(D) any resolutions of the Lessee necessary in connection with the transactions contemplated by the Limited Offering Memorandum have not been amended, modified or rescinded and are effective as the Closing;

(xi) a certificate of an authorized officer of the Borrower acceptable in form and substance to the Underwriter, dated the Closing Date, to the effect that (A) the representations and warranties made by the Borrower in this Agreement and the other Borrower Documents are true and correct in all material respects as of the Closing Date; (B) 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; (C) to the best knowledge of such individual, no event has occurred since the date of the Limited Offering Memorandum which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information (other than the information provided by the Authority in the Authority Information 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 not misleading in any material respect; and (D) any resolutions of the Borrower necessary in connection with the transactions contemplated by the Limited Offering Memorandum have not been amended, modified or rescinded and are effective as the Closing;

(xii) Certificates of the Borrower and the Lessee to the effect that each of the documents executed by them is legal, binding and valid, reaffirming representations and certifications herein and such other matters as may reasonably be requested by the Underwriter;

(xiii) a Closing Certificate of each Landlord acceptable in form and substance to the Underwriter;

(xiv) articles of incorporation of the Lessee certified by the California Secretary of State, Bylaws, Certificate of Existence of the Lessee from the California Secretary of State of a recent date and a copy of the ruling evidencing the Lessee to be an organization described in Section 501(c)(3) of the Code;

(xv) articles of incorporation of the Borrower certified by the California Secretary of State, Bylaws, Certificate of Existence of the Borrower from the California Secretary of State of a recent date and a copy of the ruling evidencing the Borrower to be an organization described in Section 501(c)(3) of the Code;

(xvi) articles of organization of each Landlord certified by the California Secretary of State, the operating agreement of each Landlord, and a Certificate of Existence of each Landlord from the California Secretary of State of a recent date;

(xvii) certified copies of the resolutions adopted by the governing board of the Lessee authorizing the execution and delivery of the Lessee Documents,

authorizing the approval of the Bond Indenture and the authorization, sale, and issuance of the Series 2023 Bonds by the Authority, and approving the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum;

(xviii) certified copies of the resolutions adopted by the governing board of the Borrower authorizing the execution and delivery of the Borrower Documents and the Landlord Documents, authorizing the approval of the Bond Indenture and the authorization, sale, and issuance of the Series 2023 Bonds by the Authority, and approving the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum;

(xix) copies of (i) ALTA lender's policies of title insurance with respect to the Facilities, dated the Closing Date, in an aggregate amount not less than the principal amount of the Series 2023 Bonds, and (ii) evidence of compliance with all other insurance-related requirements set forth in the Loan Agreement, the Master Indenture and the Leases;

(xx) copies of the Intercept Notices;

(xxi) copies of the licenses to operate the Borrower's and the Lessee's facilities, including but not limited to the Charters;

(xxii) copies of all certificates or documents specified in the Master Indenture, the Loan Agreement and the Bond Indenture as conditions precedent to the issue and sale of the Series 2023 Bonds;

(xxiii) The Underwriter shall have received a reliance letter addressed to the Underwriter from [] relating to its appraisal reports with respect to the Facilities;

(xxiv) a receipt or other evidence that the Deed of Trust for the Facilities has been filed for record with the office of the Register of Deeds of Los Angeles County, California;

(xxv) written results of docket searches for the Borrower, the Lessee and the Landlords showing no outstanding litigation or otherwise satisfactory to the Underwriter;

(xxvi) evidence of the filing of any UCC Financing Statement necessary to perfect security interests granted by the Borrower, the Landlords or the Lessee under the Borrower Documents, the Landlord Documents or the Lessee Documents related to the Series 2023 Bonds;

(xxvii) a letter or letters from the Charter Authorizer for the Schools to the effect that the Charters for the Schools are in effect and good standing;

(xxviii) an executed copy of the Grant Agreement and evidence of the receipt of the Reserve Grant by the Trustee;

(xxix) copies of an Investor Letter or a Bondholder Representative Letter, as appropriate, forms of which are provided in Appendix I to the Limited Offering Memorandum, executed by each of the initial purchasers of the Series 2023 Bonds; provided, however, that for any Series 2023 Bonds that the Underwriter has not resold as of the Closing Date, the Underwriter shall deliver an investor letter executed by the Underwriter;

(xxx) a copy of the executed Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, related to the Series 2023A Bonds;

(xxxii) specimen copies of the executed Series 2023 Bonds;

(xxxiii) evidence that the Reserve Account for the Series 2023 Bonds has been funded in an amount at least equal to the Reserve Account Requirement for the Series 2023 Bonds; and

(xxxiv) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter, Underwriter's Counsel, the Authority, the Authority's Counsel or Bond Counsel may reasonably request.

13. Indemnification.

(a) The Borrower and the Lessee, jointly and severally, will indemnify and hold harmless each of the Underwriter, Bond Counsel, Underwriter's Counsel, the Bond Trustee, the Authority, the State Treasurer, the members, officers, agents and employees of the Authority and the State Treasurer, and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Exchange Act (each an "Indemnified Party" and all collectively referred to herein as the "Indemnified Parties") against any losses, claims, damages or liabilities to which the Indemnified Parties, or any of them, may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Limited Offering Memorandum or Limited Offering Memorandum, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by the Indemnified Parties in connection with investigating or defending any such action or claim; provided, however, that the Borrower or Lessee shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Borrower and the Lessee by the Underwriter, or the Authority with respect to the Authority Information, expressly for use therein.

(b) The Underwriter will indemnify and hold harmless the Authority, the State Treasurer, the Borrower and the Lessee, and the members, officers, agents and employees of the

Authority and the State Treasurer, against any losses, claims, damages or liabilities to which any of them may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Underwriting section of the Preliminary Limited Offering Memorandum or Limited Offering Memorandum, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged omission was made in the Underwriting section of the Preliminary Limited Offering Memorandum or Limited Offering Memorandum or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Authority, the Borrower or Lessee by the Underwriter expressly for use therein; and will reimburse such indemnified parties for any legal or other expenses reasonably incurred thereby in connection with investigating or defending any such action or claim.

(c) Promptly after receipt by an indemnified party pursuant to Subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party or shall otherwise have an actual or potential conflict in such representation), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses or other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation; provided, however, that each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and, solely in the case of any indemnification provided by the Underwriter pursuant to Subsection (b), the Underwriter shall pay the fees and expenses of such separate counsel; provided further, however, that such indemnified party may only employ separate counsel at the expense of the Underwriter if (1) the Attorney General assumes the defense of the indemnified party, (2) in the judgment of such indemnified party a conflict of interest exists by reason of common representation, (3) if all parties commonly represented do not agree as to the action (or inaction) of counsel, (4) if substantially different or additional defenses apply to such indemnified party, or (5) the Underwriter has failed to assume the defense and employ counsel reasonably acceptable to the indemnified party.

(d) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an indemnified party under Subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Borrower and the Lessee on the one

hand and the Underwriter on the other from the offering of the Series 2023 Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Subsection (c) above, then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Borrower and the Lessee on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Borrower and the Lessee on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Borrower and the Lessee bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Borrower and the Lessee on the one hand or the Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct and to prevent such statement or omission. The Borrower and the Lessee and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Subsection (d), the Underwriter shall not be required to contribute any amount in excess of the amount by which the underwriting discount, described in Section 2 hereof, exceeds the amount of any damages which the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged untrue statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Borrower and the Lessee under this Section shall be in addition to any liability which the Borrower and the Lessee may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriter within the meaning of the 1933 Act. The indemnity and contribution agreements contained in this Section and the representations and warranties of the Borrower and the Lessee contained in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Bond Purchase Agreement, (ii) any investigation made by or on behalf of the Underwriter or any person controlling the Underwriter or by or on behalf of the Borrower and the Lessee, its officers or directors or any other person controlling the Borrower and the Lessee and (iii) acceptance of and payment for any of the Series 2023 Bonds.

(f) The Indemnified Parties identified in Section 13(a) of this Bond Purchase Agreement (other than the Authority, the State Treasurer, and the Underwriter) shall be considered to be intended third party beneficiaries of this Bond Purchase Agreement for purposes of indemnification and exculpation from liability, the provisions of which shall be IN ADDITION TO all liability that the Borrower and the Lessee may otherwise have and shall survive any

termination of this Bond Purchase Agreement, the offering and sale of the Series 2023 Bonds, and the payment or provision for payment of the Series 2023 Bonds.

14. Termination by Underwriter. The Underwriter shall have the right to cancel its obligation to purchase the Series 2023 Bonds if, between the date of this Bond Purchase Agreement and the Closing Date, the market price or marketability of such Series 2023 Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) (i) legislation shall have been enacted by the Congress, or recommended to the Congress for passage by the President of the United States of America or the U.S. Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (iii) an order, ruling, regulation, or communication (including a press release) shall have been issued by the Department of the Treasury of the United States or the Internal Revenue Service, in each case referred to in clauses (i), (ii), and (iii), with the purpose or effect, and reasonable likelihood, directly or indirectly, of imposing federal income taxation upon interest to be received by any holders of the Series 2023A Bonds or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(b) legislation shall have been enacted or any action taken by the Securities and Exchange Commission which, in the reasonable opinion of Underwriter's Counsel, has the effect of requiring the offer or sale of the Series 2023 Bonds or obligations of the general character of the Series 2023 Bonds, including any or all underlying arrangements, to be registered under the Securities Act of 1933 or the Bond Indenture to be qualified as an indenture under the Trust Bond Indenture Act of 1939 or any event shall have occurred which, in the reasonable judgment of the Underwriter or its counsel, makes untrue or incorrect in any material respect any statement or information contained in the Limited Offering Memorandum or which, in their reasonable judgment, should be reflected therein in order to make the statements contained therein not misleading in any material respect;

(c) any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Series 2023 Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Series 2023 Bonds or as to obligations of the general character of the Series 2023 Bonds, any material restrictions not now in force, or increase

materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Authority, its property, income securities (or interest thereon);

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred any materially adverse change in the affairs or financial condition of the Borrower or the Lessee;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities;

(j) there shall have occurred any national or international calamity or crisis, or escalation thereof, in the financial markets or otherwise of the United States or elsewhere;

(k) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum;

(l) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Borrower's obligations; and

(m) the purchase of and payment for the Series 2023 Bonds by the Underwriter, or the resale of the Series 2023 Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

15. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Borrower and the Lessee, jointly and severally, shall pay all expenses incident to the issuance of the Series 2023 Bonds and the performance of the Authority's, the State Treasurer's, the Borrower's, and the Lessee's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Series 2023 Bonds, Preliminary Limited Offering Memorandum, Limited Offering Memorandum and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel, Authority Counsel, Underwriter's Counsel and special tax counsel, if any; (iii) the fees and disbursements of the Municipal Advisor to the Borrower and the Lessee, if any; (iv) the fees and disbursements of the Bond Trustee, the Master Trustee, engineers, accountants, and other experts, consultants or advisers retained by the Borrower and the Lessee, if any; and (v) all fees and expenses in connection with obtaining bond ratings and fees or premiums. The Borrower and

the Lessee shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Bond Purchase Agreement and the issuance of the Series 2023 Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs.

(b) The Borrower and the Lessee acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2023 Bonds.

(c) Except as provided for above, the Underwriter shall pay (i) the cost of preparation and printing of this Bond Purchase Agreement, the Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Series 2023 Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Series 2023 Bonds, including the fees and disbursements of counsel retained by the Underwriter.

(d) If this Bond Purchase Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Borrower or the Lessee to comply with the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the Borrower or the Lessee shall be unable to perform its obligations under this Bond Purchase Agreement, the Borrower or the Lessee will reimburse the Underwriter for all out-of-pocket expenses (including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Bond Purchase Agreement or the offering contemplated hereunder.

16. Notices. Any notice or other communication to be given to the Borrower, the Lessee, and the Authority under this Bond Purchase Agreement may be given by delivering the same in writing at the addresses set forth in the Bond Indenture and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to RBC Capital Markets, LLC, 777 Figueroa St., Suite 850, Los Angeles, CA 90017, Attention: John Solarczyk, Managing Director.

17. Parties in Interest. This Bond Purchase Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Authority, the State Treasurer's, the Borrower, the Lessee, and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Bond Purchase Agreement may not be assigned. All of the representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter the Authority, or the State Treasurer; (ii) delivery of and payment for the Series 2023 Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement.

18. Effectiveness. This Bond Purchase Agreement shall become effective upon the written acceptance hereof by the Authority, the State Treasurer, the Borrower, the Lessee, and the Underwriter, and shall be valid and enforceable at the time of such acceptance.

19. Limitation of Liability of Authority and State Treasurer. Neither the Authority nor the State Treasurer shall be directly indirectly, contingently or otherwise liable for any costs,

expenses, losses, damages, claims or actions of any conceivable kind under any conceivable theory under this Bond Purchase Agreement or any document or instrument referred to herein or by reason of or in connection with this Bond Purchase Agreement or such other document or instrument, except to the extent it receives amounts from the Borrower available for such purpose.

20. Choice of Law. The laws of the State of California govern all matters arising out of or relating to this Bond Purchase Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Bond Purchase Agreement shall bring the legal action or proceeding in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement in writing. Each party agrees that the exclusive (subject to waiver as set forth herein) choice of forum set forth in this Section does not prohibit the enforcement of any judgment obtained in that forum or any other appropriate forum. Each party waives, to the fullest extent permitted by law, (a) any objection which it may now or later have to the laying of venue of any legal action or proceeding arising out of or relating to this Bond Purchase Agreement brought in the Sacramento County Superior Court, Sacramento, California, and (b) any claim that any such action or proceeding brought in such court has been brought in an inconvenient forum.

21. Severability. If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

22. Business Day. For purposes of this Bond Purchase Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

23. Section Headings. Section headings have been inserted in this Bond Purchase Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Bond Purchase Agreement and will not be used in the interpretation of any provisions of this Bond Purchase Agreement.

24. Counterparts. This Bond Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

25. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this Bond Purchase Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party’s intent, that if such party signs this Bond Purchase Agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this Bond Purchase Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Bond Purchase Agreement on paper. Each party

acknowledges that it is being provided with an electronic or paper copy of this Bond Purchase Agreement in a usable format.

OHS Draft 1/3/23

Respectfully submitted,

RBC CAPITAL MARKETS, LLC

By: _____
John Solarczyk, Managing Director

[CSFA/Camino Nuevo Series 2023 Bonds – Bond Purchase Agreement]

TREASURER OF THE STATE OF CALIFORNIA

By: _____

Deputy Treasurer
For California State Treasurer Fiona Ma

Date/Time: _____

CALIFORNIA SCHOOL FINANCE AUTHORITY

By: _____

Executive Director

Date/Time: _____

[CSFA/Camino Nuevo Series 2023 Bonds – Bond Purchase Agreement]

OHS Draft 1/3/23

GRUPO NUEVO LOS ANGELES

By: _____
[Name, Title]

Date/Time: _____

[CSFA/Camino Nuevo Series 2023 Bonds – Bond Purchase Agreement]

CAMINO NUEVO CHARTER ACADEMY

By: _____
[Name, Title]

Date/Time: _____

[CSFA/Camino Nuevo Series 2023 Bonds – Bond Purchase Agreement]

SCHEDULE I

Maturities, Principal Amounts, Interest Rates, Prices and Yields

\$[____] Series 2023A Bonds

<u>Maturity (July 1)</u>	<u>Type</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial Offering Price</u>
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\$[____] Series 2023B Bonds

<u>Maturity (July 1)</u>	<u>Type</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial Offering Price</u>
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Redemption:

Optional Redemption. The Series 2023A Bonds are subject to redemption prior to their respective stated maturities, at the option of the Borrower from any amounts in the Redemption Fund, in whole or in part on any date on or after [____], at a redemption price equal to [100%] of the principal amount of the Series 2023A Bonds called for redemption, plus accrued interest to the date fixed for redemption.

The Series 2023B Bonds are not subject to optional redemption.

Extraordinary Optional Redemption from Insurance and Condemnation Proceeds. The Series 2023 Bonds are subject to redemption prior to their stated maturity, at the option of the Borrower, as a whole or in part on any date from moneys required to be transferred from the Insurance and Condemnation Proceeds Fund to the Special Redemption Account at a redemption price equal to 100% of the principal amount of the Series 2023 Bonds called for redemption, together with interest accrued thereon to the date of redemption[, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis].

Extraordinary Mandatory Redemption due to Change of Use. The Series 2023 Bonds are subject to redemption prior to their stated maturity, as a whole or in part, on any date from Loan prepayments made by the Borrower in the event the Project is used or operated in any manner that violates the provisions of the Act, at a redemption price equal to 100% of the principal amount of the Series 2023 Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, plus an amount equal to the unamortized portion of the net original issue premium

SCHEDULE I-1

thereon interpolated on a straight-line basis, on the earliest date for which notice of redemption can reasonably be given in accordance with the Bond Indenture.

Extraordinary Optional Redemption Relating to Revocation or Non-Renewal of School Charter. The Series 2023 Bonds are subject to redemption in whole prior to their stated maturity, on any date, at the option of the Borrower, in the event the charter of an Obligated Group School is revoked or not renewed by its authorizer and the Obligated Group School has no further appeal rights, at a redemption price equal to the principal amount thereof together with interest accrued thereon to the date fixed for redemption, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis.

Extraordinary Optional Redemption from Insurance and Condemnation Proceeds. The Series 2023 Bonds are subject to redemption prior to their stated maturity, at the option of the Borrower, as a whole or in part on any date from moneys required to be transferred from the Insurance and Condemnation Proceeds Fund to the Special Redemption Account at a redemption price equal to 100% of the principal amount of the Series 2023 Bonds called for redemption, together with interest accrued thereon to the date of redemption, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis.

Mandatory Sinking Account Redemption. The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023A Term Bonds Maturing July 1, 20__

Mandatory Redemption Date (July 1)	Principal Amount
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† Maturity Date.

The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

SCHEDULE I-2

Series 2023A Term Bonds Maturing July 1, 20__

<u>Mandatory Redemption Date (July 1)</u>	<u>Principal Amount</u>
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† Maturity Date.

The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023A Term Bonds Maturing July 1, 20__

<u>Mandatory Redemption Date (July 1)</u>	<u>Principal Amount</u>
---	-----------------------------

† Maturity Date.

The Series 2023A Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023A Term Bonds Maturing July 1, 20__

<u>Mandatory Redemption Date (July 1)</u>	<u>Principal Amount</u>
---	-----------------------------

† Maturity Date.

SCHEDULE I-3

The Series 2023B Bonds maturing July 1, 20__, are subject to redemption prior to their respective stated maturity in part, by lot, from Mandatory Sinking Account Payments established pursuant to the Bond Indenture in the following amounts and on the following dates:

Series 2023B Term Bonds Maturing July 1, 20__

<u>Mandatory Redemption Date (July 1)</u>	<u>Principal Amount</u>
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† Maturity Date.

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[To be provided]

OHS Draft 1/3/23

EXHIBIT B

FORM OF OPINION OF BORROWER'S, LESSEE'S AND LANDLORDS' COUNSEL

EXHIBIT C
FORM OF ISSUE PRICE CERTIFICATE

\$_[_____]]
California School Finance Authority
Charter School Revenue Bonds
(Camino Nuevo Charter Academy - Obligated Group)
Series 2023A

Dated: [_____] , 2023

The undersigned, on behalf of RBC Capital Markets, LLC (“RBC”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective prices listed in Schedule I.

2. Defined Terms.

(a) *Issuer* means the California School Finance Authority.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [_____] , 2023.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents RBC’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the

Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement to which this certificate is included as Exhibit B thereto and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[signature page to follow.]

RBC CAPITAL MARKETS, LLC

By: _____
John Solarczyk, Managing Director

CAMINO NUEVO CHARTER ACADEMY
POST-ISSUANCE COMPLIANCE
AND REMEDIAL ACTION PROCEDURES

Camino Nuevo Charter Academy, a California nonprofit public benefit corporation (the “Corporation”), hereby adopts the procedures described herein (the “Procedures”) as its written procedures for post-issuance compliance and remedial action applicable to tax-advantaged bonds, notes, leases, certificates of participation or similar (collectively, “Obligations”) heretofore and hereafter issued or executed and delivered by it or on its behalf or by or on behalf of its affiliate Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation. These Procedures are intended to supplement any previous post-issuance compliance and remedial action procedures that may have been adopted by the Corporation and any procedures evidenced in writing by any tax document for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns filed in connection with any Obligations and the instructions to such information returns.

1. Responsible Person. The Corporation has assigned the Chief Financial Officer as the responsible person (the “Responsible Person”) for ensuring post-issuance and remedial action compliance with the requirements of any tax and financing documents for Obligations. This responsibility is included in the job description for the Responsible Person, and such person has or will review any prior post-issuance compliance and remedial action procedures, these Procedures, any tax documents for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns, if any, filed in connection with any Obligations (such as IRS Forms 8038 or 8038-G) and the instructions to such information returns, and consult with bond counsel (currently Kutak Rock LLP) and other professionals as needed.

2. Succession Planning. The Corporation will ensure that, when the current Responsible Person leaves such person’s current position at the Corporation, the responsibility for financing and tax covenant compliance will be explained in detail to his or her successor, such successor will be provided compliance training (as further described in the following section), and notice of any succession will be given in writing to any applicable issuer of any obligations then outstanding.

3. Training. Compliance training for the Responsible Person should include, among other things, annual meetings with bond counsel to discuss monitoring compliance with applicable tax laws and attendance at post-issuance compliance trainings organized by bond counsel or the Internal Revenue Service or entities such as the Government Finance Officers Association or similar organizations.

4. Procedures for Timely Expenditure of Proceeds. The Corporation acknowledges that, at the time of issuance of the Obligations, it must reasonably expect to spend at least 85% of the net sale proceeds of the new money Obligations to carry out the projects financed with the proceeds of the Obligations within three years of the date such Obligations are originally issued, entered into or executed and delivered. The Corporation will treat as “sale proceeds” any amounts actually or constructively received by the Corporation from issuance or

execution and delivery of the Obligations, including amounts used to pay accrued interest other than pre-issuance accrued interest. “Net sale proceeds” means the sale proceeds less any amounts deposited into reasonably required reserve or replacement or base rental reserve funds. The Corporation has established or will establish reasonable accounting procedures for tracking and reporting to the Responsible Person the expenditure of net sale proceeds.

5. Compliance with Arbitrage Yield Restriction and Rebate Requirements. The Responsible Person will create a system to ensure that for all applicable Obligations, not less than six months prior to each five-year anniversary of the closing date for Obligations, the Corporation will retain an arbitrage rebate consultant to prepare a report determining the yield of the Obligations under the Internal Revenue Code of 1986, as amended (the “Code”), and whether there is any amount owed to the Internal Revenue Service under Section 148 of the Code.

6. Procedures to Comply with Remediation Requirements. The Responsible Person will establish and maintain a system for tracking and monitoring the use of the facilities financed or refinanced with the proceeds of Obligations to ensure that the use of all of such facilities will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance or execution and delivery of Obligations, the use of the facilities financed or refinanced with the proceeds of Obligations changes so that the private business tests or the private loan financing test would be met, or if another violation of these procedures occurs which requires correction, the Corporation will, in connection with consulting bond counsel, undertake a closing agreement through the Voluntary Closing Agreement Program of the Internal Revenue Service or take one of the actions permitted by the Code and associated regulations, which are described generally on Attachment I hereto.

7. Ongoing Procedures. The Responsible Person will review any prior procedures, these Procedures, tax and financing documents relating to Obligations, information returns for obligations and related instructions to such information returns, and the status and use of the obligation-financed or refinanced facilities on at least an annual basis and at the following intervals: (a) six months prior to each five-year anniversary of the issue or execution and delivery date of the Obligations; (b) within 30 days of the date the Obligations are finally retired, defeased, refunded or terminated; (c) when any rebate payment is made; (d) when a facility financed or refinanced with proceeds of Obligations is placed in service; (e) if the Corporation determines that a facility planned to be financed or refinanced with proceeds of Obligations will not be completed; and (f) if any of the representations, statements, circumstances or expectations of the Corporation that are set forth in the tax or financing documents for Obligations are no longer true, have changed or have not come to pass as described in such documents. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to Obligations and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined above or through the Voluntary Closing Agreement Program. If any possible violation is identified, the Responsible Person will notify the Corporation and the Corporation’s counsel or the Corporation’s bond counsel, if any, so that any existing or expected violation can be corrected.

8. Recordkeeping. The Responsible Person will develop and implement a system for maintaining records relating to these Procedures. Such records must be kept and maintained for the life of the related Obligations, and any Obligations that refund or refinance such obligations, plus at least four years (or such longer period as may be required in related tax documents for such obligations). These records may be maintained on paper, by electronic media or by any combination thereof.

**ATTACHMENT I TO
POST-ISSUANCE COMPLIANCE
AND REMEDIAL ACTION PROCEDURES**

REMEDIAL ACTION PROCEDURES

Capitalized terms used herein but not defined have the meaning assigned thereto in Section 5 below and in the Post-Issuance Compliance and Remedial Action Procedures to which these Remedial Action Procedures are attached. This attachment describes written procedures that may be required to be taken by, or on behalf of, an issuer of Obligations.

1. Background. The maintenance of the tax status of the Obligations (e.g., as tax-exempt obligations under federal tax law) depends upon the compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the “Code”). *The purpose of this attachment is to set forth written procedures to be used in the event that any deliberate actions are taken that are not in compliance with the tax requirements of the Code (each, a “Deliberate Action”) with respect to the Obligations, the proceeds thereof or the facilities financed or refinanced by the Obligations (the “Facilities”).*

2. Consultation with Bond Counsel. If Deliberate Action is taken with respect to the Obligations and the Facilities subsequent to the issuance or execution and delivery of the Obligations, then the Corporation (and, if applicable, the conduit issuer) must consult with Kutak Rock LLC or other nationally recognized bond counsel (“Bond Counsel”) regarding permissible Remedial Actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Note that remedial actions or corrective actions other than those described in this attachment may be available with respect to the Obligations and the Facilities, including remedial actions or corrective actions that may be permitted by the Commissioner through the voluntary closing agreement programs (VCAP) provided by the Internal Revenue Service from time to time.

3. Conditions to Availability of Remedial Actions. None of the Remedial Actions described in this attachment are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Facilities unless the following conditions have been satisfied and unless Bond Counsel advises otherwise:

(a) The issuer of the Obligations reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the Private Business Tests nor the Private Loan Financing Test of Section 141 of the Code and the Treasury Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(b) The average weighted maturity of the Obligations did not, as of such date, exceed 120% of the Average Economic Life of the Facilities;

(c) Unless otherwise excepted under the Treasury Regulations, the Corporation (or, if applicable, a conduit issuer) delivers a certificate, instrument or other written records satisfactory to Bond Counsel demonstrating that the terms of the arrangement pursuant to

which the Deliberate Action is taken is bona fide and arm's-length, and that the non-exempt person using either the Facilities or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(d) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Corporation (or, if applicable, by a conduit issuer) as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield on the Obligations subsequent to the date of the Deliberate Action; and

(e) Proceeds of the Obligations affected by the Remedial Action must have been allocated to expenditures for the Facilities or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in Section 4(A) below).

4. Types of Remedial Action. Subject to the conditions described above, and only if the Corporation (or, if applicable, a conduit issuer) obtains an opinion of Bond Counsel prior to taking any of the actions below to the effect that such actions will not affect the federal tax status of the Obligations, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(a) Redemption or Defeasance of Obligations.

(i) If the Deliberate Action causing either the Private Business Use Test or the Private Loan Financing Test to be satisfied consists of a fair market value disposition of any portion of the Facilities exclusively for cash, then the Corporation may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations pro rata across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Corporation may (subject generally to the limitations described in (iii) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(ii) If the Deliberate Action consists of a fair market value disposition of any portion of the Facilities for other than exclusively cash, then the Corporation (or, if applicable, a conduit issuer) may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from the gross income of the registered owners thereof for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all of

the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(iii) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this attachment is for general information only, and Bond Counsel must be contacted to discuss other available options.

(b) Alternative Use of Disposition Proceeds. Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(i) the Deliberate Action consists of a disposition of all or any portion of the Facilities for not less than the fair market value thereof for cash;

(ii) the Corporation (or, if applicable, a conduit issuer) reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(iii) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(iv) no action is taken after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Obligations, the Facilities or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Treasury Regulations);

(v) Disposition Proceeds used in a manner that satisfies the Private Activity Bond Tests or which are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in Section 4(a) hereof; and

(c) Alternative Use of Facilities. The Corporation (and, if applicable, a conduit issuer) may be considered to have taken sufficient Remedial Actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Facilities:

(i) the portion of the Facilities subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(ii) the disposition of the portion of the Facilities subject to the Deliberate Action is not financed by a person acquiring the Facilities with proceeds of any obligation the interest on which is exempt from the gross income of the registered owners thereof under Section 103 of the Code for purposes of federal income taxation; and

(iii) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield on the Obligations to pay debt service on the Obligations on the next available payment date;

Absent an opinion of Bond Counsel, no Remedial Actions are available to remediate the satisfaction of the Private Security or Payment Test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Facilities.

5. Additional Defined Terms. For purposes of this attachment, the following terms have the following meanings:

“*Commissioner*” means the Commissioner of Internal Revenue, including any successor person or body.

“*Defeasance Escrow*” means an irrevocable escrow established to redeem obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay all the principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

“*Deliberate Action*” means any action, occurrence or omission by the Corporation (or, if applicable, by a conduit issuer) that is within the control of the Corporation (or, if applicable, by such conduit issuer) which causes either (1) the Private Business Use Test to be satisfied with respect to the Obligations or the Facilities (without regard to the Private Security or Payment Test), or (2) the Private Loan Financing Test to be satisfied with respect to the Obligations or the proceeds thereof. An action, occurrence or omission is not a Deliberate Action if (1) the action, occurrence or omission would be treated as an involuntary or compulsory conversion under Section 1033 of the Code, or (2) the action, occurrence or omission is in response to a regulatory directive made by the government of the United States.

“*Disposition Proceeds*” means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of property (other than Investments) financed with the proceeds of the Obligations.

“*Nonqualified Obligations*” means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the Private Business Use Test or the Private Loan Financing Test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“*Private Activity Bond Tests*” means, collectively, the Private Business Use Test, the Private Security or Payment Test and the Private Loan Financing Test.

“*Private Business Tests*” means the Private Business Use Test and the Private Security or Payment Test.

“*Private Business Use Test*” has the meaning set forth in Section 141(b)(1) of the Code.

“*Private Loan Financing Test*” has the meaning set forth in Section 141(c) of the Code.

“*Private Security or Payment Test*” has the meaning set forth in Section 141(b)(2) of the Code.

“*Remedial Action*” means any of the applicable actions described in Section 4 hereof, or such other actions as may be prescribed from time to time by the Department of the Treasury or the Internal Revenue Service, which generally have the effect of rectifying noncompliance by the Corporation with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Corporation to maintain the federal tax status of the Obligations.

6. Change in Law. This attachment is based on law in effect as of this date. Statutory or regulatory changes, including but not limited to clarifying Treasury Regulations, may affect the matters set forth in this attachment.

Certificate of Secretary

The undersigned certifies that the undersigned is the duly appointed and acting Secretary of Camino Nuevo Charter Academy (the “Corporation”) and that the foregoing is a true and correct copy of Post-Issuance Compliance and Remedial Action Procedures that were duly adopted on January 17, 2023, by the majority vote of the members of the Board of the Corporation at a meeting of the Board 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 17th day of January 2023.

Elena Lopez, Secretary

APPENDIX A

CERTAIN INFORMATION REGARDING THE BORROWER, THE LESSEE, AND THE SCHOOLS

General

Grupo Nuevo Los Angeles (the “Borrower”) is a California nonprofit public benefit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Borrower was formed to support the charter schools operated by Camino Nuevo Charter Academy (the “Lessee”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, by holding title to property and managing, operating and leasing property. [Pueblo Nuevo Education and Development Group (“Pueblo Nuevo”) is the sole member of the Borrower and of the Lessee. For more information on Pueblo Nuevo, see “– Pueblo Nuevo” below.] The Borrower will use a portion of the proceeds of the Series 2023 Bonds¹ to complete the Project described under the heading “Plan of Finance.”

The Lessee operates six charter schools, including the Sandra Cisneros Campus (“Cisneros”), the Kayne Siart Campus (“Kayne Siart”), the Jose A. Castellanos Campus (“Castellanos”), the Burlington Campus (“Burlington Elementary”), the Jane B. Eisner Campus (the “Middle School”), and the Dalzell Lance Campus (the “High School”). [Revenues of Cisneros, Kayne Siart, and Castellanos are not security for the Series 2023 Bonds or for the obligations of the Borrower under the Loan Agreement or for the obligations of the Obligated Group under Obligation No. 1.] Burlington Elementary, the Middle School, and the High School are collectively referred to as the “Schools.”

The Lessee operates the Schools pursuant to the Charter Schools Act of 1992, California Education Code §§ 47600, as amended (the “Charter Schools Act”), and the following charter petitions (collectively, the “Charters”):

- (i) the charter petition of the Lessee for Burlington Elementary approved by the Los Angeles Unified School District (the “Charter Authorizer” or the “District”), with a term of July 1, 2020 through June 30, 2025 (but effective through June 30, 2027 as discussed below), as materially revised to the date hereof (the “Burlington Charter”);
- (ii) the charter petition of the Lessee for the Middle School approved by the Charter Authorizer, with a term of July 1, 2020 through June 30, 2025 (but effective through June 30, 2027 as discussed below), as materially revised to the date hereof (the “Eisner Charter”); and
- (iii) the charter petition of the Lessee for the High School approved by the Charter Authorizer, with a term of July 1, 2018 through June 30, 2023 (but effective through June 30, 2025 as discussed below), as materially revised to the date hereof (the “Lance Charter”).

In July 2021, Governor Newsom approved Assembly Bill 130 which extends all charter school terms that were set to expire on or between January 1, 2022, and June 30, 2025, inclusive, by two years. Assembly Bill 130 effectively extends the term of the Lance Charter to June 30, 2025 and the terms of the Burlington Charter and the Eisner Charter to June 30, 2027. The first charter petition for Burlington Elementary was approved in [2000] and the first renewal occurred in [2005], the first charter petition for the Middle School was approved in [2010] and the first renewal occurred in [2015], and the first charter petition for the High School was approved in [2013] and the first renewal occurred in 2017.

¹ Capitalized terms used but not defined in this Appendix A have the same meanings given to them in the forepart of this Limited Offering Memorandum.

The following table provides certain information about the Schools operated by the Lessee.

<u>Table 1</u>					
School	First Year of Operation	Grades Served (2022-23)	Enrollment (2022-23)	Enrollment Capacity	Charter Expiration
Burlington Elementary	2000-2001	TK-8	[]	555	June 30, 2027
The Middle School	2010-2011	6-8	[]	889*	June 30, 2027
The High School	2013-2014	9-12	[]	500	June 30, 2025

* Reflects the enrollment capacity for both the Middle School and Castellanos, which are authorized under the same charter. For more information on Castellanos, see “– Affiliated Charter Schools – *Castellanos*” below.

Affiliated Charter Schools

Cisneros. The Lessee also operates Cisneros. Cisneros began its first year of operation as a charter school in September 2011 and serves approximately [] students in grades TK through 8 for the 2022-23 school year. Cisneros is located within the District and operates pursuant to a charter granted by the Charter Authorizer, with a term of July 1, 2021 through June 30, 2026.

Kayne Siart. The Lessee also operates Kayne Siart. Kayne Siart began its first year of operation as a charter school in August 2010 and serves approximately [] students in grades TK through 8 for the 2022-23 school year. Kayne Siart is located within the District and operates pursuant to a charter granted by the Charter Authorizer, with a term of July 1, 2020 through June 30, 2025 (but effective through June 30, 2027 as discussed above).

Castellanos. The Lessee also operates Castellanos. Castellanos began its first year of operation as a charter school in August 2010 and serves approximately [] students in grades TK through 5 for the 2022-23 school year. Castellanos is located within the District and operates pursuant to the Eisner Charter, which is the same charter granted by the Charter Authorizer to the Middle School.

[Revenues of Cisneros, Kayne Siart, and Castellanos are not security for the Series 2023 Bonds or for the obligations of the Borrower under the Loan Agreement or for the obligations of the Obligated Group under Obligation No. 1.]

Pueblo Nuevo

Pueblo Nuevo is a California nonprofit public benefit corporation that was formed for the benefit of and to carry out the purposes of the Lessee. Pueblo Nuevo serves as the sole member of the Borrower and of the Lessee. Pueblo Nuevo’s primary function is resource development and capacity building to support the Lessee’s mission and programs that extend beyond the publicly funded, instructional K-12 program, yet are crucial to students’ early childhood education, academic, college, and lifelong success. All private dollars raised, capacity building offered, and support services delivered by Pueblo Nuevo are done so to enrich the K-12 instructional program the Lessee offers and to benefit the Lessee’s students and alumni and to maximize their fullest academic potential.

Pueblo Nuevo is not a Member of the Obligated Group and its revenues are not security for the Series 2023 Bonds or for the obligations of the Borrower under the Loan Agreement or for the Obligations of the Obligated Group under Obligation No. 1.

Plan of Finance

The proceeds of the Series 2023 Bonds will be used to (i) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of (a) an approximately 21,627 square foot educational facility known as Jane B. Eisner Middle School, located at 2755 W 15th St, Los Angeles, CA 90006 (the “Eisner Facility”), designed to serve approximately [] students in grades 6 through 8, (b) an approximately 5,692 square foot educational facility containing administrative offices, located at 3435 W. Temple St., Los Angeles,

CA 90026 (the “Administrative Facility”), (c) approximately 33,726 square foot educational facility and athletic field known as Dalzell Lance High School, located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004 (the “Lance Facility”), designed to serve approximately [] students in grades 9 through 12, (d) an approximately 11,319 square foot educational facility known as Burlington Campus, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (the “Burlington Facility”), designed to serve approximately [] students in grades TK through 8 (collectively, the “Facilities”); (ii) finance certain capital improvements to the Facilities; (iii) pay capitalized interest on the Series 2023 Bonds; (iv) fund a debt service reserve fund with respect to the Series 2023 Bonds; (v) fund related working capital; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds (collectively, the “Project”). [A deposit to the Reserve Account for the Series 2023 Bonds in an amount of the Reserve Account Requirement will be funded by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – Bond Indenture – Reserve Account” in the forepart of this Limited Offering Memorandum.]

The Governing Boards

Borrower Board. [Pueblo Nuevo is the sole member of the Borrower, and in such capacity is responsible for the management, control and conduct of the Borrower and the appointment of officers of the Borrower as Pueblo Nuevo may deem necessary or advisable to manage the day-to-day business affairs of the Borrower. The Borrower does not have a separate board of directors.]

Lessee Board. The activities and affairs of the Lessee are conducted, and all corporate powers are exercised, by or under the direction of the board of directors (the “Lessee Board”). The Lessee Board consists of no less than five and no more than eighteen directors (each, a “Lessee Director”). All Lessee Directors are designated by the existing Lessee Board. Lessee Directors hold office for an initial term of one year and until a successor has been elected and qualified. Each Lessee Director re-elected to the Lessee Board shall hold office for a term of three years and until a successor has been elected and qualified. Lessee Directors may success themselves in office.

Not more than 49% of the Lessee Directors may be “interested persons,” meaning (a) any person being compensated by the Lessee for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, or sister-in-law of any such person. See “– Conflict of Interest Code” below.

Meetings are held at the principal office of the Corporation. The Lessee Board may also designate that a meeting be held at any place within the boundaries of the granting agencies designated in the notice of the meeting. All meetings of the Lessee Board must be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, California Government Code Sections 54950, et seq.

A quorum is established by a majority of the Lessee Directors then in office. All acts of the Lessee Board are by majority vote of the Lessee Directors in attendance, based upon the presence of a quorum.

Officers of the Lessee include a Chief Executive Officer, a President, a Secretary, and a Treasurer. Lessee Board may also appoint a Chairman of the Lessee Board. Any number of officers may be held by the same person, except that neither the President nor the Secretary or the Treasurer may serve concurrently as the Chief Executive Officer, and neither the Secretary nor the Treasurer may serve concurrently as the Chairman of the Lessee Board. Officers are chosen annually by the Lessee Board and serve at the pleasure of the Lessee Board, subject to rights of any officer under an employment contract.

Certain information regarding the current Lessee Directors and officers are set forth in the following table, followed by brief biographies.

<u>Table 2</u>					
Name	Title	Profession	Employer	Year Joined	Term Ends
Adriana Abich	Chief Executive Officer	Chief Executive Officer	Camino Nuevo Charter Academy	2019	
Cindy Lee Smet	[Chairman]	Retired	-	2001	
David Gidlow	[Secretary]	Retired	-	2016	
Gil Flores	[Treasurer]	VP Senior Relationship Manager	City National Bank		
Celia Alvarado	Director	Executive VP of Education	Cesar Chavez Foundation		
Lida Jennings	Director	Executive Director	Teach For America Los Angeles		
[Elena Lopez]	Director	Senior Manager of Professional Learning	California Science Center Foundation		
Jazmin Ortega	Director	Director of Fiscal Service	San Gabriel Unified School District		
Tamara Powers	Director	Retired	-		
Areli Villarreal	Director	Telecommunications Analyst	UCLA		

Adriana Abich, Chief Executive Officer – [Insert Bio].

Cindy Lee Smet, [Chairman] – [Insert Bio].

David Gidlow, [Secretary] – [Insert Bio].

Gil Flores, [Treasurer] – [Insert Bio].

Celia Alvarado, Director – [Insert Bio].

Lida Jennings, Director – [Insert Bio].

[Elena Lopez, Director] – [Insert Bio].

Jazmin Ortega, Director – [Insert Bio].

Tamara Powers, Director – [Insert Bio].

Areli Villarreal, Director – [Insert Bio].

Committees of the Lessee Board. The Lessee Board, by resolution by a majority of the Lessee Directors then in office, may create one or more committees of the Lessee Board, each consisting of two or more Lessee Directors and any number of non-director members, to serve at the pleasure of the Lessee Board. Appointments to committees are made with a majority vote of the Lessee Board and the Lessee Board may appoint one or more Lessee Directors as alternate members of any committee.

Contracts with Directors and Employees. [The Lessee may not enter into a contract or transaction where a Lessee Director, directly or indirectly, has a material financial interest (nor any other corporation, firm, association, or other entity in which one or more of the Lessee Directors are directors and have a material financial interest). The Lessee may not enter into a contract or transaction where an employee, directly or indirectly, has a material financial interest unless all of the requirements of the Lessee’s conflict of interest code has been fulfilled.]

Conflict of Interest Code. The terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are incorporated by reference into the Lessee’s conflict of interest code. The conflict of interest code requires Lessee Directors and the Chief Executive Officer to report: (i) all interest in real property located in whole or in part within two miles of any facility used by the Lessee, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property; (ii) all investments and business positions in, and sources of income (including gifts, loans and travel payments) that are from, business entities engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute school supplies, books, materials, school furnishings or equipment of the type utilized by the Lessee; and (iii) all income (including gifts, loans and travel payments) from any Lessee employee or any known representative or association of such employee or any business known by the reporting official to be owned or controlled by such employee.

Budgeting and Financial Reporting

Fiscal Year. The fiscal year of the Lessee begins on July 1 and ends on June 30 of each subsequent year.

Financial Management; Budget and Accounting. The Treasurer is the chief financial officer of the Lessee (the “Chief Financial Officer”), and as such, must keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the Lessee’s properties and business transactions. The Chief Financial Officer must send or cause to be sent to Lessee Directors such financial statements and reports as are required to be given by law or by the Lessee’s bylaws. The books of account are open to inspection by any Lessee Director at all reasonable times.

The Chief Financial Officer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Lessee with such depositories as the Lessee Board may designate; (b) disburse the Lessee’s funds as the Lessee Board may order; (c) render to the President or Lessee Directors, whenever requested, an account of all transactions and of the financial condition of the Lessee; and (d) have such other powers and perform such other duties as the Lessee Board may require.

Annual Reports. The Lessee Board must cause an annual report to be sent to itself (the Lessee Directors) after the end of the Lessee’s fiscal year. That report shall contain the following information, in appropriate detail:

- The assets and liabilities, including the trust funds, of the Lessee as of the end of the fiscal year;
- The principal changes in assets and liabilities, including trust funds;
- The Lessee’s revenue or receipts, both unrestricted and restricted to particular purposes;
- The Lessee’s expenses or disbursement for both general and restricted purposes;
- Any information required by Section 6322 of the California Corporations Code; and
- An independent accountant’s report or, if none, the certificate of an authorized officer of the Lessee that such reports were prepared without audit from the Lessee’s books and records.

THE FACILITIES AND THE PROJECT

General

The proceeds of the Series 2023 Bonds will be used to (i) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Facilities; (ii) finance certain capital improvements to the Facilities; (iii) pay capitalized interest on the Series 2023 Bonds; (iv) fund a debt service reserve fund with respect to the Series 2023 Bonds; (v) fund related working capital; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds. [A deposit to the Reserve Account for the Series 2023 Bonds in an amount of the Reserve Account Requirement will be funded by proceeds of a grant pursuant to the Authority’s Charter School Facilities Credit Enhancement Program. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – Bond Indenture – Reserve Account” in the forepart of this Limited Offering Memorandum.]

The Facilities

The Burlington Facility. Burlington Elementary is located at the Burlington Facility, which accommodates approximately [] full-time equivalent students and includes [] classrooms and []. GNLA 697 S Burlington LLC owns the Burlington Facility.

A portion of the proceeds of the Series 2023 Bonds will be applied to redeem the outstanding [Series 2017 Refunded Bonds], the proceeds of which were applied to finance and refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Burlington Facility. See “PLAN OF REFUNDING” in this Limited Offering Memorandum.

[Add brief description of capital improvements to be financed with bond proceeds]

The Eisner Facility. The Middle School is located at the Eisner Facility, which accommodates approximately [] full-time equivalent students and includes [] classrooms and []. Fifteenth and Ardmore LLC owns the Eisner Facility.

Fifteenth and Ardmore LLC has an outstanding loan in the original principal amount of \$1,629,670.25 from Wells Fargo Bank, National Association (the “Eisner Facility Loan”), the proceeds of which were applied to []. On the Closing Date, a portion of the proceeds of the Series 2023 Bonds will be applied to repay the outstanding balance of principal and interest for the Eisner Facility Loan, equal to approximately \$[1,223,814] as of March 1, 2023.

[Add brief description of capital improvements to be financed with bond proceeds]

The Lance Facility. The High School is located at the Lance Facility, which accommodates approximately [] full-time equivalent students and includes [] classrooms and []. 3500 West Temple LLC owns the Lance Facility.

A portion of the proceeds of the Series 2023 Bonds will be applied to redeem the outstanding [Series 2013 Refunded Bonds], the proceeds of which were applied to finance and refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of the Lance Facility. See “PLAN OF REFUNDING” in this Limited Offering Memorandum.

[Add brief description of capital improvements to be financed with bond proceeds]

The Administrative Facility. The administrative offices are located at the Administrative Facility, which [includes approximately [] offices and []]. The Borrower owns the Administrative Facility. On or about the issuance of the Series 2023 Bonds, ownership of the Administrative Facility will be transferred to [3545 West Temple LLC].

The Borrower has an outstanding loan in the original principal amount of \$[920,000] from Wells Fargo Bank, National Association (the “Administrative Facility Loan”), the proceeds of which were applied to [____]. On the Closing Date, a portion of the proceeds of the Series 2023 Bonds will be applied to repay the outstanding balance of principal and interest for the Administrative Facility Loan, equal to approximately \$[701,225] as of March 1, 2023.

[Add brief description of capital improvements to be financed with bond proceeds]

The Leases

[On the Closing Date, the respective Landlords will lease the Facilities to the Lessee pursuant to the respective Leases. The primary source of Gross Revenues for the Members of the Obligated Group are the payments of Rent received pursuant to the Leases. See “THE LEASES” in this Limited Offering Memorandum and APPENDIX [____] – “SUMMARY OF THE LEASES” attached hereto.]

Appraisals

[To be updated when information is available.]

The following table details the appraised values for each of the [____].

Campus	Value Type	Date	Market Value (\$)
Total			

Limitations. The summary of the Appraisals contained in this section is not meant to be exhaustive, and reference should be made to such reports for a complete recital of their terms. Complete copies of the Appraisals are available upon request from the Underwriter. The value of the Facilities as estimated in the Appraisals represents only the opinion of the Appraisers, and only as of the effective date. The Appraisers have not been engaged to update or revise the estimates contained in the Appraisals since its effective date. See “CERTAIN RISK FACTORS – Value of Property May Fluctuate; Limitations of Appraisals” herein.

Environmental Inspections

[To be updated when information is available.]

[The ESAs speak only as of the date of the respective reports, and the Phase I Consultants have not been asked to perform any additional assessments since the time of the assessments described in the respective ESAs, and no party to the Series 2023 Bond transaction will obtain new or updated environmental assessments for the Facilities prior to the Closing Date. Further, the ESAs are subject to the limitations specified therein. Potential investors may refer to the complete ESAs for a full understanding of such limitations, and for additional information pertinent to the assessments. **The ESAs were prepared for and are exclusively for the use and benefit of the sellers of the Facilities.** Costs incurred by the Borrower or the Lessee with respect to environmental remediation or liability could adversely affect their respective financial conditions. See “CERTAIN RISK FACTORS – Limitations on Value of the Facilities and to Remedies Under the Deed of Trust” herein.]

Copies of the ESAs are available upon request and the payment of a reasonable copying, mailing and handling charge from the Underwriter: RBC Capital Markets, LLC, 777 S. Figueroa St., Suite 850, Los Angeles, California 90017, Attention: John Solarczyk, Managing Director.

THE SCHOOLS

Leadership Team

The Lessee’s leadership team consists of the Chief Executive Officer, Vice President of Student and Family Supports, Chief Academic Officer, Vice President of Human Resources, Vice President of Schools, and the Vice President of Operations and Strategy. The following information provides brief biographies for each of the leadership team members.

Adriana Abich, Chief Executive Officer – [Insert Bio].

Jessica Cuellar, Vice President of Student and Family Supports – [Insert Bio].

Rachel Hazlehurst, Chief Academic Officer – [Insert Bio].

Margaret Domingo, Vice President of Human Resources – [Insert Bio].

Charles Miller, Vice President of Schools – [Insert Bio].

Chantavia Moore, Vice President of Operations and Strategy – [Insert Bio].

Faculty and Employees

The following tables set forth the historical staffing for each of the Schools for the 2018-19 through 2021-22 school years, current staffing for the 2022-23 school year, and projected staffing for the 2023-24 through 2026-27 school years for on-site staffing. Historical staffing is as of October of each year and current staffing is as of August 2022. *[Table to be updated.]*

<u>Table 3</u>									
<u>Burlington Elementary</u>									
	<u>Historical</u>				<u>Current</u>	<u>Projected</u>			
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Teachers									
Teacher Aides									
Support Staff									
Administration									
Total									
<u>The Middle School</u>									
	<u>Historical</u>				<u>Current</u>	<u>Projected</u>			
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Teachers									
Teacher Aides									
Support Staff									
Administration									
Total									
<u>The High School</u>									
	<u>Historical</u>				<u>Current</u>	<u>Projected</u>			
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>

Teachers
Teacher Aides
Support Staff
Administration
Total

The following table sets forth teacher retention rates for each of the Schools for the 2018-19 through the 2022-23 school years. Teacher retention percentage is calculated based on the number of teachers who returned to the school from the prior year. *[Table to be updated.]*

<u>Table 4</u>					
	2018-19	2019-20	2020-21	2021-22	2022-23
Burlington Elementary	%	86%	75%	73%	%
The Middle School		72	80	77	
The High School		91	75	89	

The following table sets forth the percentage of teachers at the Schools for the 2022-23 school year who have earned the listed type of degree as their highest level of education. All teachers at the Schools are licensed in accordance with the Charter Schools Act and State of California law. *[Table to be updated.]*

<u>Table 5</u>			
	Bachelor's	Master's	Doctorate
Burlington Elementary			
The Middle School			
The High School			

The following table provides the average salary for teachers for the Schools as compared to the District wherein the Facilities are located. *[Table to be updated.]*

<u>Table 6</u>					
	2018-19	2019-20	2020-21	2021-22	2022-23
The Schools	\$	\$	\$	\$	\$
The District					

Future Plans

[The Borrower and the Lessee currently do not have any expansion plans for the Schools or the Facilities other than as described herein. Further, the Lessee does not currently operate any other charter schools other than the Schools, Cisneros, Kayne Siart, and Castellanos. While the Lessee does not currently have any plans to operate any additional charter schools, the Lessee may operate charter schools in addition to the Schools, Cisneros, Kayne Siart, and Castellanos in the future. None of the revenues or assets of such other charter schools, including Cisneros, Kayne Siart, and Castellanos, are or would be available as security for the Lessee's payment obligations under the Leases. However, the Borrower and the Lessee are permitted to incur additional Indebtedness under certain circumstances. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture – Limitations on Additional Indebtedness" and "– Limitations on Obligated Group School Indebtedness" herein.] *[Lessee to confirm no plans to operate additional charter schools at this time.]*

Service Area

General. The Facilities are located in the County of Los Angeles (the “County”) and within the boundaries served by the District, and the Lessee serves students residing primarily within the County.

The Los Angeles County Office of Education (“LACOE”) reports on its website that it serves approximately 80 school districts and more than 1.3 million students within the County. The District reports that there are approximately 437,000 students served in the District as of the 2021-22 school year.

[Remainder of page intentionally left blank]

Population and Demographic Information. The U.S. Census Bureau has estimated the following demographic statistics for the City of Los Angeles (“Los Angeles”), the County, and the State.

Table 7			
	Los Angeles	The County	The State
Population estimate, 2021	3,849,297	9,829,544	39,237,836
Population census, 2020	3,898,747	10,014,009	39,538,223
Population census, 2010	3,792,621	9,818,605	37,253,956
Population change (2010-21) (%)	1.5	0.1	5.3
Population change (2010-20) (%)	2.8	2.0	6.1
Persons <5 years, 2020 (%)	5.7	5.3	5.7
Persons <18 years, 2020 (%)	20.4	21.1	22.4

The California Department of Finance’s Demographic Research Unit provides a detailed report of the estimated population projections for the State and the County, from 2020 through 2060, updated as of July 2021.

Table 8			
Geographic Area	2020	2060	Net Change
The State	39,782,419	44,228,057	4,445,638
The County	10,171,593	9,697,634	(473,959)

Housing. The following table details select housing demographics for Los Angeles, the County, and the State. The information detailed below has been provided by the U.S. Census Bureau and Data USA.

Table 9			
	Los Angeles	The County	The State
Housing units, 2021	-	3,620,308	14,512,281
Households, 2016-20	1,402,522	3,332,504	13,103,114
Median value of owner-occupied housing units, 2016-20 (\$)	670,700	615,500	538,500
Owner-occupied housing unit rate, 2016-20 (%)	37.0	46.0	55.3
Building permits, 2020	-	23,284	119,436
Median property value, 2020 ²	670,700	615,500	568,500

[Remainder of page intentionally left blank]

² Data USA.

Income and Employment. Income, poverty rate, employment statistics, and access to distance learning are detailed in the chart below for Los Angeles, the County, and the State.

<u>Table 10</u>			
	<u>Los Angeles</u>	<u>The County</u>	<u>The State</u>
Median household income, 2016-20 (\$)	65,290	71,358	78,672
Total employment, 2020	-	3,914,718	15,710,859
Persons in poverty, 2020 (%)	16.9	13.2	11.5
Average travel time to work (2020), minutes	31.9	31.7	29.8
Households with a computer, 2016-20 (%)	93.3	93.6	94.3
Households with a broadband internet subscription, 2016-20 (%)	86.2	87.0	88.9

The tables below provide detailed information on personal income and its changes year-over-year for the State and the County, from the Bureau of Economic Analysis, U.S. Department of Commerce.³

<u>Table 11</u>					
<u>The State</u>					
<u>Description</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Personal Income (\$mils)	2,318,644	2,431,822	2,544,235	2,763,312	3,006,183
Population (# persons)	39,337,785	39,437,463	39,437,610	39,368,078	39,237,836
Per Capita Personal Income (\$)	58,942	61,663	64,513	70,192	76,614

<u>Table 12</u>					
<u>The County</u>					
<u>Description</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Personal Income (\$mils)	580,335	601,947	635,759	684,663	728,772
Population (# persons)	10,123,521	10,096,986	10,051,154	9,989,165	9,829,544
Per Capita Personal Income (\$)	57,325	59,617	63,252	68,541	74,141

[Remainder of page intentionally left blank]

³ State and County statistics were last updated in November 2022.

The following tables list the top employers in the County, as reported by California's Employment Development Department.⁴

<u>Table 13</u>			
<u>The County</u>			
<u>Company</u>	<u>Industry</u>	<u>Company</u>	<u>Industry</u>
AHMC Healthcare Inc	Health Care Management	National Institutes of Health	Physicians & Surgeons
All Nations Church	Churches	Security Industry Specialist	Security Systems Consultants
California State Univ NRTHRDG	Schools-Universities & Colleges Academic	Six Flags	Amusement & Theme Parks
Cedars-Sinai Health System	Health Care Management	Sony Pictures Entrtn Inc	Motion Picture Producers & Studios
Infineon Technologies Americas	Semiconductor Devices	Space Exploration Tech Corp	Aerospace Industries
Kaiser Permanente Los Angeles	Hospitals	Twentieth Century Fox	Motion Picture Producers & Studios
Lac & USC Medical Ctr	Medical Centers	UCLA Community Based Learning	Junior-Community College- Tech Institutes
Long Beach City Hall	City Hall	University of Ca Los Angeles	Schools-Universities & Colleges Academic
Longshore Dispatch	Nonclassified Establishments	University of Ca Los Angeles	University-College Dept/Facility/Office
Los Angeles County Sheriff	Government Offices- County	Vision X	Call Centers
Los Angeles Intl Airport-Lax	Airports	Walt Disney Co	Water Parks
Los Angeles Medical Ctr	Pathologists	Water Garden Management	Office Buildings & Parks
Los Angeles Police Dept	Police Departments		

Competitive Schools

Public Schools. As mentioned above, the Schools are located within the boundaries served by the District. The District is home to approximately 435 elementary schools, 77 middle schools, and 86 high schools, however the District is only one of 80 K-12 school districts that operate within the boundaries of the County. Management has identified [] public schools as competitors of the Schools.

Charter Schools. LACOE reports that there are 371 charter schools located within the County. As of the 2022-23 school year, the District authorizes 5 charter schools, including the Schools. Management has identified [] charter schools as competitors of the Schools.

Private Schools. According to Private School Review, there are 1,039 private schools in the County serving approximately 193,339 students for the 2022-23 school year. Management has indicated that [] private schools are considered competitors of the Schools.

⁴ The list of employers provided was extracted from the America's Labor Market Information System Employer Database, 2022 1st Edition.

The table below shows certain information about the Schools and the schools that Management has identified as competitors, including limited demographic information and performance data for the listed school years, which correspond to the most recent school years for which such data is publicly available.

School	Grades	Type	CALPDS ⁵	California School Dashboard		CAASPP ⁶	
			Enrollment (2021-22)	Socio-economically Disadvantaged	English Language Learners	ELA (2021-22)	Math (2021-22)
Burlington Elementary	TK-8	Charter	579	99.7%	52.0%	42.4%	31.3%
The Middle School	6-8	Charter	251	96.6	46.4	33.4	17.7
The High School	9-12	Charter	508	90.4	19.7	59.6	20.2
Competitors							
				%	%	%	%

Due to the impact of COVID-19 and the closure of schools, CAASPP Testing was not administered for a majority of public schools for the 2019-20 school year and testing for the 2020-21 school year was optional. See “– State- and School-Level Responses to COVID-19.” CAASPP Testing was administered for all public schools for the 2021-22 school year, the results of which are reflected in the table above.

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⁵ California Department of Education, CALPADS unduplicated pupil count file, as of April 22, 2022.

⁶ California Assessment of Student Performance and Progress, statistics listed are percentages of students that "met or exceeded" standard.

Map of Location of the Schools

The following map shows the location of the Schools.

[Map to come.]

The Charters

The Lessee operates the Schools pursuant to the following Charters, each approved by the Charter Authorizer: (i) the Burlington Charter, with a term of July 1, 2020 through June 30, 2025; (ii) the Eisner Charter, with a term of July 1, 2020 through June 30, 2025; and the Lance Charter, with a term of July 1, 2018 through June 30, 2023. In July 2021, Governor Newsom approved Assembly Bill 130 which extends all charter school terms that were set to expire on or between January 1, 2022, and June 30, 2025, inclusive, by two years. Assembly Bill 130 effectively extends the term of the Lance Charter to June 30, 2025 and the terms of the Burlington Charter and the Eisner Charter to June 30, 2027. The first charter petition for Burlington Elementary was approved in [2000] and the first renewal occurred in [2005], the first charter petition for the Middle School was approved in [2010] and the first renewal occurred in [2015], and the first charter petition for the High School was approved in [2013] and the first renewal occurred in 2017.

California limits the term of a charter for a period not to exceed five years. Under California law, a charter granted by a school district governing board, a county board of education or the State Board of Education may be granted one or more subsequent renewals by that entity. Each renewal shall be for a period of five years. A material revision of the provisions of a charter petition may be made only with the approval of the authority that granted the charter. The Lessee may not charge tuition and has no taxing authority.

Petitions. The Charter Schools Act authorizes teachers, parents and/or community members to petition the local board of education to establish publicly funded charter schools. A charter petition defines the charter school's goals, standards, education design, governance and operations. The degree of authority to be exercised by the charter school on such issues as personnel, curriculum and facilities is delineated in the petition and conditions of approval which may be negotiated between the charter applicants and the charter school authorizer. Pursuant to California Education Code §47607, an initial charter petition may be approved for a period not to exceed five years and may be renewed for successive periods of five years each.

Certain Renewal Requirements. Renewals and material revisions of charters are governed by the standards and criteria set forth in California Education Code section 47605. Renewal charter petitions must include, but are not limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed. [See APPENDIX C – “CHARTER SCHOOLS IN CALIFORNIA.”]

See “CERTAIN RISK FACTORS – Nonrenewal or Revocation of Charter” and “– Factors Associated with Education” in the forepart of this Limited Offering Memorandum.

Academics and Performance

Mission and Anchor Values. The Lessee's mission is to educate students in a college preparatory program to be literate, critical thinkers, and independent problem solvers who are agents of social justice with sensitivity toward the world around them. The Lessee's “Anchor Values” are an important part of its community, which guide decisions, actions and connections. Anchor Values help the Lessee create a culture of excellence and belonging. The Lessee practices the following five Anchor Values:

1. **Excellence**: We take responsibility for our students and staff achieving consistently outstanding results.
2. **Equity**: We recognize and value the individuality and experiences of all students and respond to their unique academic, emotional, psychological, and social needs.

3. **Community**: We are rooted in our community’s richness and in the cultural and environmental context where our students and families live.
4. **Innovation**: We continuously learn, are curious, and implement new ideas, perspectives, and evidence-based methods in our work.
5. **Joy**: We build and maintain positive relationships that foster happiness and fulfillment among students, staff and families.

Continuum of Care. The Lessee leverages community assets to provide a continuum of integrated support services and programs from early childhood to college graduation. Its programs foster self-expression, resiliency, cultural awareness, civic engagement, and college and career readiness.

A key component of the Lessee’s mission is its focus on the whole child where it addresses students’ comprehensive needs ensuring that each student is healthy, supported, engaged and challenged—setting the stage for comprehensive and long-term student success. To that end, the Lessee has developed a comprehensive “Continuum of Care” which supports early childhood education, high quality K-12 college pathways, college completion support, and authentic parent engagement.

The Lessee’s Continuum of Care was designed in partnership with its key stakeholders and is meant to acknowledge the unique context of each site and use an approach responsive to community needs. By integrating academic rigor, experiential learning, family, and wellness, the Lessee aims to empower students to succeed in school, in college, and in life. The Lessee’s priorities include:

- Providing early childhood education to give all students a strong start.
- Offering hands-on, experiential learning opportunities in the arts and sciences.
- Connecting students to wraparound mental health and wellness supports.
- Promoting dual language development through our bilingual program option.
- Expanding access to and fostering success in higher education.
- Engaging authentically with families and our community.

Curriculum. The Schools are committed to the successful implementation of the Common Core State Standards (CCSS). The Schools also believe that the teacher is the most critical key lever for student success and that no set curriculum meets the needs of all students in the classroom. Therefore, the Schools hire staff that shares their commitment to the Common Core standards and their philosophy that teachers must “own their craft” by continuously reflecting on such teacher’s effectiveness in the classroom and seeking out promising practices in pedagogy.

Some of the Schools’ recent curriculum programs and achievements include the following:

Dual Language Program. The Schools offer a dual language (Spanish-English) program option for students in grades TK-5 and plan to expand the program to grades 6-8 starting in the 2022-2023 school year. The Schools honor and value the diverse cultural and linguistic assets of the community each School serves. The Schools each raise the status of multilingualism by grounding such School’s program and instruction in relevant educational research and ensuring it is responsive to the evolving needs of the community. The Schools believe that a deeply effective and equitable bilingual education must be multi-faceted and integrated. It is aimed at amplifying the voice within students while cultivating joy, pride, curiosity, and sociocultural competence. To that end, students learn to read, write, and effectively communicate in both Spanish and English and the Schools offer a challenging and enriching learning environment that fosters the necessary biliteracy skills for students to access the world beyond their scope and strengthen the upward trajectory of their lives.

STEM. The Schools offer Science, Technology, Engineering, and Mathematics programming to all students in grades TK-12 through inquiry-based science instruction aligned to the Next Generation Science Standards. Students also have the opportunity to complete a STEM pathway through Project Lead the Way.

[Camino to provide additional curriculum areas.]

Extracurricular Activities

The School offers a number of extracurricular activities and auxiliary programs for its students. The following table lists the extracurricular sports and clubs as of the 2022-23 school year at each of the Schools.

<u>Burlington Elementary</u>	
Sports	Clubs/Activities

<u>The Middle School</u>	
Sports	Clubs/Activities

<u>The High School</u>	
Sports	Clubs/Activities

[Remainder of page intentionally left blank]

Demographics and Enrollment

Student Body. The following tables show the racial and ethnic diversity and other demographic information for the Schools for the 2018-19 through 2021-22 school years.

<u>Table 14</u>				
<u>Burlington Elementary</u>				
	2018-19	2019-20	2020-21	2021-22
American Indian / Alaska Native	0.0%	0.2%	0.2%	0.2%
Asian / Pacific Islander / Filipino	0.2%	0.0%	0.0%	0.2%
Black / African American	0.2%	0.0%	0.0%	0.0%
Hispanic	99.5%	99.6%	98.4%	99.3%
White	0.0%	0.0%	0.0%	0.0%
Multiracial / Unspecified	0.2%	0.2%	1.4%	0.3%
Free/Reduced Lunch	100.0%	100.0%	99.7%	84.3%
<u>The Middle School</u>				
	2018-19	2019-20	2020-21	2021-22
American Indian / Alaska Native	1.4%	0.1%	0.1%	0.3%
Asian / Pacific Islander / Filipino	0.1%	0.1%	0.3%	0.6%
Black / African American	0.4%	0.5%	0.4%	0.3%
Hispanic	95.9%	95.0%	95.9%	86.9%
White	1.9%	2.6%	1.1%	1.2%
Multiracial / Unspecified	0.2%	1.6%	2.1%	10.7%
Free/Reduced Lunch	99.1%	97.5%	93.9%	91.8%
<u>The High School</u>				
	2018-19	2019-20	2020-21	2021-22
American Indian / Alaska Native	0.2%	0.2%	0.6%	0.4%
Asian / Pacific Islander / Filipino	2.0%	2.4%	2.3%	2.6%
Black / African American	0.4%	0.4%	0.2%	0.0%
Hispanic	96.7%	96.5%	94.9%	87.2%
White	0.4%	0.4%	0.8%	1.2%
Multiracial / Unspecified	0.2%	0.0%	1.2%	8.7%
Free/Reduced Lunch	95.4%	98.5%	86.0%	91.5%

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Historical, Current, and Projected Enrollment. The following tables set forth each of the Schools' historical enrollment for the 2018-19 through 2021-22 school years, current enrollment, and projected enrollment for the 2023-24 through 2026-27 school years. Current enrollment count for the 2022-23 school year is as of [____], 2023 and historical enrollment totals are those reported to the State.

Table 15									
<u>Burlington Elementary</u>									
Grades	Historical				Current	Projected			
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
TK/K	72	64	78	86					
1	72	63	63	62					
2	72	63	64	63					
3	72	65	62	63					
4	74	63	65	61					
5	77	61	62	64					
6	90	61	60	60					
7	89	60	61	59					
8	90	61	62	61					
Total	708	561	577	579					
<u>The Middle School</u>									
Grades	Historical				Current	Projected			
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
6	93	82	82	76					
7	92	94	93	82					
8	93	91	91	93					
Total	278	267	266	251					
<u>The High School</u>									
Grades	Historical				Current	Projected			
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
9	117	125	123	125					
10	115	120	127	122					
11	116	115	105	119					
12	112	105	116	142					
Total	460	465	471	508					

[Discussion of relationship between enrollment and A.D.A.??]

Admissions and Enrollment Policy; Waitlist. The Schools have established an annual recruiting and admissions cycle, which includes reasonable time for all of the following: (1) outreach and marketing; (2) information sessions for students and parents held in English and Spanish at the Facilities; (3) an application period; (4) a lottery, if necessary; and (5) enrollment.

Admission Process and Open Enrollment. The Schools admit all students who wish to attend. If the number of pupils who wish to attend exceeds the respective School’s capacity, attendance will be determined according to a random public drawing. To be eligible for selection in the lottery, this application form must be complete, accurate and received by the applicable deadline.

Random Public Lottery Procedures. In order to be included in the admissions lottery (if a lottery is necessary), families must submit a lottery application form by the stated deadline. Application materials are available in English and Spanish. Families who apply after the enrollment deadline are added to the waitlist in the order the applications are received.

In the event a lottery is necessary, public notice will be posted with the date and time of the public drawing. Names of students who filled out enrollment interest forms by the respective School’s designated deadline will be entered into the lottery. Families selected in the lottery will be notified by text and email. Notified families must accept the offer online or verbally by contacting school staff by the Schools’ designated open enrollment end date. Families that do not respond will be withdrawn from the list. The Schools utilize an online platform to perform the lottery draw. Lotteries are run by a secure computer algorithm, which runs rules and priorities as set forth in the charter.

[Preference will be extended in the following order: (i) students residing within the District; (ii) siblings of enrollment students; (iii) students currently attending one of the Schools; (iv) children of teachers or staff (not to exceed 10% of the student population), and (v) students residing in California.]

Waitlist. The following table provides the waitlist for each of the Schools for the listed school years. The historical waitlists are as of the fall semester for each school year, while the waitlist for the 2023-24 school year was provided as of [____], 2023.

<u>Table 16</u>					
<u>Burlington Elementary</u>					
Grades	2019-20	2020-21	2021-22	2022-23	2023-24
TK/K					
1					
2					
3					
4					
5					
6					
7					
8					
Total					
<u>The Middle School</u>					
Grades	2019-20	2020-21	2021-22	2022-23	2023-24
6					
7					
8					
Total					
<u>The High School</u>					
Grades	2019-20	2020-21	2021-22	2022-23	2023-24

9			
10			
11			
12			
Total			

[Remainder of page intentionally left blank]

Student Retention. The following table shows student retention rates for the each of the Schools for each listed school year. Student retention is calculated based on the percentage of students who returned to the school from the prior year.

<u>Table 17</u>					
	2018-19	2019-20	2020-21	2021-22	2022-23
Burlington Elementary	%	%	%	%	%
The Middle School					
The High School					

Student Attendance. The following table details the student attendance for each of the Schools for the 2018-19 through 2022-23 school years.

<u>Table 18</u>					
	2018-19	2019-20	2020-21	2021-22	2022-23
Burlington Elementary	%	%	%	88.03%	93.48%
The Middle School				84.57	91.89
The High School				85.79	93.41

State- and School-Level Responses to COVID-19

On March 11, 2020 the World Health Organization declared a global pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of the coronavirus. On March 19, 2020, the State’s Department of Public Health issued an order directing all individuals in the State to “stay at home” except a few permitted activities, and essential businesses. By the beginning of April 2020 most school districts in the State extended the closures of schools for the remainder of the 2019-20 school year. The State subsequently implemented a variety of health and safety requirements applicable to the operation of schools. The extent to which such health and safety protocols remain necessary, or whether any additional health and safety protocols will be required in the future, are unknown at this time. See “CERTAIN RISK FACTORS – Risks Related to Infectious Virus and/or Disease” in the forepart of this Limited Offering Memorandum.

[Camino to describe impact on the Schools and whether they operated in-person or remotely during such time.]

LITIGATION

[As of the date of the Limited Offering Memorandum, none of the Borrower, the Foundation, or the Lessee is the subject of any litigation or administrative proceeding related to its operations. Litigation may arise in the normal course of business of either the Borrower, the Foundation or the Lessee. See “CERTAIN RISK FACTORS –

Litigation” for an explanation of risks associated with any potential litigation that may arise in the normal course of business for the Borrower or the Lessee.] *[Camino to confirm.]*

CERTAIN FINANCIAL INFORMATION

Audited Financial Statements

The audited financial statements of the Lessee for the Fiscal Years ended June 30, [____] and [____], included in this Limited Offering Memorandum in APPENDIX B – “AUDITED FINANCIAL STATEMENTS OF THE LESSEE FOR THE FISCAL YEARS ENDED JUNE 30, [____] and [____],” has been audited by CliftonLarsonAllen LLP (the “Auditor”), to the extent and for the period indicated in its report thereon. Such financial statements have been included in reliance upon the reports of the Auditor. The Auditor has not been engaged to perform and has not performed, since the date of the respective reports, any procedures on the financial statements addressed in the reports. The Auditor has also not performed any procedures relating to this Limited Offering Memorandum. The Lessee is not aware of any facts that would make such financial statements misleading. These financial statements were prepared using the standards applicable to nonprofit entities. The audited financial statements included in Appendix B are an integral part hereof and should be read in their entirety.

Indebtedness

The Lessee has outstanding the following loans, which will both remain outstanding after the Closing Date:

- *[Camino to provide, as applicable.]*

The Borrower and Lessee are also permitted to incur additional Indebtedness under certain circumstances. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture – Limitations on Additional Indebtedness” and “THE LEASES – Certain Covenants Under the Leases – Limitations on Obligated Group School Indebtedness” in the forepart of this Limited Offering Memorandum.

[Remainder of page intentionally left blank]

Statement of Financial Position and Statement of Activities

The following Consolidated Statements of Financial Position summary for the Lessee present summaries of the Lessee’s financial position as of June 30 of each listed Fiscal Year. The Consolidated Statement of Activities summary for the Lessee presents summaries of the Lessee’s financial activities during the fiscal year, thereby reconciling the beginning and end of year net asset positions contained in the Consolidated Statement of Financial Position summary. Such summary statements are based on the audited financial statements of the Lessee for the Fiscal Years ended June 30, [____] and [____]. See “CERTAIN RISK FACTORS” in the forepart of the Limited Offering Memorandum.

[Tables to be provided.]

[Remainder of page intentionally left blank]

Financial Projections

The financial projections of the Lessee with respect to the Schools for the Fiscal Years ending June 30, [2023 through June 30, 2027] set forth below (the “Projections”) were prepared by Management and have not been independently verified by any other party.

No feasibility studies have been conducted with respect to operations of the Lessee pertinent to the Series 2023 Bonds. The Projections are “forward-looking statements” and are subject to the general qualifications and limitations described under “CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM.” The Underwriter has not independently verified the Projections, and makes no representations nor gives any assurances that such Projections, or the assumptions underlying them, are complete or correct. Further, the Projections relate only to a limited number of fiscal years, and consequently do not cover the entire period that the Series 2023 Bonds will be outstanding.

Management has prepared the Projections based on the Lessee’s operating history with respect to the Schools and Management’s assumptions about future State funding levels and future operations of the Schools, including student enrollment and expenses. There can be no assurance that actual enrollment revenues and expenses will be consistent with the Lessee’s assumptions underlying such Projections. Moreover, no guarantee can be made that the Projections included herein will correspond with the results actually achieved in the future because there can be no assurance that actual events will correspond with the assumptions underlying the Projections. Actual operating results may be affected by many factors, including, but not limited to, increased costs, lower than anticipated revenues (as a result of insufficient enrollment, reduced State or federal aid payments, or otherwise), employee relations, changes in taxes, changes in applicable government regulation, changes in demographic trends, changes in education competition and changes in local or general economic conditions. See below to review the Projections, their underlying assumptions, and the other factors that could cause actual results to differ significantly from projected results. Refer to “CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM” in the forepart of this Limited Offering Memorandum, for qualifications and limitations applicable to forward-looking statements.

NO GUARANTEE CAN BE MADE THAT THE PROJECTED INFORMATION CONTAINED HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BECAUSE THERE CAN BE NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS UNDERLYING SUCH PROJECTED INFORMATION. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY FACTORS, INCLUDING, BUT NOT LIMITED TO, INCREASED COSTS, LOWER THAN ANTICIPATED REVENUES (AS A RESULT OF INSUFFICIENT ENROLLMENT, REDUCED STATE OR FEDERAL AID PAYMENTS, OR OTHERWISE), DIFFICULTIES IN EXECUTING PLANS FOR AN ADDITIONAL SCHOOL OR OTHER EXPANSIONS, EMPLOYEE RELATIONS, CHANGES IN TAXES, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN EDUCATION COMPETITION AND LOCAL OR GENERAL ECONOMIC CONDITIONS.

[The Projections have been prepared assuming that the Series 2023A Bonds are issued in the aggregate principal amount of \$[A Par] bearing stated coupons between []% and []%, with a final maturity of [_____, 20[____], and that the Series 2023B Bonds are issued in the aggregate principal amount of \$[B Par] bearing stated coupons of []%, with a final maturity of [_____, 20[____].]

[Tables to be provided.]

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SUPPLEMENTAL MASTER INDENTURE FOR OBLIGATION NO. 1

GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation, as initial Obligated Group Representative,

THE NONPROFIT CORPORATIONS AND LIMITED LIABILITY COMPANIES
LISTED ON APPENDIX A OF THE HEREINAFTER
DEFINED MASTER INDENTURE,
as Initial Members of the Obligated Group

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee

Dated as of [_____] 1, 2023

Supplementing the Master Indenture of Trust
Dated as of [_____] 1, 2023

TABLE OF CONTENTS

	Page
Section 1. Definitions.....	1
Section 2. Issuance of Obligation No. 1	2
Section 3. Purpose for Which Obligation No. 1 Is Being Issued.....	3
Section 4. Payments on Obligation No. 1; Credits	3
Section 5. Prepayment of Obligation No. 1	4
Section 6. Registration, Number, Negotiability and Transfer of Obligation No. 1	4
Section 7. Mutilation, Destruction, Loss and Theft of Obligation No. 1.....	5
Section 8. Execution and Authentication of Obligation No. 1	5
Section 9. Partial Prepayment of Obligation No. 1.....	6
Section 10. Effect of Prepayment	6
Section 11. Form of Obligation No. 1.....	6
Section 12. Event of Default.....	6
Section 13. Ratification of Master Indenture.....	7
Section 14. Severability	7
Section 15. Interpretation.....	7
Section 16. Miscellaneous	7
Section 17. Counterparts.....	7
Section 18. Governing Law	8

SUPPLEMENTAL MASTER INDENTURE FOR OBLIGATION NO. 1

THIS SUPPLEMENTAL MASTER INDENTURE FOR OBLIGATION NO. 1, dated as of [] 1, 2023 (“Supplement No. 1”), between **GRUPO NUEVO LOS ANGELES**, a California nonprofit public benefit corporation (the “Company”), as Obligated Group Representative pursuant to the Master Indenture (defined herein), the Initial Members (as defined in the Master Indenture) and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as master trustee (the “Master Trustee”), under and pursuant to that certain Master Indenture of Trust, dated as of [] 1, 2023 (the “Master Indenture”), among the Obligated Group Representative, the Initial Members and the Master Trustee;

W I T N E S S E T H

WHEREAS, the Obligated Group Representative, the Initial Members and the Master Trustee have entered into the Master Indenture, which provides for the issuance by the Obligated Group Representative of Obligations thereunder upon the Obligated Group Representative and the Master Trustee entering into an indenture supplemental to the Master Indenture;

WHEREAS, the Company, as Obligated Group Representative, has all requisite corporate power and is authorized under the terms of the Master Indenture to issue Obligations, which constitute the joint and several Obligations of the Members;

WHEREAS, the Obligated Group Representative desires to issue an Obligation (pursuant to Section 2.05 of the Master Indenture) hereunder to secure the obligations arising under and pursuant to a loan agreement, dated as of [] 1, 2023, between the California School Finance Authority and the Company, and acknowledged and agreed to by the Initial Members; and

WHEREAS, all acts and things necessary to constitute this Supplement No. 1 a valid supplemental indenture and agreement according to its terms have been done and performed, and the Obligated Group Representative and the Initial Members have duly authorized the execution and delivery hereof and of the Obligation issued hereby;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the Obligation issued hereunder by the Holder thereof, the Obligated Group Representative covenants and agrees with the Master Trustee for the benefit of the Holder from time to time of the Obligation issued hereby, as follows:

Section 1. Definitions. Unless otherwise required by the context, all terms used herein that are defined in the Master Indenture shall have the meanings assigned to them therein, except as set forth below:

“Authority” means the California School Finance Authority and its successors or assigns.

“Obligation No. 1” means the Obligation issued pursuant hereto.

“Series 2023 Bond Indenture” means that certain Indenture, dated as of [_____] 1, 2023, between the Authority and the Series 2023 Bond Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

“Series 2023 Bond Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as trustee under the Series 2023 Bond Indenture, and any successor to its duties or co-trustee under the Series 2023 Bond Indenture.

“Series 2023 Bonds” means the California School Finance Authority Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and the California School Finance Authority Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable).

“Series 2023 Loan Agreement” means that certain Loan Agreement, dated as of [_____] 1, 2023, between the Authority and the Company, as acknowledged and agreed to by the Initial Members, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Series 2023 Bond Indenture.

“Series 2023 Loan Repayments” means all of the payments so designated and required to be made by the Company pursuant to Section 3.02 of the Series 2023 Loan Agreement.

“Supplement No. 1” means this Supplemental Master Indenture for Obligation No. 1.

Section 2. Issuance of Obligation No. 1. There is hereby created and authorized to be issued an Obligation in an aggregate principal amount of [_____] AND 00/100 DOLLARS] (\$[PAR]). Such Obligation shall be dated as of [Closing Date], shall be designated “Obligation No. 1” and shall be payable in such amounts, at such times and in such manner and shall have such other terms and provisions as are set forth in the form of Obligation No. 1 as provided in Section 11 hereof.

The aggregate principal amount of Obligation No. 1 is limited to [_____] AND 00/100 DOLLARS] (\$[PAR]), except for any Obligation No. 1 authenticated and delivered in lieu of another Obligation No. 1 (as provided in Section 7 hereof), with respect to any Obligation No. 1 mutilated, destroyed, lost or stolen or, subject to the provisions of Section 6 of this Supplement No. 1, upon transfer of registration of Obligation No. 1.

Section 3. Purpose for Which Obligation No. 1 Is Being Issued. Obligation No. 1 is being issued to evidence the Members’ obligation to ensure performance of the obligations of the Company arising under the Series 2023 Loan Agreement.

Section 4. Payments on Obligation No. 1; Credits.

(a) Principal of and interest and any applicable redemption premium on Obligation No. 1 are payable in any coin or currency of the United States of America that on the payment date is legal tender for the payment of public and private debts. Except as provided in subsection (b) of this Section with respect to credits, and Section 5 hereof regarding prepayment, payments on the principal of and premium, if any, and interest on

Obligation No. 1 shall be made at the times and in the amounts specified in Obligation No. 1 by the Members (i) depositing the same with or to the account of the Series 2023 Bond Trustee at or prior to the opening of business on the day such payments shall become due or payable (or the next succeeding business day if such date is a Saturday, Sunday or bank holiday in the city in which the principal corporate trust office of the Series 2023 Bond Trustee is located), and (ii) giving notice to the Master Trustee and the Series 2023 Bond Trustee of each payment of principal, interest or premium on Obligation No. 1, specifying the amount paid and identifying such payment as a payment on Obligation No. 1.

(b) The Members shall receive credit for payment on Obligation No. 1, in addition to any credits resulting from payment or prepayment from other sources, as follows:

(i) On installments of interest on Obligation No. 1 in an amount equal to moneys deposited in the Interest Account created under the Series 2023 Bond Indenture which amounts are available to pay interest on the Series 2023 Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 1;

(ii) On installments of principal of Obligation No. 1 in an amount equal to moneys deposited in the Principal Account created under the Series 2023 Bond Indenture which amounts are available to pay principal of the Series 2023 Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 1;

(iii) On installments of principal and interest, respectively, on Obligation No. 1 in an amount equal to the principal amount of Series 2023 Bonds for the redemption or payment of which sufficient amounts (as determined by Section 10.03 of the Series 2023 Bond Indenture) in cash or securities are on deposit as provided in said Section 10.03 of the Series 2023 Bond Indenture, to the extent such amounts have not previously been credited against such payments on Obligation No. 1, and the interest on such Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest on Obligation No. 1 that would have been used, but for such call for payment or redemption, to pay principal of and interest on such Series 2023 Bonds when due;

(iv) On installments of principal and interest, respectively, on Obligation No. 1 in an amount equal to the principal amount of Series 2023 Bonds acquired by any Member and surrendered to the Series 2023 Bond Trustee for cancellation or purchased by the Series 2023 Bond Trustee and canceled, and the interest on such Series 2023 Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal of and interest on Obligation No. 1 that would have been used, but for such cancellation, to pay principal of and interest on such Series 2023 Bonds when due; and

(v) On amounts deposited with the Series 2023 Bond Trustee to satisfy any other payment obligations under the Series 2023 Loan Agreement but not transferred by the Series 2023 Bond Trustee to the Company pursuant to Section 5.02 of the Series 2023 Bond Indenture.

Section 5. Prepayment of Obligation No. 1.

(a) So long as all amounts that have become due under Obligation No. 1 have been paid or credits for such payments have occurred, the Members shall have the right, at any time and from time to time, to pay in advance and in any order of due dates all or part of the amounts to become due under Obligation No. 1. Prepayments may be made by payments of cash or surrender of the Series 2023 Bonds, as contemplated by subsections 4(b)(iii) and (iv) hereof. All such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of the Series 2023 Bonds) shall be deposited and applied in the manner and subject to the terms and conditions set forth in the Series 2023 Bond Indenture. Notwithstanding any such redemption or surrender of the Series 2023 Bonds, as long as any Series 2023 Bonds remain Outstanding (as defined in the Series 2023 Bond Indenture) or any additional payments required to be made hereunder remain unpaid, the Members shall not be relieved of their obligations hereunder.

(b) Prepayments made under subsection (a) of this Section shall be credited against amounts to become due on Obligation No. 1 as provided in Section 4 hereof.

(c) The Members may also prepay all of their indebtedness under Obligation No. 1 by providing for the payment of Series 2023 Bonds in accordance with Article X of the Series 2023 Bond Indenture.

Section 6. Registration, Number, Negotiability and Transfer of Obligation No. 1.

(a) Except as provided in subsection (b) of this Section, so long as any Series 2023 Bonds remain Outstanding, Obligation No. 1 shall consist of a single Obligation without coupons, registered as to principal and interest in the name of the Series 2023 Bond Trustee, and no transfer of Obligation No. 1 shall be permitted or shall be registered under the Master Indenture except for transfers to a successor Series 2023 Bond Trustee.

(b) Upon the principal of all Obligations then Outstanding being declared immediately due and payable upon and during the continuance of an Event of Default, Obligation No. 1 may be transferred, if and to the extent the Master Trustee requests that the restrictions of subsection (a) of this Section 6 on transfers be terminated.

(c) Obligation No. 1 shall be registered on the register to be maintained by the Master Trustee as registrar for that purpose at the Corporate Trust Office of the Master Trustee and Obligation No. 1 shall be transferable only upon presentation of Obligation No. 1 at said Corporate Trust Office by the Holder or by the Holder's duly authorized attorney. Such transfer shall be without charge to the Holder thereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege.

Upon any such transfer, the Obligated Group Representative shall execute and the Master Trustee shall authenticate and deliver in exchange for Obligation No. 1 a new registered Obligation without coupons, registered in the name of the transferee.

(d) Prior to due presentment of Obligation No. 1 for registration of transfer, the Members, the Master Trustee, any paying agent and any registrar with respect to Obligation No. 1 may deem and treat the person in whose name Obligation No. 1 is registered as the absolute owner hereof for all purposes; and neither the Members, any paying agent, the Master Trustee nor any Obligation registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid, and, to the extent of the sum or sums so paid, sufficient to satisfy and discharge the liability for moneys payable on Obligation No. 1.

Section 7. Mutilation, Destruction, Loss and Theft of Obligation No. 1. If (a) Obligation No. 1 is surrendered to the Master Trustee in a mutilated condition, or the Obligated Group Representative and the Master Trustee receive evidence to their satisfaction of the destruction, loss or theft of Obligation No. 1, and (b) there is delivered to the Obligated Group Representative and the Master Trustee such security or indemnity as may be required by them to hold them harmless, then, in the absence of proof satisfactory to the Obligated Group Representative and the Master Trustee that Obligation No. 1 has been acquired by a bona fide purchaser and upon the Holder paying the reasonable expenses of the Obligated Group Representative and the Master Trustee, the Obligated Group Representative shall cause to be executed and the Master Trustee shall authenticate and deliver, in exchange for such mutilated Obligation No. 1 or in lieu of such destroyed, lost or stolen Obligation No. 1, a new Obligation No. 1 of like principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Obligation No. 1 has become or is about to become due and payable, Obligation No. 1 may be paid when due instead of delivering a new Obligation No. 1.

Section 8. Execution and Authentication of Obligation No. 1. Obligation No. 1 shall be executed for and on behalf of the Obligated Group Representative by its Authorized Representative and attested by its secretary, an assistant secretary or another Authorized Representative. The signatures of either or both of such officers may be mechanically or photographically reproduced on Obligation No. 1. If any officer whose signature appears on Obligation No. 1 ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Obligation No. 1 shall be manually authenticated by an authorized signatory of the Master Trustee, without which authentication Obligation No. 1 shall not be entitled to the benefits hereof.

Section 9. Partial Prepayment of Obligation No. 1. Upon the selection and call for prepayment and the surrender of Obligation No. 1 for prepayment in part only, the Obligated Group Representative shall cause to be executed and the Master Trustee shall authenticate and deliver to, upon the written order of, the Holder thereof, at the expense of the Members, a new Obligation No. 1 in principal amount equal to the unredeemed portion of Obligation No. 1, which new Obligation No. 1 shall be a fully registered Obligation without coupons.

The Obligated Group Representative may agree with the Holder of Obligation No. 1 that such Holder may, in lieu of surrendering the Obligation for a new fully registered Obligation

without coupons, endorse on the Obligation a notice of such partial prepayment, which notice shall set forth, over the signature of such Holder, the payment date, the principal amount redeemed and the principal amount remaining unpaid. Such partial prepayment shall be valid upon payment of the amount thereof to the registered owner of Obligation No. 1 and the Members and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of Obligation No. 1 by the Holder thereof and irrespective of any error or omission in such endorsement.

Section 10. Effect of Prepayment. On the date cash or securities (as and to the extent permitted by the Series 2023 Bond Indenture), or both, are deposited with the Trustee (for a corresponding amount of Series 2023 Bonds with respect to the Series 2023 Bonds to be redeemed on the date fixed for redemption all as provided in the Series 2023 Bond Indenture), Obligation No. 1 shall be deemed paid (in an amount corresponding to the Series 2023 Bonds to be redeemed on the date fixed for redemption) and such corresponding amount of Obligation No. 1 shall be deemed not to be outstanding, as defined in the Master Indenture, and shall no longer be entitled to the benefits of the Master Indenture.

Section 11. Form of Obligation No. 1. Obligation No. 1 shall be in substantially the form attached hereto as Exhibit A, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Master Indenture and are approved by those officers executing such Obligation on behalf of the Company and execution thereof by such officers shall constitute conclusive evidence of such approval.

Section 12. Event of Default. The Company and the Master Trustee hereby covenant to exercise any and all remedies available under any Lease and shall foreclose on the related Mortgage upon an Event of Default provided that the Master Trustee shall only exercise remedies under the Mortgages described in clause (1) of the definition thereof, set forth in the Master Indenture for the benefit of Obligation No. 1.

Section 13. Ratification of Master Indenture. As supplemented hereby, the Master Indenture is in all respects ratified and confirmed and the Master Indenture as so supplemented hereby shall be read, taken and construed as one and the same instrument.

Section 14. Severability. If any provision of this Supplement No. 1 shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case and any jurisdiction or jurisdictions or in all jurisdictions, or in all cases, because it conflicts with any other provision or provisions hereof or any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, sections or subsections contained in this Supplement No. 1 shall not affect the remaining portions of this Supplement No. 1 or any part thereof.

Section 15. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Section 16. Miscellaneous.

(a) No covenant or agreement contained in Obligation No. 1 or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any Member or of the Master Trustee in an individual capacity, and no incorporator, member, officer or member of the governing board of any Member shall be liable personally on Obligation No. 1 or be subject to any personal liability or accountability by reason of the issuance of Obligation No. 1.

(b) The Master Trustee hereby acknowledges and agrees that the Leases executed in connection with the Series 2023 Bonds provide for payment of rental directly to the Series 2023 Bond Trustee for deposit in the Revenue Fund established in the Series 2023 Bond Indenture and that such deposits constitute credits for purposes of Section 4 hereof.

(c) The Master Trustee hereby further acknowledges that the Members may approve amendments to the Leases subject to the limitations of Section 3.06 of the Master Indenture.

Section 17. Counterparts. This Supplement No. 1 may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 18. Governing Law. This Supplement No. 1 shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, the Obligated Group Representative has caused these presents to be signed in its name and on its behalf by an Authorized Representative and, to evidence its acceptance of the trusts hereby created, the Master Trustee has caused these presents to be signed in its name and on its behalf by a Responsible Officer, all as of the day and year first above written.

GRUPO NUEVO LOS ANGELES, a
California nonprofit public benefit corporation,
as Obligated Group Representative

By: _____
[Name, Title]

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**, as Master
Trustee

By: _____
[Name, Title]

[Signature Page to Supplemental Master Indenture– Camino Nuevo Charter Academy –
Obligated Group]

EXHIBIT A

FORM OF OBLIGATION NO. 1

GRUPO NUEVO LOS ANGELES
and
THE LIMITED LIABILITY COMPANIES
LISTED ON APPENDIX A OF THE HEREINAFTER
DEFINED MASTER INDENTURE,
as Initial Members of the Obligated Group

Obligation No. 1

[\$[PAR]]

KNOW ALL BY THESE PRESENTS that GRUPO NUEVO LOS ANGELES (the “Company”), a California nonprofit public benefit corporation, as Obligated Group Representative under the Master Indenture (as defined below), for value received hereby acknowledges itself and each Member of the Obligated Group (as such terms are defined in the Master Indenture) obligated to, and promises to pay to U.S. Bank Trust Company, National Association, as trustee (the “Series 2023 Bond Trustee”) under the Series 2023 Bond Indenture dated as of [_____] 1, 2023 (the “Series 2023 Bond Indenture”), between the Series 2023 Bond Trustee and the California School Finance Authority (the “Authority”), and any successor trustee under the Series 2023 Bond Indenture, or registered assigns, the principal sum of [_____] AND 00/100 DOLLARS] (\$[PAR]), and to pay interest on the unpaid balance of said sum from the date hereof on the dates and in the manner hereinafter described.

This Obligation No. 1 is a single Obligation limited to [_____] AND 00/100 DOLLARS] (\$[PAR]) in principal amount (except as provided in the Master Indenture), designated as “Obligation No. 1” (“Obligation No. 1” and, together with all other obligations issued under the Master Indenture hereinafter identified, “Obligations”), issued under and pursuant to the Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023 (the “Supplemental Indenture”), supplementing and amending the Master Indenture of Trust, dated as of [_____] 1, 2023 and as may be further restated, supplemented or amended, between the Company, the Initial Members (as defined therein) and U.S. Bank Trust Company, National Association, as trustee (the “Master Trustee”). The Master Indenture of Trust, as supplemented and amended in accordance with its terms, is hereinafter called the “Master Indenture.”

Principal hereof, interest hereon and any applicable redemption premium, are payable in any coin or currency of the United States of America that on the payment date is legal tender for the payment of public and private debts the 25th of each month, commencing [_____] 25, 2023, in an amount equal to the amount necessary for the Series 2023 Bond Trustee to make the transfers and deposits required pursuant to Section 5.02 of the Series 2023 Bond Indenture.

The Members shall receive credit for payment on Obligation No. 1, in addition to any credits resulting from payment or prepayment from other sources, as follows: (i) on installments of interest of Obligation No. 1 in an amount equal to moneys deposited in the Interest Account created under the Series 2023 Bond Indenture which amounts are available to pay interest on the

Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 1; (ii) on installments of principal of Obligation No. 1 in an amount equal to moneys deposited in the Principal Account created under the Series 2023 Bond Indenture which amounts are available to pay principal on the Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 1; (iii) on installments of principal and interest, respectively, on Obligation No. 1 in an amount equal to the principal amount of Bonds for the redemption or payment of which sufficient amounts (as determined by Section 10.03 of the Series 2023 Bond Indenture) in cash or securities are on deposit as provided in Section 10.03 of the Series 2023 Bond Indenture, to the extent such amounts have not previously been credited against such payments on Obligation No. 1, and the interest on such Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest on Obligation No. 1 that would have been used, but for such call for payment or redemption, to pay principal of and interest on such Bonds when due; (iv) on installments of principal and interest, respectively, on Obligation No. 1 in an amount equal to the principal amount of Bonds acquired by any Member and surrendered to the Series 2023 Bond Trustee for cancellation or purchased by the Series 2023 Bond Trustee and canceled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal of and interest on Obligation No. 1 that would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due; and (v) on amounts deposited with the Series 2023 Bond Trustee to satisfy any other payment obligations under the Series 2023 Loan Agreement.

The Company, as Obligated Group Representative, further acknowledges itself and the other Members obligated to, and promises to pay to the Authority, all amounts required to be paid by the Company to the Series 2023 Bond Trustee for deposit in the Bond Reserve Account established under the Series 2023 Bond Indenture. The Members shall receive credit for payment pursuant to this paragraph in an amount equal to moneys deposited with the Series 2023 Bond Trustee pursuant to the Series 2023 Bond Indenture.

Upon payment by the Members of a sum, in cash or securities (as specified in Article X of the Series 2023 Bond Indenture), or both, sufficient, together with any other cash and securities permitted by the Series 2023 Bond Indenture to be held by the Series 2023 Bond Trustee and available for such purpose, to cause all outstanding Bonds to be deemed to have been paid within the meaning of Article X of the Series 2023 Bond Indenture and to pay all other amounts referred to in Article X of the Series 2023 Bond Indenture, accrued and to be accrued to the date of discharge of the Series 2023 Bond Indenture, Obligation No. 1 shall be deemed to have been paid and to be no longer outstanding under the Master Indenture.

Copies of the Master Indenture and the Supplemental Indenture are on file at the corporate trust office of the Master Trustee, in San Francisco, California and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the holders of Obligations issued under the Master Indenture, the terms and conditions on which, and the purposes for which Obligations are to be issued and the rights, duties and obligations of the Members and the Master Trustee under the Master Indenture, to all of which the holder hereof, by acceptance of this Obligation No. 1, assents.

The Master Indenture permits the issuance of additional Obligations under the Master Indenture to be secured by the provisions of the Master Indenture, all of which, regardless of the times of issue or maturity, are to be of equal rank without preference, priority or distinction of any Obligations issued under the Master Indenture over any other such Obligations except as expressly provided or permitted in the Master Indenture.

To the extent permitted by and as provided in the Master Indenture, modifications or changes to the Master Indenture, of any indenture supplemental thereto, and of the rights and obligations of the Members and of the holders of Obligations in any particular may be made by the execution and delivery of an indenture or indentures supplemental to the Master Indenture or any supplemental indenture. Certain modifications or changes that would affect the rights of the holder of this Obligation No. 1 may be made only with the consent of the holders of not less than a majority in aggregate principal amount of Obligations then outstanding under the Master Indenture. No modification or change shall be made that will (i) extend the stated maturity of or time for paying interest on any Obligation or reduce the principal amount of or the redemption premium or rate of interest payable on any Obligation without the consent of the holder of such Obligation; (ii) modify, alter, amend, add to or rescind any of the terms or provisions contained in Article IV of the Master Indenture in any manner that would materially and adversely affect the interests of holders of any Obligations in default as to payment to compel the Master Trustee to declare the principal of all Obligations to be due and payable, without the consent of the holders of all Obligations then outstanding; or (iii) reduce the aggregate principal amount of Obligations then outstanding the consent of the holders of which is required to authorize such modifications or changes without the consent of the holders of all Obligations then outstanding. Any such consent by the holder of this Obligation No. 1 shall be conclusive and binding upon such holder and all future holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Obligation No. 1, unless such consent is revoked as provided in the Master Indenture.

Upon the occurrence of certain “Events of Default” (as defined in the Master Indenture), the principal of all Obligations then outstanding may be declared, and thereupon shall become, due and payable as provided in the Master Indenture.

The Holder of this Obligation No. 1 shall have no right to enforce the provisions of the Master Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture.

Obligation No. 1 is issuable only as a registered Obligation without coupons.

Unless the principal of all Obligations then outstanding has been declared immediately due and payable, no transfer of this Obligation No. 1 shall be permitted except for transfers to a successor trustee under the Series 2023 Bond Indenture. This Obligation No. 1 shall be registered on the register to be maintained by the Master Trustee as registrar for the Members for that purpose at the principal corporate trust office of the Master Trustee and this Obligation No. 1 shall be transferable only upon presentation of this Obligation No. 1 at said office by the Holder or by the

Holder's duly authorized attorney and subject to the limitations, if any, set forth in the Supplemental Indenture. Such transfer shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Company, as Obligated Group Representative, shall execute and the Master Trustee shall authenticate and deliver in exchange for this Obligation No. 1 a new registered Obligation without coupons, registered in the name of the transferee.

Prior to due presentment hereof for registration of transfer, the Members, the Master Trustee, any paying agent and any registrar with respect to this Obligation No. 1 may deem and treat the Person in whose name this Obligation No. 1 is registered as the absolute owner hereof for all purposes; and neither the Members, any paying agent, the Master Trustee nor any Obligation registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Obligation No. 1.

No covenant or agreement contained in this Obligation No. 1 or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any Member or of the Master Trustee in his individual capacity, and no incorporator, member, officer or member of the Governing Body of any Member shall be liable personally on this Obligation No. 1 or be subject to any personal liability or accountability by reason of the issuance of this Obligation No. 1.

This Obligation No. 1 shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Obligation No. 1 shall have been manually authenticated by the execution by an authorized officer of the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Company, as Obligated Group Representative, has caused this Obligation No. 1 to be executed in its name and on its behalf by the signature of an Authorized Representative all as of [Closing Date].

GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation, as
Obligated Group Representative

By: _____
[Name, Title]

[Signature Page to Obligation No. 1]

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

The undersigned Master Trustee hereby certifies that this Obligation No. 1 is one of the Obligations described in the within-mentioned Master Indenture.

Dated: [Closing Date]

U.S. Bank Trust Company, National
Association, as Master Trustee

By: _____
Responsible Officer

[Signature Page to Obligation No. 1]

CAMINO NUEVO CHARTER ACADEMY
RESOLUTIONS OF THE BOARD OF DIRECTORS
(2023 BONDS)

The Board of Directors (the “Board”) of Camino Nuevo Charter Academy hereby adopts the following Resolutions:

WHEREAS, Camino Nuevo Charter Academy, a California nonprofit public benefit corporation (“CNCA” or the “Corporation”), is organized for charitable purposes;

WHEREAS, Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (“GNLA”), was formed and is operated exclusively to support CNCA;

WHEREAS, Pueblo Nuevo Education and Development Group, a California nonprofit public benefit corporation (“PN-EDG”), was formed and is operated exclusively to support CNCA, such other educational programs or schools as may be established to provide education based on the educational and teaching concepts, methods, models techniques, systems and materials of CNCA or PN-EDG, or other schools or educational organizations, and GNLA;

WHEREAS, GNLA has formed and is the sole member and manager of each of 3500 West Temple LLC, a California limited liability company (“3500 Temple LLC”), Fifteenth and Ardmore LLC, a California limited liability company (“Ardmore LLC”), and GNLA 697 S Burlington LLC, a California limited liability company (“Burlington LLC” and together with 3500 Temple LLC and Ardmore LLC, the “School Landlords”);

WHEREAS, GNLA proposes to form, to be the sole member of, and to appoint itself as the manager of GNLA 3435 W Temple LLC, a California limited liability company (“3435 Temple LLC” and, together with the School Landlords, the “Landlords”);

WHEREAS, CNCA operates the public charter school currently known as Camino Nuevo High School #2 or as Dalzell Lance High School (“Dalzell”) in part on real property leased or subleased by CNCA from 3500 Temple LLC and commonly known as 3500, 3501, 3513, and 3515, W. Temple Street, Los Angeles, CA 90004, and 325 North Hoover Street, Los Angeles, CA 90004 (the “Dalzell Campus and Athletic Fields”);

WHEREAS, in order to finance and refinance the acquisition and development of the Dalzell Campus and Athletic Fields, 3500 Temple LLC obtained a loan (the “2013 Loan”) from the California School Finance Authority (the “Authority”) in an aggregate par amount of \$7,245,000 pursuant to a Loan Agreement dated as of December 1, 2013, (the “2013 Loan Agreement”) between CSFA, which loan was funded from the proceeds of the issuance of CSFA’s School Facility Variable Rate Demand Revenue Bonds (Camino Nuevo - 3500 West Temple LLC Project), Series 2013 (the “Series 2013 Bonds”) pursuant to an Indenture dated as of December 1, 2013, (the “Series 2013 Indenture”) between CSFA and Wells Fargo Bank, National Association (“WFB”), as Trustee;

WHEREAS, in connection with the 2013 Loan Agreement and the issuance of the Series 2013 Bonds, WFB and 3500 Temple LLC entered into a Master Agreement dated as of December 1, 2013, and an Amended and Restated Confirmation dated as of December 20, 2013, (collectively, the “2013 Swap Agreements”) relating to an interest rate swap (together with the 2013 Swap Agreements, the “2013 Swap”);

WHEREAS, CNCA operates the public charter school currently known as Camino Nuevo Elementary #3 in part (such part being operated as Jane B. Eisner Middle School (“Eisner”)) on real property leased by CNCA from Ardmore LLC and commonly known as 2755 West 15th Street, Los Angeles, CA 90006 (the “Eisner Campus”);

WHEREAS, in order to refinance the acquisition and development of the Eisner Campus, Ardmore LLC obtained a loan (the “2019 Loan”) in the amount of 1,629,670.25 from WFB pursuant to a Business Loan Agreement dated as of June 27, 2019;

WHEREAS, CNCA operates the public charter school currently known as Camino Nuevo Charter Academy (“Camino Nuevo” and, together with Dalzell and Eisner, the “Schools”) on real property leased by CNCA from Burlington LLC and commonly known as 653, 661, 673, 681, and 697 S. Burlington Avenue, Los Angeles, CA 90057 (the “Burlington Campus” and, together with the Dalzell Campus and Athletic Fields, and the Eisner Campus, the “School Facilities”);

WHEREAS, in order to finance and refinance the acquisition and development of the Burlington Campus, Burlington LLC obtained a loan (the “2017 Loan”) from the California School Finance Authority (the “Authority”) in an aggregate par amount of \$5,311,000 pursuant to a Financing Agreement dated as of June 1, 2017, (the “2017 Financing Agreement”) by and among CSFA, Burlington LLC, and WFB;

WHEREAS, in connection with the 2017 Financing Agreement, WFB and Burlington LLC entered into a Master Agreement and Schedule thereto dated as of June 1, 2017, and a Confirmation dated as of June 22, 2017 (collectively, the “2017 Swap Agreements”) relating to an interest rate swap (together with the 2017 Swap Agreements, the “2017 Swap”);

WHEREAS, PN-EDG provides administrative services to CNCA, including to the Schools, on real property leased from GNLA and commonly known as 3435 W. Temple Street, Los Angeles, CA 90004 (the “Head Office Facility” and, together with the School Facilities, the “Facilities”);

WHEREAS, in order to refinance the acquisition and development of the Head Office Facility, [GNLA] obtained a loan (the “2013 Head Office Loan”) from WFB [pursuant to a Business Loan Agreement dated as of [date], 2013];

WHEREAS, PN-EDG subleases a portion of the Head Office Facility to CNCA for use in the operation of Dalzell;

WHEREAS, CNCA and GNLA propose that GNLA will transfer the Head Office Facility to 3435 Temple LLC as a contribution to the capital of 3435 Temple LLC;

WHEREAS, CNCA and GNLA propose that 3500 Temple LLC, Ardmore LLC, Burlington LLC, and [GNLA], as applicable, will prepay the 2013 Loan, the 2019 Loan, the 2017 Loan, and the 2013 Head Office Loan (collectively, the “Prior Loans”) and, in connection therewith, terminate the 2013 Swap and the 2017 Swap;

WHEREAS, in order to refinance the Prior Loans, CNCA and GNLA propose that GNLA will obtain a loan (the “Loan”) from the California School Finance Authority (“CSFA”) in an aggregate par amount not to exceed \$14,000,000 pursuant to a Loan Agreement (the “Loan Agreement”) between CSFA and GNLA and acknowledged and agreed to by the Landlords, which loan will be funded from the proceeds of the issuance of CSFA’s Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2022B (Taxable) (collectively, the “Bonds”) issued pursuant to an Indenture (the “Indenture”) between CSFA and U.S. Bank Trust Company, National Association, as Trustee (the “Bond Trustee”);

WHEREAS, CNCA and GNLA propose that GNLA and/or the Landlords will use the proceeds of the Loan to, among other things, (i) refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of the Facilities by refinancing the Prior Loans, (2) finance certain capital improvements to the Facilities, (3) pay capitalized interest on the Bonds, (4) fund a debt service reserve fund with respect to the Bonds, (5) fund related working capital, and (6) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”);

WHEREAS, CNCA and GNLA propose that, in connection with and to support GNLA’s obligations under the Loan Agreement, GNLA and the Authority will enter into one or more Program Agreements (each, a “CSFA Program Agreement”) relating to the Authority’s Project Acceleration Notes and Credit Enhancement Alternatives Program [(CFDA #84.354A)] or to the Authority’s Charter Access to Bank Loan Enhancement Program (Program) [(CFDA #84.354A)] (collectively, the “Credit Enhancement Program”), that, pursuant to the CSFA Program Agreements, the Authority will reserve funds from the Authority’s Credit Enhancement Program for the Project on the terms and conditions contained in the CSFA Program Agreements, and that the Authority will apply or cause to be applied all funds designated thereunder toward the primary debt service reserve for the Bonds;

WHEREAS, CNCA and GNLA propose that, in connection with and to support GNLA’s obligations under the Loan Agreement, GNLA, as Obligated Group Representative, the Landlords, as the initial Members of an Obligated Group, and U.S. Bank Trust Company, National Association, as Master Trustee (the “Master Trustee”), will enter into a Master Indenture of Trust (the “Master Indenture”), GNLA, as Obligated Group Representative, and the Master Trustee will enter into a Supplemental Master Indenture for Obligation No. 1 (“Supplemental MTI No. 1”), and GNLA will issue its Obligation No. 1 in the principal amount of the Bonds in favor of the Bond Trustee;

WHEREAS, CNCA and GNLA propose that, in connection with the issuance of the Bonds, (i) the Landlords and CNCA or PN-EDG, as applicable, will enter into amended and restated leases and/or replacement leases (collectively, the “Leases”) providing for CNCA’s or PN-EDG’s, as applicable, use of the Facilities and for CNCA’s and PN-EDG’s payment of base

rent payable to the respective Landlords sufficient to enable the respective Landlords to pay or satisfy their allocated share of the debt service on the Bonds and other obligations under the Master Indenture and Obligation No. 1;

WHEREAS, CNCA and GNLA propose that the obligations of GNLA and the Landlords under the Loan Agreement and Obligation No. 1 and/or the obligations of CNCA and PN-EDG under the Leases will be secured or supported by, among other things, (i) pledges of the gross revenues of the Landlords, (ii) deeds of trust and assignments of rents (“Deeds of Trust”) encumbering the Facilities, (iii) pledges of the gross revenues of the Schools, and (iv) intercepts of portions of the Schools’ general purpose apportionments by the State Controller or another state agency of the State of California pursuant to Section 17199.4 of the Education Code of the State of California;

WHEREAS, RBC Capital Markets, LLC (the “Underwriter”) proposes to underwrite the Bonds pursuant to a bond purchase agreement (the “Bond Purchase Agreement”) by and among the Underwriter, CSFA, the Treasurer of the State of California (as agent of sale for CSFA), GNLA, and CNCA;

WHEREAS, CNCA and GNLA propose that CNCA will make such loans, lease payments, grants, or capital contributions to GNLA and/or the Landlords as may be necessary or desirable to enable GNLA and the Landlords to carry out the foregoing transactions;

WHEREAS, CNCA and GNLA propose that CNCA will adopt procedures for post-issuance compliance and remedial action applicable to the tax-exempt Bonds;

WHEREAS, the Board finds that the terms of the foregoing transactions and proposed transactions (collectively, the “Transactions”), including the Leases, are fair and reasonable as to CNCA, the Schools, GNLA, the Landlords, and PN-EDG (collectively, the “CNCA Entities”) under the circumstances, in the best interests of the CNCA Entities, and in furtherance of the charitable purposes of the Corporation;

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

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

WHEREAS, GNLA is a nonprofit, tax-exempt corporation which, as one of its primary purposes, supports the functions of the Board; and

WHEREAS, each of the officers, directors or employees of the Corporation listed on Schedule 2 attached hereto also serves as a non-compensated officer, director, or other official of GNLA or PN-EDG, and the interests of such persons in GNLA and its subsidiaries or PN-EDG have been disclosed to the Corporation and are hereby noted in the official records of the Corporation;

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

RESOLVED, FURTHER, that the Board authorizes and approves the creation of 3435 Temple LLC and the appointment of GLNA as the manager of 3435 Temple LLC;

RESOLVED, FURTHER, that the Board ratifies and approves the Transactions and authorizes the execution, delivery and performance by the CNCA Entities of the documents and agreements listed on Schedule 3 attached hereto (collectively, the “Primary Transaction Documents”) to which the CNCA Entities may be a party and all such other documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions (together with the Primary Transaction Documents, the “Transaction Documents”);

RESOLVED FURTHER, that the Board ratifies and confirms the application of CNCA and/or GNLA for an award under the Credit Enhancement Program or similar programs administered by CSFA, in connection with the issuance of the Bonds;

RESOLVED FURTHER, that the Board requests GNLA, the Landlords, and PN-EDG to take all actions necessary or advisable to consummate the Transactions;

RESOLVED FURTHER, that the Board appoints the officers of the Corporation, and each of them individually (each, an “Authorized Signatory”), as authorized signatories of the 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 open such deposit accounts or other bank accounts and to contract for such banking services for the Corporation as such Authorized Signatories may deem necessary or advisable to consummate the Transactions and to execute, on behalf of the Corporation, all related standard-form resolutions required by any banks, trust companies, or financial institutions;

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, to execute, deliver, approve, and, as appropriate, declare final the Transaction Documents, together with such amendments or modifications thereto as an Authorized Signatory may approve as necessary or advisable to consummate the Transactions, and all such other bond purchase agreements, private placement agreements, disclosure agreements, offering statements, offering memoranda, master indentures, supplements to master indentures, indentures, loan agreements, promissory notes, obligations, leases, subleases, deeds of trust, security agreements, account control agreements, subordination, non-disturbance and attornment agreements, tax certificates, tax and regulatory compliance agreements, assignments, indemnification agreements, guaranties, subordination agreements, escrow agreements, agreements with project managers, contractors, architects, surveyors, engineers, consultants, or other persons, letters of representation, notices, certificates, and other documents, agreements, or instruments or amendments to any of the foregoing, as an Authorized Signatory may approve as necessary or advisable to consummate the Transactions, each with such additions, deletions or changes therein as the Authorized Signatory executing the same may approve (the execution and delivery thereof by any such Authorized Signatory to be

conclusive evidence of his or her approval of any such document, agreement, instrument, amendment, addition, deletion or change);

RESOLVED FURTHER, that, pursuant to Section 17199.4(a) of the Education Code of the State of California, the Corporation hereby elects to participate in the Intercept to secure payment of the principal of and interest on the Bonds and that, on behalf of the Board, the Board authorizes the Authorized Signatories, and each of them individually, for and in the name and on behalf of the Corporation and the Schools, to provide notices (the “Intercept Notices”) 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 Board hereby ratifies and confirms the acts of the officers, agents or employees of the Corporation taken on behalf of the Corporation in connection with the Transactions;

RESOLVED FURTHER, that by the adoption of these resolutions, the Board hereby reconfirms, ratifies and adopts all prior actions of the Board which may have previously been taken in connection with the Transactions;

RESOLVED FURTHER, that all prior resolutions of the Board or any parts thereof in conflict with any or all of the foregoing resolutions are hereby repealed to the extent of such conflict;

RESOLVED FURTHER, that these resolutions shall take effect and be in full force immediately after their adoption by the Board; and

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, to approve, execute and deliver any and all documents, instruments and agreements, and to perform or cause to be performed any and all acts as may, in their judgment, be necessary or desirable to accomplish the purposes of the foregoing resolutions and the transactions contemplated thereby and by the agreements therein approved, and any such documents, instrument or agreements so executed and delivered or actions taken by them or any of them shall be conclusive evidence of their authority in so doing.

Certificate of Secretary

The undersigned certifies that the undersigned is the duly appointed and acting Secretary of the Corporation and that the foregoing is a true and correct copy of Resolutions that were duly adopted on January 17, 2023, by the majority vote of the members of the Board at a meeting of the Board 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 17th day of January 2023.

Cynthia Smet
Secretary

Schedule 1

Officers of the Corporation

Adriana Abich

Chief Executive Officer

Cynthia Smet

Secretary

Gil Flores

Treasurer

Schedule 2

Certain Officers, Directors, or Officials of GNLA or PN-EDG

Adriana Abich

Fiscal Agent for GNLA

Cynthia Smet

Secretary of GNLA

Schedule 3

Primary Transaction Documents

1. Operating Agreement for 3534 Temple LLC.
2. Bond Purchase Agreement.
3. Master Indenture.
4. Supplemental MTI for Obligation No. 1.
5. Obligation No. 1 (as such term is defined in the Supplemental MTI for Obligation No. 1).
6. Indenture.
7. Bonds.
8. Loan Agreement.
9. Leases.
10. Deeds of Trust.
11. Intercept Notices.
12. Addendum to Seventh Amended Agreement for Limited Services by and between PN-EDG and CNCA.
13. Continuing Disclosure Agreement.
14. Tax Regulatory Agreement.
15. Subordination, Non-Disturbance and Attornment Agreements.
16. Preliminary Limited Offering Memorandum.
17. Limited Offering Memorandum.
18. CSFA Program Agreements.
19. Post-Issuance Compliance and Remedial Action Procedures.



**Secretary of State
Business Programs Division**

Business Entities

1500 11th Street, Sacramento, CA 95814
P.O. Box 944260, Sacramento, CA 94244-2600

Submission Cover Sheet

For faster service, file online at bizfileOnline.sos.ca.gov.

Instructions:

- Complete and include this form with your paper submission. **This information only will be used to communicate in writing about the submission, if needed.** This form will be treated as correspondence and will not be made part of the filed document.
- Make all **checks or money orders** payable to the Secretary of State.
- In person submissions (excluding Statements of Information): \$15 handling fee; do not include a \$15 handling fee when submitting documents by mail.
- Standard processing time for submissions to this office is approximately 5 business days from receipt. All submissions are reviewed in the date order of receipt with online submissions given priority. For updated processing time information, visit www.sos.ca.gov/business/be/processing-dates.

Optional Copy and Certification Fees:

- If applicable, include optional certification fees with your submission.
- For applicable certification fee information, refer to the instructions of the specific form you are submitting.

Contact Person: (Please type or print legibly)

First Name: _____ Last Name: _____

Phone (optional): _____

Entity Information: (Please type or print legibly)

Name: _____

Entity Number (if applicable): _____

Address: _____

Comments _____



Secretary of State
Articles of Organization
 Limited Liability Company (LLC)

LLC-1

Processing Fee: \$0 - The processing fee is waived for submissions submitted July 1, 2022 - June 30, 2023.

Certification Fee (Optional) - \$5.00

Note: The annual minimum \$800 tax to the California Franchise Tax Board remains due and is not subject to the processing fee waiver. For more information, go to fb.ca.gov.

This Space For Office Use Only

1. Limited Liability Company Name (Must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.)

2. Business Addresses

a. Initial Street Address of Designated Office in California - Do not enter a P.O. Box	City (no abbreviations)	State CA	Zip Code
b. Initial Mailing Address of LLC, if different than item 2a	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual **OR** Corporation.)

INDIVIDUAL – Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State CA	Zip Code

CORPORATION – Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 3a or 3b

4. Management (Select **only** one box)

The LLC will be managed by:

One Manager More than One Manager All LLC Member(s)

5. Purpose Statement (Do not alter Purpose Statement)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

Additional signatures set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-1. (All attachments should be 8 ½ x 11, one-sided, legible and clearly marked as an attachment to this Form LLC-1.)

Organizer sign here

Print your name here

INDENTURE

Between

**CALIFORNIA SCHOOL FINANCE AUTHORITY,
as Issuer**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Bond Trustee**

Dated as of [_____] 1, 2023

Relating to:

**§[PARA]
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023A**

and

**§[PARB]
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023B (TAXABLE)**

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS.....	2
SECTION 1.01.	Definitions.....	2
SECTION 1.02.	Content of Certificates and Opinions.....	16
SECTION 1.03.	Article and Section Headings and References	16
SECTION 1.04.	Construction.....	17
ARTICLE II	THE BONDS	17
SECTION 2.01.	Authorization of Bonds.....	17
SECTION 2.02.	Terms of Bonds.....	17
SECTION 2.03.	[Reserved].....	19
SECTION 2.04.	Restrictions on Registration and Transfer of the Bonds	19
SECTION 2.05.	Execution of Bonds.....	19
SECTION 2.06.	Transfer of Bonds	20
SECTION 2.07.	Exchange of Bonds	20
SECTION 2.08.	Bond Register.....	20
SECTION 2.09.	Temporary Bonds.....	20
SECTION 2.10.	Bonds Mutilated, Lost, Destroyed or Stolen.....	21
SECTION 2.11.	Use of Depository	21
SECTION 2.12.	Validity of Bonds.....	22
ARTICLE III	ISSUANCE OF BONDS; ESTABLISHMENT OF CERTAIN FUNDS AND APPLICATION OF PROCEEDS	23
SECTION 3.01.	Authentication and Delivery of Bonds	23
SECTION 3.02.	Application of Proceeds of Bonds and Certain Other Moneys....	23
ARTICLE IV	REDEMPTION OF THE BONDS	23
SECTION 4.01.	Special Redemption	23
SECTION 4.02.	Optional Redemption.....	24
SECTION 4.03.	Mandatory Sinking Account Redemption	25
SECTION 4.04.	Notice of Redemption.....	25
SECTION 4.05.	Effect of Notice.....	26
SECTION 4.06.	Right to Rescind Notice.....	27
SECTION 4.07.	Funds for Redemption.....	27
SECTION 4.08.	Selection of Bonds for Redemption.....	27
ARTICLE V	PLEDGE AND ASSIGNMENT; ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS.....	28
SECTION 5.01.	Pledge and Assignment.....	28
SECTION 5.02.	Allocation of Payments.....	29
SECTION 5.03.	Application of Interest Account.....	31
SECTION 5.04.	Application of Principal Account	31
SECTION 5.05.	Application of Reserve Account.....	34
SECTION 5.06.	Establishment and Application of Redemption Fund	35

TABLE OF CONTENTS
(continued)

	Page
SECTION 5.07. Rebate Fund	35
SECTION 5.08. [Establishment and Application of Project Fund].....	37
SECTION 5.09. Establishment and Application of Costs of Issuance Fund; Insurance and Condemnation Proceeds Fund	38
SECTION 5.10. Establishment and Application of the Repair and Replacement Fund	38
SECTION 5.11. Establishment and Application of Administration Fund	39
SECTION 5.12. Extraordinary Monthly Rent Notice	39
SECTION 5.13. Reserved.....	39
SECTION 5.14. Investment of Moneys in Funds and Accounts.....	39
SECTION 5.15. Amounts Remaining in Funds and Accounts.....	40
ARTICLE VI COVENANTS	41
SECTION 6.01. Punctual Payment.....	41
SECTION 6.02. Extension of Payment of Bonds.....	41
SECTION 6.03. Encumbrance upon Payments	41
SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment	41
SECTION 6.05. Accounting Records and Financial Statements.....	41
SECTION 6.06. Other Covenants; Amendment of the Loan Agreement and the Lease	42
SECTION 6.07. Reserved.....	42
SECTION 6.08. Further Assurances.....	42
SECTION 6.09. Continuing Disclosure	42
SECTION 6.10. Tax Covenants	43
SECTION 6.11. Intercept Covenants	44
ARTICLE VII EVENTS OF DEFAULT; REMEDIES ON DEFAULT	44
SECTION 7.01. Events of Default; Waiver of Default	44
SECTION 7.02. Institution of Legal Proceedings by Bond Trustee	44
SECTION 7.03. Application of Moneys Collected by Bond Trustee	45
SECTION 7.04. Effect of Delay or Omission to Pursue Remedy.....	46
SECTION 7.05. Remedies Cumulative	46
SECTION 7.06. Covenant to Pay Bonds in Event of Default	46
SECTION 7.07. Bond Trustee Appointed Agent for Bondholders	47
SECTION 7.08. Power of Bond Trustee to Control Proceedings	47
SECTION 7.09. Limitation on Bondholders' Right to Sue.....	47
SECTION 7.10. Authority Retained Rights	48
ARTICLE VIII THE BOND TRUSTEE.....	48
SECTION 8.01. Duties, Immunities and Liabilities of Bond Trustee.....	48
SECTION 8.02. Merger or Consolidation.....	50
SECTION 8.03. Rights of Bond Trustee	50
SECTION 8.04. Right of Bond Trustee to Rely on Documents.....	54

TABLE OF CONTENTS
(continued)

		Page
	SECTION 8.05. Preservation and Inspection of Documents.....	54
	SECTION 8.06. Compensation and Indemnification of Bond Trustee	54
ARTICLE IX	MODIFICATION OF INDENTURE	55
	SECTION 9.01. Modification Without Consent of Bondholders.....	55
	SECTION 9.02. Modification with Consent of Bondholders.....	56
	SECTION 9.03. Effect of Supplemental Indenture	57
	SECTION 9.04. Opinion of Counsel as to Supplemental Indenture	57
	SECTION 9.05. Notation of Modification on Bonds; Preparation of New Bonds	57
ARTICLE X	DEFEASANCE.....	57
	SECTION 10.01. Discharge of Indenture.....	57
	SECTION 10.02. Discharge of Liability on Bonds.....	58
	SECTION 10.03. Deposit of Money or Securities with Bond Trustee.....	58
	SECTION 10.04. Payment of Bonds After Discharge of Indenture.....	59
ARTICLE XI	MISCELLANEOUS	59
	SECTION 11.01. Liability of Authority Limited to Payments.....	59
	SECTION 11.02. Successor Is Deemed Included in All References to Predecessor	60
	SECTION 11.03. Limitation of Rights to Parties, Borrower and Bondholders	60
	SECTION 11.04. Waiver of Notice.....	60
	SECTION 11.05. Destruction of Bonds	60
	SECTION 11.06. Severability of Invalid Provisions.....	60
	SECTION 11.07. Notices	60
	SECTION 11.08. Evidence of Rights of Bondholders	61
	SECTION 11.09. Disqualified Bonds.....	62
	SECTION 11.10. Money Held for Particular Bonds	62
	SECTION 11.11. Funds and Accounts.....	62
	SECTION 11.12. Waiver of Personal Liability.....	63
	SECTION 11.13. Execution in Several Counterparts.....	63
	SECTION 11.14. Governing Law; Venue.....	63
	SECTION 11.15. Complete Agreement	63
	SECTION 11.16. Action to Be Taken on Days Other Than Business Days	63
EXHIBIT A	FORM OF BONDS	
EXHIBIT B	[FORM OF REQUISITION FROM THE PROJECT FUND]	
EXHIBIT C	FORM OF REQUISITION FROM THE REPAIR AND REPLACEMENT FUND	
EXHIBIT D	FORMS OF INVESTOR LETTER	
EXHIBIT E	FORM OF DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING	
EXHIBIT F	[FORM OF REQUISITION FROM THE WORKING CAPITAL FUND]	

TABLE OF CONTENTS
(continued)

Page

THIS INDENTURE, made and entered into as of [_____] 1, 2023, by and between the **CALIFORNIA SCHOOL FINANCE AUTHORITY**, a public instrumentality of the State of California (as hereinafter in Section 1.01 further defined, the “Authority”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, being qualified to accept and administer the trusts hereby created (as hereinafter in Section 1.01 further defined, the “Bond Trustee”).

WITNESSETH:

WHEREAS, the Authority is a public instrumentality of the State of California, created by the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (as hereinafter in Section 1.01 further defined, the “Act”) and is authorized to issue bonds and loan the proceeds thereof for purposes of financing or refinancing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (as defined in the Act) to a participating party (as defined in the Act), including an entity that undertakes the financing or refinancing of a project (as defined in the Act) pursuant to the Act in conjunction with schools (“charter schools”) established pursuant to the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the Education Code) (as more particularly defined herein, the “Charter School Law”);

WHEREAS, Grupo Nuevo Los Angeles (the “Borrower”), a California nonprofit public benefit corporation and which is an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has applied for a loan of proceeds of revenue bonds of the Authority to refinance the Project (as defined herein) at the Facilities (as defined herein) [and working capital];

WHEREAS, the Facilities will be leased to Camino Nuevo Charter Academy (the “Lessee”), a California nonprofit public benefits corporation and which is an entity described in Section 501(c)(3) of the Code pursuant to the Leases (as defined herein);

WHEREAS, during the term of the Leases, the Facilities will be used and operated in conjunction with the Schools (as defined herein);

WHEREAS, the Authority has duly entered into a loan agreement with the Borrower (the “Loan Agreement”), which is approved and acknowledged by the Landlords (as defined herein), of even date herewith, specifying the terms and conditions of a loan by the Authority to the Borrower to finance the Project [and certain working capital] and of the payment by the Borrower to the Authority of amounts sufficient for the payment of the principal and redemption price, if any, of, and interest on the Bonds and certain related expenses;

WHEREAS, the Authority authorized the issuance of its California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A (the “Tax-Exempt Bonds”) and its California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the “Taxable Bonds” and together with the Tax-Exempt Bonds, the “Bonds”) in the aggregate principal amounts specified in Section 2.01 of this Indenture to fund the loan to the

Borrower under the Loan Agreement to (i) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping (A) an educational facility known as Camino Nuevo Elementary #3, located at 2755 W 15th St, Los Angeles, CA 90006 (“Eisner Middle Campus”) (B) administrative offices, located at 3435 W. Temple St., Los Angeles, CA 90026 (“Head Office”) (C) an educational facility known as Camino Nuevo High School #2, located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004 (“Dalzell High Campus”) (D) an educational facility known as Camino Nuevo Charter Academy, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (“Burlington Campus” and collectively with Eisner Middle, Head Office, and Dalzell High, the “Facilities”); (2) finance certain capital improvements to the Facilities, (3) pay capitalized interest on the Bonds; (4) fund a debt service reserve fund with respect to the Bonds, (5) fund related working capital; and (6) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”); (ii) pay certain expenses incurred in connection with the issuance of the Bonds; and (iii) fund a debt service reserve fund and/or related working capital with respect to the Bonds;

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, and redemption price, if any thereof, and the interest thereon, the Authority has authorized the execution and delivery of this Indenture;

WHEREAS, the Bonds, the certificate of authentication and registration to be executed thereon and the form of assignment to appear thereon are to be in substantially the form set forth in Exhibit A hereto and made a part hereof with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding, and legal limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order further to secure the payment of the principal and redemption price, if any, of, and interest on, all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Bond Trustee, for the equal and proportionate benefit of the Holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“**Accountant**” means any firm of independent certified public accountants selected by the Borrower.

“**Accredited Investor**” consisting of “accredited investors” described in Section (a) of Rule 501 of Regulation D under the Securities Act of 1933, as amended).

“**Act**” means the California School Finance Authority Act, constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State, as now in effect and as it may from time to time hereafter be amended or supplemented.

“**Additional Payments**” shall have the meaning given thereto in the Loan Agreement.

“**Administrative Fees and Expenses**” means any application, commitment, financing or similar fee charged, or reimbursement for administrative or other expenses incurred, by the Authority or the Bond Trustee in connection with the Bonds, including Additional Payments.

“**Administration Fund**” means the fund by that name established pursuant to Section 5.11 hereof.

“**Authority**” means the California School Finance Authority, a public instrumentality of the State established by the Act, and its successors and assigns.

“**Authorized Borrower Representative**” means the Authorized Representative of the Borrower as designated by the Board of Directors of the Borrower, or such other person as may be designated by the Board of Directors of the Borrower to sign for the Borrower, by written certificate furnished to the Authority and the Bond Trustee, as a person authorized to act on behalf of the Borrower. Such certificate will contain the specimen signature of such person, will be signed on behalf of the Borrower by any officer of the Borrower and may designate an alternate or alternates.

“**Authorized Denominations**” means \$250,000 and any integral multiple of \$5,000 in excess thereof (or the aggregate principal amount of any maturity of the Bonds Outstanding, if lower, in integral multiples of \$5,000), subject to the provisions of Section 2.04 hereof.

“**Authorized Signatory**” means any member of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

“**Beneficial Owner**” means, (i) when used with reference to the Book Entry Only System, the person who is considered the beneficial owner of the Bonds and, with respect to the Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Depository and, (ii) for purposes of Section 6.09 hereof, any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds and, with respect to the Bonds (including persons holding such through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds and, with respect to the Bonds for federal income tax purposes.

“**Bondholder**” or “**Holder**” means, with respect to any Bond, the person in whose name such Bond is registered.

“**Bond Purchase Agreement**” means and refers to that certain Bond Purchase Agreement, dated [____], 2023, among the Authority, the Underwriter, and the State Treasurer, as agent for sale on behalf of the Authority, the Borrower and the Lessee.

“**Bond Reserve Subaccount**” means the Bond Reserve Subaccount of the Reserve Account established by the Bond Trustee pursuant to Section 5.05 hereof.

“**Bond Trustee**” means U.S. Bank Trust Company, National Association, or the successor as Bond Trustee hereunder as provided in Section 8.01 or 8.02 of this Indenture.

“**Bond Year**” means the period beginning on the Closing Date and ending on the first anniversary of the Closing Date and each succeeding one-year period (with the last Bond Year ending on the first date that none of the Bonds remain Outstanding).

“**Bonds**” has the meaning set forth in the recitals to this Indenture.

“**Borrower**” means Grupo Nuevo Los Angeles, a California nonprofit corporation, and its successors and assigns.

“**Borrower Documents**” means the Master Indenture of Trust, the Supplemental MTI for Obligation No. 1, the Loan Agreement, the Bond Purchase Agreement, the Leases, the Continuing Disclosure Agreement, the Tax Regulatory Agreement, the Mortgage (as defined in the Master Indenture of Trust) and the Borrower Resolution.

“**Borrower Resolution**” means the resolution or other authorizing action adopted by the governing board of the Borrower authorizing the Loan and the execution and delivery of the Borrower Documents.

“**Burlington Campus**” means the charter school facilities located at 653, 697, 661 and 681 S. Burlington Avenue, Los Angeles, CA 90057.

“**Burlington Lease**” means, collectively, those certain Lease Agreements, dated as of [____] 1, 2023, between GNLA 697 S Burlington LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Burlington Campus.

“**Business Day**” means any day other than (a) a Saturday, a Sunday, (b) a day on which banking institutions or trust companies in in Los Angeles, California, New York, New York or the city in which the Principal Corporate Trust Office is located are authorized or obligated by law, regulation or executive order to be closed or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“**Capitalized Interest Subaccount**” means the subaccount by that name in the Interest Account in the Revenue Fund established pursuant to Section 5.03 hereof.

“**Certificate of the Authority,**” “**Consent of the Authority,**” “**Order of the Authority,**” “**Request of the Authority**” or “**Requisition of the Authority**” mean, respectively, a written certificate, consent, order, request or requisition of the Authority signed by or on behalf of the Authority by an Authorized Signatory authorized by the Authority to execute such a document on its behalf.

“**Certificate of the Borrower,**” “**Consent of the Borrower,**” “**Request of the Borrower,**” “**Requisition of the Borrower**” or “**Statement of the Borrower**” mean, respectively, a written certificate, request, requisition or statement of the Borrower executed on its behalf by an Authorized Borrower Representative.

“**Charter School Law**” means the Charter Schools Act of 1992, constituting Part 26.8, commencing with Section 47600 of Division 4 of Title 2 of the Education Code of the State, as now in effect and as it may from time to time hereafter be amended or supplemented.

“**Closing Date**” means [____], 2023, the date of original issuance and delivery of the Bonds.

“**Code**” means the Internal Revenue Code of 1986, or any successor code or law, and any regulations in effect or promulgated thereunder.

“**Completion**” means satisfaction of all of the conditions to completion of the Project as described in the Loan Agreement including delivery of the Completion Certificate pursuant to Section 3.06 of the Loan Agreement.

“**Completion Certificate**” means a Completion Certificate in a form substantially similar to EXHIBIT B of the Loan Agreement.

“**Completion Date**” means the date of completion of the Project as that date shall be certified as provided in Section 5.08 hereof, and such date shall be on or before October 1, 2025.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of [____] 1, 2023, among the Borrower, the Lessee and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Controller**” means the Controller of the State of California or any other official of the State charged with the disbursement of State funds to State public schools.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the Authority or the Borrower and related to the original authorization, execution, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, fees and expenses of the Authority, the State Treasurer’s Office, the Bond Trustee, the Master Trustee, legal fees and charges of bond counsel, special counsel, disclosure counsel, underwriter’s counsel, Master Trustee’s and Bond Trustee’s counsel, underwriters’ discount, rating agency fees and any other costs, charges or fees in connection with the original delivery of the Bonds.

“**Costs of Issuance Fund**” means the fund by that name established pursuant to Section 5.09 hereof.

“**Dalzell High Campus**” means the charter school facilities located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004.

“**Dalzell High Lease**” means, collectively, those certain Lease Agreements, dated as of [_____] 1, 2023, between 3500 West Temple LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Dalzell High Campus.

“**Debt Service**” means, for any period of time, the sum of (a) the interest payable during such period on all Outstanding Bonds, (b) that portion of the principal amount of all Outstanding Bonds maturing on each principal payment date during such period, and (c) that portion of the principal amount of all Outstanding Bonds which are Term Bonds required to be redeemed or paid from Sinking Fund Installments during such period (together with the redemption premiums, if any, thereon).

“**Depository**” means The Depository Trust Company and its successors and assigns, or any other depository selected as set forth in Section 2.11 hereof which agrees to follow the procedures required to be followed by such depository in connection with the Bonds.

“**Dissemination Agent**” means the dissemination agent appointed pursuant to the Continuing Disclosure Agreement. The initial Dissemination Agent shall be Campanile Group, Inc.

“**Education Code**” means the Education Code of the State of California.

“**Eisner Middle Campus**” means the charter school facilities located at 2755 W 15th St, Los Angeles, CA 90006.

“**Eisner Middle Lease**” means, collectively, those certain Lease Agreements, dated as of [_____] 1, 2023, between Fifteenth and Ardmore LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Eisner Middle Campus.

“**Electronic Notice**” means the following communications methods: a portable document format (“pdf”) or other replicating image attached to an e-mail, facsimile transmission, or secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

“Eligible Securities” means any of the following obligations as and to the extent that such obligations are at the time legal investments under the Act for moneys held hereunder and then proposed to be invested therein (provided that the Bond Trustee shall be entitled to rely upon a Request of the Borrower as conclusive evidence that the investments described therein are so authorized under the laws of the State) and shall be the sole investments in which amounts on deposit in any fund or account created hereunder or under the Loan Agreement shall be invested:

(a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies, provided that such obligations are backed by the full faith and credit of the United States of America (stripped securities shall constitute Eligible Securities only if they have been stripped by the agency itself); U.S. Export-Import Bank, Farmers Home Administration, Federal Financing Bank, General Services Administration, U.S. Maritime Administration, U.S. Department of Housing and Urban Development, Government National Mortgage Association, and Federal Housing Administration;

(c) Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities shall constitute Eligible Securities only if they have been stripped by the agency itself): Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (“FHLMC”), Federal National Mortgage Association (“FNMA”), Student Loan Marketing Association, Resolution Funding Corporation or Farm Credit System;

(d) Bonds or notes issued by any state or municipality which are rated by S&P, Fitch and Moody’s at the time of purchase in one of the three highest rating categories assigned by such agencies;

(e) repurchase agreements with either a primary dealer on the reporting dealer list of the Federal Reserve or any bank (including an affiliate of the Bond Trustee), which, in either case, is rated, at the time the investment is entered into, “A” or better by S&P and Moody’s, provided that (i) the term of such repurchase agreement is not greater than thirty days; (ii) the Bond Trustee or third party acting solely as agent for the Bond Trustee has possession of the collateral; (iii) the collateral is valued weekly and the market value of the collateral is maintained at an amount equal to at least 104% (or, if the collateral consists of obligations of FHLMC or FNMA, 105%) of the amount of cash transferred by the Bond Trustee to the dealer bank or securities firm under the repurchase agreement plus interest; (iv) failure to maintain the requisite collateral levels will require the Bond Trustee to liquidate the collateral immediately; (v) the repurchase securities are either obligations of, or fully guaranteed as to principal and interest by, the United States or any federal agency backed by the full faith and credit of the United States; (vi) the repurchase securities are free and clear of any third-party lien or claim; and (vii) there shall have been delivered to

the Bond Trustee, the Authority and the Borrower an Opinion of Counsel to the effect that such repurchase agreement meets all guidelines under State law for legal investment of public funds;

(f) investment agreements, including guaranteed investment contracts (“GICs”) with providers in one of the two highest rating categories of Moody’s and S&P;

(g) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating, at the time the investment is entered into, by S&P of “AAAm-G”, “AAA-m”, or “AA-m” and if rated by Moody’s rated “Aaa”, “Aa1” or “Aa2”, including such funds for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Bond Trustee or an affiliate of the Bond Trustee receives fees from funds for services rendered, (ii) the Bond Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Bond Trustee or an affiliate of the Bond Trustee;

(h) certificates of deposit secured at all times by collateral described in (a) and/or (b) above, issued by commercial banks, savings and loan associations or mutual savings banks relating to collateral held by a third party, and in which collateral the Bond Trustee on behalf of the Bondholders has a perfected first security interest;

(i) certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by FDIC, including BIF and SAIF;

(j) commercial paper rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” or better by S&P;

(k) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating, at the time the investment is entered into, of “Prime-1” or “A-3” or better by Moody’s and “A-1” or “A” or better by S&P;

(l) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State as it may be amended;

(m) the State of California’s Pooled Money Investment Account;

(n) the State of California’s Local Agency Investment Fund; and

(o) obligations of a bank or other financial institution rated, at the time the investment is entered into, at least “Aa3” by Moody’s or “AA-” by S&P.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances or chemical waste, materials or substances.

“Event of Default” means any of the events specified in Section 7.01 of this Indenture.

“Exempt Person” means any state or a local governmental unit of any state established pursuant to state law or any organization described in Section 501(c)(3) of the Code (except to the extent such organization is engaged in an unrelated trade or business of the Lessee or of such organization within the meaning of Section 513 of the Code).

“Facility” or **“Facilities”** means, individually or collectively, as the context shall require, the Head Office Facility, the Eisner Middle Campus, Dalzell High Campus and Burlington Campus.

“Fiscal Year” means, with respect to the Borrower, the twelve month period beginning July 1 and ending on June 30, or such other twelve month period as may be designated in a written Statement of the Borrower delivered to the Authority and the Bond Trustee.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower.

“501(c)(3) Organization” means an organization described in Section 501(c)(3) of the Code.

“Government Obligations” means noncallable and nonprepayable direct obligations of the United States of America or obligations which as to full and timely payment of principal and interest constitute full faith and credit obligations of the United States of America (excluding therefrom unit investment trusts and money market funds comprised of such securities).

“Governmental Unit” has the meaning set forth in Section 150 of the Code.

“Grant-Funded Reserve Eligible Securities” means:

- (1) obligations issued or guaranteed by the United States government;
- (2) obligations of agencies or instrumentalities of the United States, including government-sponsored enterprises;
- (3) obligations issued by or guaranteed by any state, provided such obligations are rated in the two highest rating categories of Moody’s, S&P or Fitch;
- (4) commercial paper, repurchase agreements, guaranteed investment contracts or other similar instruments issued by corporations that are organized and operating within the United States having assets in excess of \$500 million and

having a short-term rating in the highest rating category of Moody's, S&P or Fitch, and a long-term rating in one of the two highest rating categories;

- (5) money market funds that invest solely in United States government securities or obligations of agencies or instrumentalities of the United States, including such funds for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or sub-custodian, notwithstanding that (i) the Bond Trustee or an affiliate of the Bond Trustee receives fees from funds for services rendered, (ii) the Bond Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Bond Trustee or an affiliate of the Bond Trustee;
- (6) money market fund deposits or certificates of deposit made in federally insured, regulated credit unions or banks, to the extent fully insured or collateralized with investments under categories (1) through (5), including such funds for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or sub-custodian, notwithstanding that (i) the Bond Trustee or an affiliate of the Bond Trustee receives fees from funds for services rendered, (ii) the Bond Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Bond Trustee or an affiliate of the Bond Trustee; and
- (7) such other investment securities as the Secretary of the U.S. Department of Education may determine are prudent investments that comply with applicable law and regulations.

“Grant-Funded Reserve Subaccount” means the Grant-Funded Reserve Subaccount of the Reserve Account established by the Bond Trustee pursuant to Section 5.05 hereof.

“Gross Revenues” has the meaning ascribed to it in the Master Indenture of Trust.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Facilities or to persons on or about the Facilities or (ii) cause the Facilities to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,”

extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 5101 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety Code §§ 25100 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (“HSAA”), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety Code §§ 25280 et seq.; the Porter Cologne Water Quality Control Act (the “Porter Cologne Act”), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Chapter 6.6 (commencing with Section 25249.5) of Division 20 of the California Health and Safety Code); and Division 4.5 of Title 22 of the California Code of Regulations, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Mortgaged Property (as defined in the Master Indenture of Trust) or the owners and/or occupants of property adjacent to or surrounding the Mortgaged Property, or any other person coming upon the Mortgaged Property or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Head Office Facility” means the administrative facilities located at 3435 W. Temple St., Los Angeles, CA 90026.

“Head Office Lease” means, collectively, those certain Lease Agreements, dated as of [] 1, 2023, between Grupo Nuevo Los Angeles, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Head Office Facility.

“Indenture” means this indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions hereof.

“Independent Consultant” means a firm (but not an individual) which (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Borrower or any affiliate thereof and (3) is not connected with the Borrower or any affiliate thereof as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions, and designated by the Borrower, qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the Borrower and having a favorable reputation for skill and experience in the financial affairs of such facilities.

“Insurance and Condemnation Proceeds Fund” means the fund by that name established pursuant to the Master Indenture of Trust.

“Intercept” means the apportionment from the State Controller, pursuant to Section 17199.4 of the Education Code (or any successor provision) and the Intercept Notice, of amounts specified in the Intercept Notice and payable directly to the Bond Trustee.

“Intercept Notice” means any notice from the Schools to the State Controller, pursuant to Section 17199.4 of the Education Code (or any successor provision), specifying a transfer schedule for the payment directly to the Bond Trustee of one or more of the following: (x) principal of the Bonds, (y) interest on the Bonds and (z) other costs necessary or incidental to financing pursuant to the Act relating to the Bonds, including Additional Payments, in substantially the form set forth in the Leases, as the same may be amended, supplemented or restated from time to time.

“Interest Account” means the account by that name in the Revenue Fund established pursuant to Section 5.02 hereof.

“Interest Payment Date” means each January 1 and July 1, commencing [July 1, 2023].

“Irrevocable Deposit” means the irrevocable deposit in trust of cash in an amount (or Government Obligations the principal of and interest on which will be in an amount), and under terms sufficient to pay all or a portion of the principal of and/or premium, if any, and interest on, as the same shall become due, any indebtedness of the Borrower which would otherwise be considered Outstanding. The trustee with whom such deposit is made may be any trustee or escrow agent authorized to act in such capacity.

“Lease” or **“Leases”** means, individually or collectively, as the context shall require, (A) for purposes of this Indenture, the Head Office Facility Lease, the Eisner Middle Campus Lease, the Datzell High Lease and the Burlington Campus Lease, and (B) in respect of the Obligated Group, each other lease agreement pursuant to which Lessee leases a facility, at which a School is located, from a Member of the Obligated Group.

“Lessee” means Camino Nuevo Charter, a California nonprofit public benefit corporation, as lessee under the Lease and as operator of charter schools, including the Schools, pursuant and subject to the Charter School Law, and its successors and assigns.

“Landlord,” and **“Lessor”** means each of Fifteenth and Ardmore LLC, 3500 West Temple LLC, [3545 West Temple LLC] and GNLA 697 S Burlington LLC, each a California limited liability company whose sole member is the Borrower, and their respective successors and assigns.

“Lien” means any mortgage or pledge of, security interest in or lien or encumbrance on the Facilities or the Gross Revenues.

“Loan” means the loan of Bond proceeds from the Authority to the Borrower pursuant to the Loan Agreement.

“Loan Agreement” means that certain loan agreement, dated as of [_____] 1, 2023, between the Authority and the Borrower, as originally executed or as it may from time to time be supplemented, modified or amended subject to and in accordance with the terms thereof and of Section 6.06(b) of this Indenture.

“Loan Repayments” has the meaning given such term in Section 3.02(b) of the Loan Agreement.

“Mandatory Sinking Account Payment” means each amount so designated which is established pursuant to Section 5.04 of this Indenture with respect to the Bonds.

“Master Indenture of Trust” means that certain Master Indenture of Trust, dated as of [_____] 1, 2023, among the Obligated Group Members, and the Master Trustee named therein, as originally executed and as the same may be amended and supplemented from time to time in accordance with its terms.

“Master Trustee” means U.S. Bank Trust Company, National Association, appointed and acting under and pursuant to the Master Indenture of Trust.

“Members of the Obligated Group” means, as applicable, each “Member” as identified in the Master Indenture of Trust.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower.

“Opinion of Bond Counsel” means an Opinion of Counsel by a nationally recognized bond counsel firm experienced in matters relating to the exclusion from gross income for federal income tax purposes of interest payable on obligations of state and political subdivisions.

“Opinion of Counsel” means a written opinion of counsel (which may be counsel for the Authority) selected by the Authority. If and to the extent required by the provisions of Section 1.02 of this Indenture, each Opinion of Counsel shall include the statements provided for in Section 1.02 of this Indenture.

“Optional Redemption Account” means the account by that name in the Redemption Fund established pursuant to Section 5.06 hereof.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Trustee under this Indenture except (a) Bonds theretofore canceled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02 of this Indenture; and (c) Bonds for the transfer or exchange of which, or in lieu of or in substitution for which, other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to this Indenture.

“Payments” means (i) all moneys (except any money received to be used for the payment of Administrative Fees and Expenses) received by the Bond Trustee with respect to the Intercept, (ii) all moneys, if any, received by the Bond Trustee directly from, or on behalf of, the Borrower, pursuant to the Loan Agreement (excluding Additional Payments not directed to be deposited into any fund or account created and held under the Indenture) or Obligation No. 1, and (iii) all income derived from the investment of any money in any fund or account established pursuant to this Indenture.

“**Person**” means an individual, corporation, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“**Principal Account**” means the account by that name in the Revenue Fund established pursuant to Section 5.02 hereof.

“**Principal Corporate Trust Office**” means for the Bond Trustee originally appointed hereunder, the corporate trust office of U.S. Bank Trust Company, National Association, which at the date of execution of this Indenture is that specified in Section 11.07 of this Indenture, provided however, that for purposes of presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Bond Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“**Principal Payment Date**” means the principal and Mandatory Sinking Account Payment dates for the Bonds, which dates occur on [_____] 1 of each year commencing [_____] 1, 20__].

“**Prior Obligations**” means (a) the Borrower’s obligations related to that certain Wells Fargo Bank, National Association loan number [_____] , (b) Fifteenth and Ardmore LLC’s obligation related to that certain Wells Fargo Bank, National Association loan number [_____] , (c) GNLA 697 S Burlington LLC’s obligations under that certain Financing Agreement, dated as of June 1, 2017, by and among the Authority, Wells Fargo Bank, National Association and GNLA 697 S Burlington LLC, and (d) 3500 West Temple LLC’s obligations under that certain Loan Agreement, dated as of December 1, 2013, by and between the Authority and 3500 West Temple LLC.

“**Project**” has the meaning given to such term in Exhibit A of the Loan Agreement.

“**Project Fund**” means the fund by that name established pursuant to Section 5.08 of this Indenture.

“**Qualified Institutional Buyer**” shall have the meaning given to a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933.

“**Rating Agency**” means at any time any nationally recognized rating agency including Fitch, Moody’s or S&P, then rating the Bonds at the request of the Authority or the Borrower.

“**Rating Category**” means (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“**Rebate Analyst**” means the Person engaged by the Borrower to calculate any rebate liability under the Code.

“**Rebate Fund**” means the fund by that name established pursuant to Section 5.07 of this Indenture.

“**Record Date**” means, with respect to the Interest Payment Date for the Bonds, the fifteenth day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“**Redemption Fund**” means the fund by that name established pursuant to Section 5.06 of this Indenture.

“**Rental Payments**” means the amounts payable pursuant to the Lease by the Lessee to the Members of the Obligated Group for the use and occupancy of any Facilities, excluding Expenses (as defined in the Lease).

“**Repair and Replacement Fund**” means the fund by such name established pursuant to Section 5.10 hereof.

“**Repair and Replacement Fund Requirement**” means \$[_____]; provided, however, that the Repair and Replacement Fund Requirement shall initially be \$0 as of the date of delivery of the Bonds and shall increase by \$[_____] on the first Business Day of each month commencing [_____] 1, 20[___] until the Repair and Replacement Fund Requirement equals \$[_____].

“**Reserve Account**” means the account by that name in the Revenue Fund established pursuant to Section 5.02 hereof.

“**Reserve Account Requirement**” means as of any date of calculation, an amount which will be equal to the least of (a) ten percent (10%) of the original principal amount of the Bonds; (b) maximum annual Debt Service with respect to the Bonds Outstanding; (c) one hundred twenty-five percent (125%) of average annual Debt Service with respect to the Bonds, or (d) for the last Bond Year only, the total Debt Service with respect to the Bonds Outstanding. Maximum annual Debt Service and average annual Debt Service, for purposes of this definition, will be calculated on the basis of 12-month periods ending on July 1 of any year in which Bonds are Outstanding.

“**Responsible Officer**” of the Bond Trustee means any person who at the time and from time to time may be designated, by written certificate, as a person authorized to act on behalf of the Bond Trustee. Such certificate shall contain the specimen signature of such person(s) and shall be signed on behalf of the Bond Trustee by any officer of the Bond Trustee and may designate an alternate or alternates.

“**Retained Rights**” means the Authority’s right to payment of the Administrative Fees and Expenses, any Additional Payments, any right to be indemnified, held harmless or defended, any right to receive information, reports, certifications or other documents and any right to notice, consent, approval or inspection hereunder or under the Loan Agreement and the obligation of the Borrower to make deposits pursuant to the Tax Regulatory Agreement.

“**Revenue Fund**” means the fund by that name established pursuant to Section 5.01(d) of this Indenture.

“**S&P**” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower.

“**School**” means individually, and “**Schools**” means collectively, each public charter school operated by Lessee and located at the Facilities pursuant to a Lease from and after the date upon which the Borrower joins the Obligated Group, but excluding any public charter school operated as Lessee at premises that are not owned or leased by a Member that is part of the Obligated Group or is owned or leased by a Member that withdraws from the Obligated Group to the extent and in accordance with the Master Indenture, from and after the date of such withdrawal.

“**Securities Depositories**” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attention: Call Notification Department, Fax (212) 855-7232 or to such other addresses and/or such other securities depositories as the Authority may designate to the Bond Trustee in writing.

“**Series**” means, when used with reference to the Bonds, all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Indenture as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture, regardless of variations in maturity, interest rate, sinking fund installments or other provisions.

“**Series 2013 Bonds**” means the California School Finance Authority School Finance Variable Rate Demand Revenue Bonds (Camino Nuevo-3500 West Temple LLC Project) Series 2013.

“**Series 2013 Bond Indenture**” means that certain Indenture, dated as of December 1, 2013, between the Authority and the Series 2013 Bond Trustee, as amended and supplemented to date.

“**Series 2013 Bond Trustee**” means Wells Fargo Bank, National Association, in its capacity as trustee for the holders of the Series 2013 Bonds.

“**Series 2017 Bonds**” means the California School Finance Authority School Finance Variable Rate Demand Revenue Bonds (Camino Nuevo-3500 West Temple LLC Project) Series 2013.

“**Series 2017 Bond Financing Agreement**” means that certain Financing Agreement, dated as of December 1, 2013, between the Authority, GNLA 697 S Burlington LLC, as borrower, and the Series 2017 Bond Trustee, as amended and supplemented to date.

“**Series 2017 Bond Trustee**” means Wells Fargo Bank, National Association, in its capacity as trustee for the holders of the Series 2017 Bonds.

“**Sinking Fund Installment**” means, with respect to any Term Bonds, each amount so designated for such Term Bonds requiring payments by the Borrower from the Payments to be applied to the retirement of such Bonds on and prior to the stated maturity date thereof.

“**Special Record Date**” means the date established by the Bond Trustee pursuant to Section 2.02(c)ii) of this Indenture as a record date for the payment of defaulted interest on Bonds.

“**Special Redemption Account**” means the account by that name in the Redemption Fund established pursuant to Section 5.06 hereof.

“**State**” means the State of California.

“**State Controller**” means the Controller of the State.

“**State Treasurer**” means the Treasurer of the State.

“**Supplemental Indenture**” or “**Indenture supplemental hereto**” means any indenture hereafter duly authorized and entered into between the Authority and the Bond Trustee in accordance with the provisions of this Indenture.

“**Supplemental MTI for Obligation No. 1**” means that certain Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023, between the Obligated Group Members and the Master Trustee named therein, as originally executed and as the same may be amended and supplemented from time to time in accordance with its terms.

“**Surveillance Fee**” means the per annum fee assessed by a Rating Agency during the period the Bonds carry a rating therefrom, if any.

“**Tax-Exempt Bonds**” means the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023A authorized and issued pursuant to Article II of this Indenture and any bonds issued in exchange or replacement thereof in accordance with this Indenture.

“**Tax Regulatory Agreement**” means the Tax Regulatory Agreement, dated the date of issuance of the Bonds, by the Authority, the Borrower and the Lessee, as the same may be amended or supplemented in accordance with its terms.

“**Taxable Bonds**” means the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023B (Taxable) authorized and issued pursuant to Article II of this Indenture and any bonds issued in exchange or replacement thereof in accordance with this Indenture.

“**Term Bonds**” means Bonds which are payable on or before their specified maturity dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“**Underwriter**” means RBC Capital Markets, LLC, its successors and assigns.

[“**Working Capital Fund**” means the fund by that name established pursuant to Section

5.15 of this Indenture.]

SECTION 1.02. Content of Certificates and Opinions. Every certificate (other than the certificate provided for in Section 11.05 hereof) or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person or persons making or giving such certificate or opinion have read such condition or covenant and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such condition or covenant has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by a member or officer of the Authority may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion made or given by counsel may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon the certificate or opinion of or representations by a member or officer of the Authority, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous.

Any written representation of the Authority or determination of the Bond Trustee given in accordance with Section 6.06 (regarding the amendment of the Loan Agreement) or Article IX (regarding amendment of the Indenture) may, at the option of such party, be based solely on the written representation of a financial consultant or advisor, or opinion or advice of counsel, selected by such party and not objected to by the other such party.

SECTION 1.03. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

SECTION 1.04. Construction. The parties hereto acknowledge that each such party and its respective counsel have participated in the drafting and revision of this Indenture. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Indenture or any amendment or supplement or exhibit hereto.

ARTICLE II

THE BONDS

SECTION 2.01. Authorization of Bonds.

(a) There shall be issued under and secured by this Indenture an issue of bonds of the Authority constituting the Tax-Exempt Bonds. The Tax-Exempt Bonds are hereby authorized to be issued hereunder, designated as the “California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023A”. The aggregate principal amount of the Tax-Exempt Bonds that may be issued and Outstanding under this Indenture is expressly limited to and shall not exceed \$[PARA] exclusive of the Tax-Exempt Bonds executed and authenticated as provided in Section 2.09 hereof.

(b) There shall be issued under and secured by this Indenture an issue of bonds of the Authority constituting the Taxable Bonds. The Taxable Bonds are hereby authorized to be issued hereunder, designated as the “California School Finance Authority Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023B (Taxable)”. The aggregate principal amount of the Taxable Bonds that may be issued and Outstanding under this Indenture is expressly limited to and shall not exceed \$[PARB], exclusive of the Taxable Bonds executed and authenticated as provided in Section 2.09 hereof.

(c) This Indenture constitutes a continuing agreement with the Bond Trustee and the Holders of all of the Bonds Outstanding, subject to the covenants, agreements, provisions and conditions herein contained.

SECTION 2.02. Terms of Bonds.

(a) *Terms of the Tax-Exempt Bonds*

(i) The Tax-Exempt Bonds shall be issued as registered bonds in Authorized Denominations. The Tax-Exempt Bonds shall be dated their date of issuance. Each Beneficial Owner of the Tax-Exempt Bonds shall be an Accredited Investor or a Qualified Institutional Buyer. Interest on the Tax-Exempt Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months and shall be payable in arrears on each Interest Payment Date.

(ii) The Tax-Exempt Bonds shall mature on July 1 in each of the years and in the principal amounts and shall bear interest at the rates as follows:

Year (July 1)	Principal Amount	Interest Rate
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* Term Bond

(b) *Terms of the Taxable Bonds*

(i) The Taxable Bonds shall be issued as registered bonds in Authorized Denominations. The Taxable Bonds shall be dated their date of issuance. Each Beneficial Owner of the Taxable Bonds shall be an Accredited Investor or a Qualified Institutional Buyer. Interest on the Taxable Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months and shall be payable in arrears on each Interest Payment Date.

(i) The Taxable Bonds shall mature on July 1 in each of the years and in the principal amounts and shall bear interest at the rates as follows:

Year (July 1)	Principal <u>Amount</u>	Interest <u>Rate</u>
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* Term Bond

(c) *General Terms of the Bonds*

(i) The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of the Depository, and shall be evidenced by one Bond for each maturity in the total aggregate principal amount of the Bonds of such maturity. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10 hereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of the Depository, references herein to the Bondholders, holders or registered owners shall mean Cede & Co. as aforesaid and shall not mean the “beneficial owners” of the Bonds.

(ii) The principal and redemption price of and interest on the Bonds shall be payable in lawful money of the United States of America upon surrender at the Principal Corporate Trust Office. The interest on any Bond shall be payable to the person whose name appears on the registration books of the Bond Trustee as the registered owner thereof as of the close of business on the Record Date for the Interest Payment Date, such interest to be paid by check mailed by first class mail, postage prepaid, on the Interest Payment Date, to the registered owner at his or her address as it appears on such registration books. Notwithstanding the foregoing, however, any Holder of \$1,000,000 or more in an aggregate principal amount of the Bonds shall be entitled to receive payments of interest on the Bonds held by it by wire transfer of immediately available funds to such bank or trust company located within the United States of America as such other Holder shall designate in writing to the Bond Trustee by the applicable Record Date for such payment. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable in same day funds by the Bond Trustee to Cede & Co., as

nominee for the Depository, and the payment of principal or redemption price shall be made without presentment.

(iii) Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest. The Special Record Date shall be fixed by the Bond Trustee, notice thereof being given to the Bondholders not less than 10 days prior to such Special Record Date.

SECTION 2.03. [Reserved].

SECTION 2.04. Restrictions on Registration and Transfer of the Bonds.

(a) Notwithstanding any other provision hereof, the Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner cannot be, any person except an Accredited Investor or a Qualified Institutional Buyer; provided however, pursuant to Section 2.11, Bonds registered in the name of the Depository or its nominee shall be deemed to comply with this Section so long as each beneficial owner of the Bonds is an Accredited Investor or a Qualified Institutional Buyer. On the Closing Date, each initial Beneficial Owner shall provide to the Authority and the Bond Trustee an executed Investor Letter, substantially in the form attached hereto as EXHIBIT D. The Bond Trustee shall have no duty or obligation to determine whether any Registered Owner or Beneficial Owner is an Accredited Investor or a Qualified Institutional Buyer, and the Bond Trustee shall be fully protected in relying upon any Investor Letter delivered to it.

(b) The foregoing limitation shall cease to apply (without notice to or consent of any Bondholder) upon and after receipt by the Bond Trustee from the Borrower of a rating letter by Fitch, S&P or Moody's indicating that the Bonds are rated "A-" or "A3," as applicable, or better. The Bond Trustee shall as soon as practicable, but in no event more than 10 calendar days after receipt by the Bond Trustee of such rating letter, notify each Bondholder that the (i) restrictions set forth in this Indenture requiring that the Beneficial Owners of the Bonds be Accredited Investors or Qualified Institutional Buyers shall be of no further force or effect and (ii) Authorized Denominations shall thereafter be \$5,000 and any integral multiple in excess thereof.

(c) Each purchaser of any Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the Authority, the Borrower, the Underwriter and the Bond Trustee as follows:

(i) That the Bonds are payable solely from certain revenues derived by the Authority under the Loan Agreement, and from certain funds and accounts established and maintained pursuant to this Indenture;

(ii) That it is a Qualified Institutional Buyer or an Accredited Investor and that it is purchasing the Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act of 1933 or other applicable securities laws;

(iii) That the Bonds (a) have not been registered under the Securities Act of 1933 and are not registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) may not be readily marketable;

(iv) That none of the Authority or any of its members, officers or employees takes any responsibility for, and the purchaser is not relying upon any such parties with respect to the information appearing anywhere in the Offering Document, other than the information under the headings “THE AUTHORITY,” and “ABSENCE OF MATERIAL LITIGATION – The Authority” (collectively, the “Authority’s Portion” of the Offering Document) and that none of such parties have participated in the preparation of the Offering Document;

(v) That the Bonds and beneficial ownership interests therein may only be transferred to Qualified Institutional Buyers or Accredited Investors; and

(vi) That the Authority, the Borrower, the Lessee, the Bond Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

SECTION 2.05. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairperson. The Bonds shall then be delivered to the Bond Trustee for registration and authentication by it. In case any of the officers who shall have signed any of the Bonds shall cease to be such officer or officers before the Bonds so signed shall have been authenticated or delivered by the Bond Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority. Also, any Bond may be signed on behalf of the Authority by such persons as on the actual date of the execution of such Bond shall be the proper officers although on the nominal date of such Bond any such person shall not have been such officer. Only such of the Bonds as shall bear thereon a certificate of authentication and registration in substantially the form set forth in Exhibit A hereto, manually executed by the Bond Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Bond Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. Transfer of Bonds. The registration of any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 of this Indenture, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Bond Trustee, duly executed. The Bond Trustee shall require the payment by the Holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Holder for any such transfer. The Bond Trustee shall not be required to register the transfer of any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in

part as provided in Section 4.01 hereof or Section 4.02 hereof or during the period established by the Bond Trustee for selection of Bonds for redemption.

SECTION 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Bond Trustee for a like aggregate principal amount of the Bonds of the same maturity of other authorized denominations. The Bond Trustee shall require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, and there shall be no other charge to any Holder for any such exchange. No exchange of Bonds shall be required to be made during the period established by the Bond Trustee for selection of Bonds for redemption and after a Bond has been selected for redemption.

SECTION 2.08. Bond Register. The Bond Trustee shall keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration of transfer of the Bonds, which shall at all reasonable times during normal business hours upon reasonable notice be open to inspection by the Authority; and, upon presentation for such purpose, the Bond Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on said books, of Bonds as hereinbefore provided.

SECTION 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Authority, shall be in registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Bond Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Bond Trustee, and the Bond Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, of the same maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Holder of said Bond, shall execute, and the Bond Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Bond Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Bond Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Holder, shall execute, and the Bond Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any Bond mutilated, lost, destroyed or stolen shall have matured, instead of issuing a substitute Bond the Bond Trustee may pay the same without surrender upon receipt of indemnity satisfactory to the Bond Trustee. The Authority may require payment from the Holder of a sum not exceeding the actual cost of preparing each new Bond issued under this

Section and of the expenses which may be incurred by the Authority and the Bond Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.11. Use of Depository. Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds initially shall be registered as provided in Section 2.02 hereof. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Depository or its nominee, or to any Substitute Depository designated pursuant to clause (ii) of this subsection (a) (“Substitute Depository”); provided that any successor of the Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any Substitute Depository designated by the Authority (at the direction of the Borrower), upon (1) the resignation of the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository or (2) a determination by the Authority (at the direction of the Borrower) that the Depository or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of the Depository or its successor (or Substitute Depository or its successor) from its functions as depository; provided that no Substitute Depository can be obtained or (2) a determination by the Authority (with the concurrence of the Borrower) that it is in the best interests of the Authority to remove the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Bond Trustee, together with a Request of the Authority to the Bond Trustee, a single new Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Bonds of such maturity then Outstanding, registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such Request of the Authority. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Bond Trustee, new Bonds shall be executed and delivered in such denominations numbered in consecutive order from R-1 up and registered in the names of such persons as are requested in such a Request of the Authority, subject to the limitations of Section 2.02 hereof, provided the Bond Trustee shall not be required to

deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Request of the Authority.

(c) In the case of an advance refunding of the Bonds, if any, evidencing all or a portion of the principal amount then Outstanding, the Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal.

(d) The Authority and the Bond Trustee shall be entitled to treat the person in whose name any Bond is registered as the Bondholder thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Bond Trustee or the Authority; and the Authority and the Bond Trustee shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Bond Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Depository or its successor (or Substitute Depository or its successor), except for the Holder of any Bond.

(e) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the Authority and the Bond Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

SECTION 2.12. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Bond Trustee with respect to or in connection with the Loan Agreement. The recital contained in the Bonds that the same are issued pursuant to the Act and the Constitution and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE III

ISSUANCE OF BONDS; ESTABLISHMENT OF CERTAIN FUNDS AND APPLICATION OF PROCEEDS

SECTION 3.01. Authentication and Delivery of Bonds. At any time after the execution of this Indenture, the Authority may execute the Bonds, and the Bond Trustee, upon the Order of the Authority, shall authenticate and deliver the Bonds in accordance with Article II of this Indenture, in each case exclusive of the Bonds executed and authenticated as provided in Section 2.08 hereof.

SECTION 3.02. Application of Proceeds of Bonds and Certain Other Moneys.

(a) The Bond Trustee hereby agrees to establish and maintain hereunder, in trust, the funds described in Article V herein.

(b) The Bond Trustee shall accept a portion of the proceeds received from the sale of the Tax-Exempt Bonds in the amount of \$[] (consisting of the par amount of the Tax-Exempt Bonds of \$[PARA], [plus/less] original issue [premium/discount] of \$[], less underwriter’s discount of \$[]).

(c) The Bond Trustee shall accept a portion of the proceeds received from the sale of the Taxable Bonds in the amount of \$[] (consisting of the par amount of the Taxable Bonds of \$[PARB], less underwriter’s discount of \$[]).

(d) The Authority shall wire to the Bond Trustee the amount of \$[], which shall be deposited by the Bond Trustee into the Grant-Funded Reserve Subaccount.

(e) The Bond Trustee shall deposit the amounts received pursuant to Section 3.02(b), (c) and (d) hereof, in the following funds and accounts in the following amounts:

	<u>Tax-Exempt Bonds</u>	<u>Taxable Bonds</u>	<u>Grant Funds</u>	<u>Total</u>
Costs of Issuance Fund	\$[]	\$[]	--	\$[]
[Project Fund]	\$[]	--	--	\$[]
Reserve Account	--	--	\$[]	\$[]
Grant-Funded Reserve Subaccount	\$[]	--	--	\$[]
Capitalized Interest Subaccount	\$[]	--	--	\$[]

(f) On the Closing Date, the Bond Trustee shall apply \$[] of the proceeds of the Bonds to redeem the Prior Obligations in full.

ARTICLE IV

REDEMPTION OF THE BONDS

SECTION 4.01. Special Redemption.

(a) **Extraordinary Optional Redemption from Insurance and Condemnation Proceeds.** The Bonds are subject to redemption prior to their stated maturity, at the option of the Borrower, as a whole or in part on any date from moneys required to be transferred from the Insurance and Condemnation Proceeds Fund to the Special Redemption Account at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption[, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis].

(b) **Reserved.**

(c) **Extraordinary Mandatory Redemption Due to Change of Use.** The Bonds are subject to redemption prior to their stated maturity, as a whole or in part, on any date from Loan prepayments made by the Borrower in the event the Project is used or

operated in any manner that violates the provisions of the Act, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, on the earliest date for which notice of redemption can reasonably be given in accordance with this Indenture.

(d) **Extraordinary Optional Redemption Relating to Revocation or Non-Renewal of School Charter.** The Bonds are subject to redemption in whole prior to their stated maturity, on any date, at the option of the Borrower, in the event the charter of the School is revoked or not renewed by its authorizer and the School has no further appeal rights, at a redemption price equal to the principal amount thereof together with interest accrued thereon to the date fixed for redemption, on the earliest date for which notice of redemption can reasonably be given in accordance with this Indenture.

SECTION 4.02. Optional Redemption.

(a) The Tax-Exempt Bonds are subject to redemption prior to their respective stated maturities, at the option of the Borrower from any amounts in the Redemption Fund, in whole or in part on any date on or after July 1, 20[___], at a redemption price equal to the 100% of the principal amount of Tax-Exempt Bonds called for redemption set forth in the table below, plus accrued interest to the date fixed for redemption.

(b) The Taxable Bonds are not subject to redemption prior to their respective stated maturities at the option of the Borrower.

SECTION 4.03. Mandatory Sinking Account Redemption.

The Bonds are subject to redemption prior to their respective stated maturities in part, by lot, from Mandatory Sinking Account Payments pursuant to Section 5.04(c) hereof. If any of the Bonds to be redeemed as designated in Section 4.01 and 4.02 hereinabove are Term Bonds, the Borrower shall provide to the Bond Trustee a revised sinking fund schedule giving effect to the redemption so completed and setting forth the years in which Sinking Fund Installments are to be reduced and the amount by which the Sinking Fund Installments are to be reduced.

SECTION 4.04. Notice of Redemption. In connection with the redemption of the Bonds pursuant to Sections 4.01, 4.02 and 4.03 herein, the Borrower shall give notice of redemption to the Bond Trustee (with a copy to the Authority) not less than thirty (30) days prior to the redemption date (or such shorter notice as the Bond Trustee may approve). Notice of redemption of any Bonds shall be given by the Bond Trustee upon such written request of the Borrower. Notice of any redemption of Bonds shall be mailed postage prepaid by the Bond Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date by first class mail to the respective Holders thereof at the addresses appearing on the bond registration books described in Section 2.08. Each notice of redemption shall contain all of the following information:

- (a) the date of such notice;
- (b) the name of the Bonds and the date of issue of the Bonds;
- (c) the redemption date;

- (d) the redemption price;
- (e) the dates of maturity of the Bonds to be redeemed;
- (f) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed;
- (g) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed;
- (h) the CUSIP number, if any, of each maturity of Bonds to be redeemed;
- (i) a statement that such Bonds must be surrendered by the Holders at the Principal Corporate Trust Office of the Bond Trustee, or at such other place or places designated by the Bond Trustee;
- (j) a statement that such redemption is conditioned upon the receipt by the Bond Trustee, on or prior to the redemption date, of moneys sufficient to pay the redemption price or upon the happening of such other event as shall be specified therein, and if such moneys shall not have been so received, said notice shall be rescinded and the redemption shall be cancelled;
- (k) a statement that any such redemption notice can be rescinded as provided in the Indenture; and
- (l) notice that further interest on such Bonds, if any, will not accrue from and after the designated redemption date.

Such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers provided therein or on the Bonds. If money is not received as described in Section 4.04(j), the Bond Trustee, within a reasonable time after the date on which such redemption was to occur, shall give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of the Bonds pursuant to the notice of redemption. Failure of the Bond Trustee to give such notice or any defect therein shall not in any way impair or affect the validity of the proceedings for redemption.

Any notice of optional redemption may state that such redemption shall be conditioned (“Conditional Notice”) upon the receipt by the Bond Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed or upon the occurrence of such other event or condition as shall be set forth in such Conditional Notice, and that, if such moneys shall not have been so received, or if such other event or condition shall have occurred or failed to occur (as the case may be), such Conditional Notice shall be of no force and effect and the redemption of the Bonds specified in the Conditional Notice shall no longer be required. The Bond Trustee shall within a reasonable time thereafter give notice, in the manner in which the original Conditional Notice was given, of the cancellation of such redemption.

Notwithstanding the foregoing, in connection with the redemption of any Bonds held through the book-entry-only system of the Depository Trust Company (“DTC”), in the event of any conflict between the notice requirements of this Indenture and the requirements and procedures of DTC, the requirements and procedures of DTC shall control.

SECTION 4.05. Effect of Notice. A certificate of the Bond Trustee or the Borrower that notice of call and redemption has been given to Holders as provided herein and as may be further required in the Continuing Disclosure Agreement shall be conclusive as against all parties. The actual receipt by the Holder of any Bond or any other party of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest, if any, on the date fixed for redemption.

Notice of redemption having been given, and the redemption price of the Bonds called for redemption being on deposit or otherwise available to the Bond Trustee, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest, if any, shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Holders of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Bond Trustee and shall not be reissued.

SECTION 4.06. Right to Rescind Notice. Upon written notice, or oral notice, promptly confirmed by written notice, from the Borrower that the Borrower has cured the conditions that caused the Bonds to be subject to extraordinary redemption pursuant to Section 4.01 hereof, the Borrower may rescind any extraordinary redemption and notice thereof on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Holders of the Bonds so called for redemption, with a copy to the Bond Trustee. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Holder of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

SECTION 4.07. Funds for Redemption. Prior to or on the redemption date of any Bonds there shall be available in the Redemption Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this Indenture provided, the Bonds designated in said notice of redemption. Such monies so set aside in the Redemption Fund or in the escrow fund established for such purpose shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the Redemption Fund shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the Redemption Fund, unless otherwise provided for to be paid from an escrow fund established for such purpose. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Redemption Fund or otherwise held in trust for the payment of redemption price of the Bonds, said

monies shall be held in or returned or transferred to the Redemption Fund for payment of any outstanding Bonds of the Borrower payable from said fund; provided, however, that if said monies are part of the proceeds of refunding Bonds of the Borrower, said monies shall be transferred to the fund created for the payment of principal of and interest on such Bonds. If no such refunding Bonds of the Borrower are at such time outstanding, said monies shall be transferred to the general fund of the Borrower as provided and permitted by law.

SECTION 4.08. Selection of Bonds for Redemption. When any redemption is made pursuant to any of the provisions of this Indenture and less than all of the Outstanding Bonds are to be redeemed, the Bond Trustee shall select the Bonds to be redeemed from the Outstanding Bonds not previously called for redemption, by lot within a maturity and, if from more than one maturity, in inverse order of maturity or in such other order of maturity as shall be specified in a Request of the Borrower and the Mandatory Sinking Account Payments shall be reduced pro-rata. In no event shall Bonds be redeemed in amounts other than whole multiples of Authorized Denominations. For purposes of redeeming Bonds in denominations greater than minimum Authorized Denominations, the Bond Trustee shall assign to such Bonds a distinctive number for each such principal amount and, in selecting Bonds for redemption by lot, shall treat such amounts as separate Bonds. The Bond Trustee shall promptly notify the Authority and the Borrower in writing of the numbers of the Bonds selected for redemption.

SECTION 4.09. Purchase in Lieu of Redemption. The Borrower shall have the option to cause the Bonds to be purchased in lieu of any scheduled redemption pursuant to this Article IV. Such option may be exercised by delivery to the Bond Trustee on or prior to the Business Day preceding the scheduled redemption date of a written notice of the Borrower, specifying that the Bonds shall not be redeemed, but instead shall be purchased by the Borrower. Upon delivery of such notice, the Bonds shall not be redeemed but shall instead be subject to purchase by the Borrower at the applicable redemption price, which shall be payable on the date that would have been the redemption date. The principal amount of Bonds so purchased in lieu of redemption shall be applied as a credit to the next Mandatory Sinking Account Payment for the applicable series of Bonds. The Borrower may at any time surrender to the Bond Trustee for cancellation by it any Bonds previously issued and delivered, which the Borrower may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, will be deemed to be paid and retired.

ARTICLE V

PLEDGE AND ASSIGNMENT; ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS

SECTION 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Indenture, all of the Payments (except Payments described in clause (i) of the definition thereof) and any other amounts (excluding proceeds of the sale of Bonds) held in any fund or account (other than the Rebate Fund) established

pursuant to this Indenture. Said pledge shall constitute a lien on and security interest in such assets and shall attach and be valid and binding from and after delivery of the Bonds, without any physical delivery thereof or further act.

(b) The Authority hereby assigns to the Bond Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Payments (except Payments described in clause (i) of the definition thereof) and other amounts pledged in paragraph (a) of this Section and all of the right, title and interest of the Authority in, to and under the Loan Agreement (except for the Retained Rights). The Bond Trustee shall be entitled to and shall receive all of such assigned Payments, and any such Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Bond Trustee and shall forthwith be paid by the Authority to the Bond Trustee. The Bond Trustee also shall be entitled to and shall (subject to the provisions of this Indenture, including its rights and protections hereunder) take all steps, actions and proceedings following any event of default under the Loan Agreement reasonably necessary in its judgment (or as directed in writing by a majority of the Holders) to enforce, either jointly with the Authority or separately, all of the rights of the Authority assigned to the Bond Trustee and all of the obligations of the Borrower under the Loan Agreement.

(c) The Borrower shall take all actions necessary for the Bond Trustee to collect directly from the State Controller the amounts set forth in the Intercept Notice on the dates set forth in the Intercept Notice. The Payments described in clause (i) of the definition thereof are assigned to the Bond Trustee, for the benefit of the Holders of the Bonds, by virtue of the filing of the Intercept Notice with the State Controller. The Bond Trustee shall be entitled to and shall receive all of such assigned Payments.

(d) All Payments shall be promptly deposited by the Bond Trustee upon receipt thereof in a special fund designated as the “Revenue Fund” which the Bond Trustee is hereby directed to establish, maintain and hold in trust. All Payments shall be held in trust for the benefit of the Holders from time to time of the Bonds but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes hereinafter in this Article V set forth.

(e) The Bonds are not and shall not be deemed to constitute a debt or liability of the State, or any political subdivision thereof, and are not and shall not be deemed to be a pledge of the faith and credit of the State, or any political subdivision thereof, other than the Authority, which shall be obligated to pay the Bonds solely from the Payments and funds herein provided therefor. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatsoever for the Bonds or to make any appropriation for their payment. Nothing in this Indenture, the Act or otherwise is an undertaking by the Authority or the State or any political subdivision thereof to fund the transfers described in the Intercept Notice or to funds available to the Lessee in any amount or at any time.

SECTION 5.02. Allocation of Payments. Promptly upon receipt, the Bond Trustee shall deposit the Payments to the Revenue Fund. On or before the 25th day of each month, commencing

[] 25, 2023, the Bond Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Bond Trustee shall establish and maintain within the Revenue Fund) and then to the Repair and Replacement Fund, to the Rebate Fund, to the Administration Fund , the following amounts, in the following order of priority, the requirements of each such account or fund (including the making up of any deficiencies in any such account resulting from lack of Payments sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority; provided, however, no moneys deposited in the Revenue Fund pursuant to the Intercept shall be deposited to the Rebate Fund:

(a) To the Interest Account, one-sixth of the amount of interest becoming due and payable on the next succeeding Interest Payment Date on all Bonds then Outstanding, until the balance in said account is equal to said aggregate amount of interest, provided that from the date of delivery of the Bonds to the first Interest Payment Date with respect to the Bonds (if less than six months), transfers to the Interest Account shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on such Interest Payment Date;

(b) To the Principal Account, one-twelfth of the aggregate amount of principal becoming due to redeem or pay Bonds or to make Mandatory Sinking Account Payments on the next succeeding Principal Payment Date, until the balance in said Principal Account is equal to said aggregate amount of such principal and Mandatory Sinking Account Payments; provided that from the date of delivery of the Bonds until the first Principal Payment Date with respect to the Bonds (if less than twelve months), transfers to the Principal Account shall be sufficient on a monthly pro rata basis to pay the principal and Mandatory Sinking Account Payments becoming due and payable on said Principal Payment Date;

(c) To the Grant-Funded Reserve Subaccount of the Reserve Account, (a) the greater of (i) the amount designated for deposit to the Grant-Funded Reserve Subaccount of the Reserve Account in a written direction of the Borrower, and (ii) the aggregate, combined amount of all prior withdrawals made from the Grant-Funded Reserve Subaccount of the Reserve Account to make up a deficiency in the Interest Account or the Principal Account, until the balance in the Grant-Funded Reserve Subaccount of the Reserve Account has been restored to its pre-withdrawals level, and (b) in the event the balance in said subaccount shall be less than the amount deposited in such subaccount pursuant to Section 3.02(d) hereof due to valuation of the Eligible Securities deposited therein in accordance with Section 5.05 hereof, the amount necessary to increase the balance in said subaccount to an amount at least equal to the amount deposited in such subaccount pursuant to Section 3.02(d) hereof (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(d) To the Bond Reserve Account, (a) the greater of (i) the amount designated for deposit to the Bond Reserve Subaccount of Reserve Account in a written direction of the Borrower, and (ii) one-half of the aggregate amount of each prior withdrawal from the Reserve Account for the purpose of making up a deficiency in the Interest Account or Principal Account (until deposits on account of such withdrawal are sufficient to fully

restore the amount withdrawn), provided that no deposit need be made into the Reserve Account if the balance in said account is at least equal to the Reserve Account Requirement, and (b) in the event the balance in said account shall be less than the Reserve Account Requirement due to valuation of the Eligible Securities deposited therein in accordance with Section 5.05, the amount necessary to increase the balance in said account to an amount at least equal to the Reserve Account Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(e) To the Repair and Replacement Fund, \$[_____] , on the first Business Day of each month commencing [_____] 25, 2023, until the balance therein is at least equal to the Repair and Replacement Fund Requirement, and thereafter (i) the greater of (A) the amount designated for deposit in the Repair and Replacement Fund in a written direction of the Borrower, and (B) one-sixth of the aggregate amount of each prior withdrawal from the Repair and Replacement Fund, provided that no deposit need be made into the Repair and Replacement Fund if the balance in said account is at least equal to the Repair and Replacement Fund Requirement, and (ii) in the event the balance in said account shall be less than the Repair and Replacement Fund Requirement due to valuation of the Eligible Securities deposited therein in accordance with Section 5.10 or due to an increase in the Repair and Replacement Fund Requirement, the amount necessary to increase the balance in said account to an amount at least equal to the Repair and Replacement Fund Requirement (until deposits on account of such valuation deficiency, if any, are sufficient to increase the balance in said account to said amount);

(f) To the Rebate Fund, such amounts as are required to be deposited therein by this Indenture (including the Tax Regulatory Agreement); and

(g) To the Administration Fund, an amount equal to one twelfth of the annual Administrative Fees and Expenses.

Moneys remaining in the Revenue Fund after the foregoing transfers shall be transferred on the first Business Day of each month, commencing [_____] 1, 2023, by the Bond Trustee to or at the direction of the Borrower free and clear of the lien of this Indenture.

SECTION 5.03. Application of Interest Account.

(a) All amounts in the Interest Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

(b) Within the Interest Account, the Bond Trustee shall establish and maintain the Capitalized Interest Subaccount. The Bond Trustee shall make transfers from the Capitalized Interest Subaccount to the Interest Account, of one-[_____] of the following amounts, on the 5th of each month in the following date ranges.

<i>Date</i>	<i>Capitalized Interest Subaccount Transfer Amount</i>
	[_____]

(c) Following the final transfers set forth under Sections 5.03(a) above, the Capitalized Interest Subaccount shall be closed.

SECTION 5.04. Application of Principal Account.

(a) All amounts in the Principal Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying the principal or Mandatory Sinking Account Payments of the Bonds, as provided herein with respect to Bonds.

(b) The Bond Trustee shall establish and maintain within the Principal Account a separate subaccount for the Bonds, designated as the “_____ Sinking Account,” inserting therein the Series and maturity (if more than one such account established) for each Term Bond. On or before July 1 in each year, the Bond Trustee shall transfer the amount deposited in the Principal Account on that date pursuant to Section 5.02 from the Principal Account to the Sinking Account for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month). With respect to the Sinking Account, on each Mandatory Sinking Account Payment date established for the Sinking Account, the Bond Trustee shall transfer the amount deposited in the Principal Account pursuant to Section 5.02 for the purpose of applying the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Bonds, upon the notice and in the manner provided in Article IV; provided that, at any time prior to giving such notice of such redemption, the Bond Trustee shall apply such moneys to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Borrower may direct, in writing, except that the purchase price (excluding accrued interest) shall not exceed the par amount of such Bonds. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Bond Trustee has purchased Bonds with moneys in the Sinking Account, or, during said period and prior to giving said notice of redemption, the Borrower has deposited Bonds with the Bond Trustee, or Bonds were at any time purchased or redeemed by the Bond Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. In the event of a redemption pursuant to Section 4.02 hereof, the Borrower shall provide the Bond Trustee with a revised sinking fund schedule giving effect to the optional redemption so completed. All Bonds purchased or deposited pursuant to this subsection shall be delivered to the Bond Trustee and cancelled. Any amounts remaining in the Sinking Account when all of the Bonds are no longer Outstanding shall be withdrawn by the Bond Trustee and transferred to the Revenue Fund. All Bonds purchased from the

Sinking Account or deposited by the Borrower with the Bond Trustee shall be allocated first to the next succeeding Mandatory Sinking Account Payment, then to the remaining Mandatory Sinking Account Payments as the Borrower directs.

(c) Subject to the terms and conditions set forth in this Section and in Section 4.03, the Term Bonds shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments in the following amounts and on the following dates:

(i) The Tax-Exempt Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date <u>(July 1)</u>	Principal <u>Amount (\$)</u>
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* Maturity.

(ii) The Tax-Exempt Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date <u>(July 1)</u>	Principal <u>Amount (\$)</u>
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* Maturity.

(iii) The Tax-Exempt Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date <u>(July 1)</u>	Principal <u>Amount (\$)</u>
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* Maturity.

(iv) The Taxable Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date <u>(July 1)</u>	Principal <u>Amount (\$)</u>
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* Final Maturity.

In the event of any extraordinary redemption or optional redemption of such Term Bonds, the Borrower shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

SECTION 5.05. Application of Reserve Account.

(a) Within the Reserve Account, the Bond Trustee shall establish and maintain the Bond Reserve Subaccount and the Grant-Funded Reserve Subaccount. All amounts in the Reserve Account shall be used and withdrawn by the Bond Trustee solely for the purpose of making up any deficiency in the Interest Account or Principal Account that exists on the date when monies on deposit in the Interest Account or the Principal Account are required to be applied, as provided in Sections 5.03 and 5.04 hereof, or (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding, provided, however, that monies and securities held by the Bond Trustee in the Grant-Funded Reserve Subaccount shall not be used for the redemption of all Bonds then Outstanding pursuant to Section 4.01 or Section 4.02. The Bond Trustee shall draw from the Bond Reserve Subaccount until exhausted prior to making any draw from the Grant-Funded Reserve Subaccount.

(b) The Bond Trustee shall notify the Authority and the Borrower immediately of any withdrawal from the Reserve Account for the purpose of making up a deficiency in the Interest Account or Principal Account, which notice shall specify the amount of such withdrawal from each of the Bond Reserve Subaccount and the Grant-Funded Reserve Subaccount. The Bond Trustee shall notify the Authority immediately of the final maturity, earlier redemption in full of the Bonds or the date on which no Bonds are Outstanding hereunder (including as provided in Article X hereof).

(c) Immediately following the date on which no Bonds are Outstanding hereunder (including as provided in Article X hereof), the Trustee shall transfer to the Authority any amounts remaining on deposit in the Grant-Funded Reserve Subaccount. Thereafter the Trustee shall close the Grant-Funded Reserve Subaccount.

(d) Amounts on deposit in the Reserve Account shall be valued by the Bond Trustee at their fair market value each January 1 and July 1, and the Bond Trustee shall notify the Borrower of the results of each such valuation. If the amount on deposit in the Reserve Account on the first (1st) Business Day following such valuation is less than one hundred percent (100%) of the Reserve Account Requirement, the Borrower has agreed in the Loan Agreement to make the deposits to the Reserve Account required by Section 5.02. If the amount on deposit in the Reserve Account on the first (1st) Business Day following such valuation is greater than the Reserve Account Requirement, then then (i) the amount of money on deposit in the Grant-Funded Reserve Subaccount greater than \$[] shall be paid to the Authority free and clear of the lien of the Indenture and (ii) any additional excess shall be withdrawn from the Bond Reserve Subaccount of the Reserve Account and transferred to the Revenue Fund.

SECTION 5.06. Establishment and Application of Redemption Fund. The Bond Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Redemption Fund, and within the Redemption Fund, a separate Optional Redemption Account and a separate Special Redemption Account. The Bond Trustee shall accept all moneys deposited for redemption and shall deposit such moneys into the Optional Redemption Account or the Special Redemption Account, as applicable. All amounts deposited in the Optional Redemption Account and in the Special Redemption Account shall be accepted and used and withdrawn by the Bond Trustee solely for the purpose of redeeming Bonds,

in the manner and upon the terms and conditions specified in Article IV, at the next succeeding date of redemption for which notice has not been given and at the redemption prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively; provided that, at any time prior to giving such notice of redemption, the Bond Trustee shall, upon written direction of the Borrower, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Borrower may direct, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to such Bonds (or, if such Bonds are not then subject to redemption, the par value of such Bonds); and provided further that in the case of the Optional Redemption Account in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Revenue Fund and credited against Loan Repayments in order of their due date as set forth in a Request of the Borrower.

SECTION 5.07. Rebate Fund.

(a) The Bond Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Bond Trustee shall maintain such accounts as shall be necessary to comply with instructions of the Borrower given pursuant to the terms and conditions of the Tax Regulatory Agreement. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Bond Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Regulatory Agreement), for payment to the federal government of the United States of America; provided, however, amounts received by the Trustee pursuant to the Intercept Notice shall not be deposited into the Rebate Fund. Neither the Authority, the Borrower nor the Holder of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 6.10 and by the Tax Regulatory Agreement (which is incorporated herein by reference). The Bond Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Borrower including supplying all necessary information in the manner provided in the Tax Regulatory Agreement which the Bond Trustee shall be directed by the Borrower to supply, and shall have no liability or responsibility to enforce compliance by the Borrower or the Authority with the terms of the Tax Regulatory Agreement or any other tax covenants contained herein. The Bond Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Bond Trustee shall have no independent duty to review such calculations or enforce the compliance by the Borrower with such rebate requirements. The Bond Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the Borrower.

(b) Upon the Borrower's written direction, an amount shall be deposited to the Rebate Fund by the Bond Trustee from deposits by the Borrower, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Borrower in accordance with the Tax Regulatory Agreement. Upon written request by the

Borrower or the Authority, the Bond Trustee is hereby directed to supply to the Borrower and/or the Authority all necessary information in the manner provided in the Tax Regulatory Agreement and specified in such written direction, to the extent such information is reasonably available to the Bond Trustee.

(c) The Bond Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Borrower.

(d) At the written direction of the Borrower, which shall include a statement to the effect that such direction complies with the restrictions set forth in the Tax Regulatory Agreement, the Bond Trustee shall invest all amounts held in the Rebate Fund in Eligible Securities. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below. The Bond Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the Borrower's written directions, the Bond Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Borrower so directs, the Bond Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Borrower's written directions; provided, however, only moneys in excess of the Rebate Requirement may, at the written direction of the Borrower or the Authority, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after each five year remission to the United States of America, redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Bond Trustee, shall be withdrawn and remitted to the Borrower.

(f) Notwithstanding any other provision of this Indenture, including in particular Article X, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section, Section 6.10 and the Tax Regulatory Agreement shall survive the defeasance or payment in full of the Tax-Exempt Bonds.

SECTION 5.08. Establishment and Application of Project Fund.

(a) The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the "Project Fund." The moneys in the Project Fund shall be disbursed pursuant to Requisitions of the Borrower, which shall be substantially in the form of EXHIBIT B. Each such Requisition of the Borrower shall be sufficient evidence to the Bond Trustee of the facts stated therein and the Bond Trustee shall have no duty to confirm the accuracy of such facts. No moneys in the Project Fund shall be used to pay Costs of Issuance. From time to time, the Borrower may transfer, or cause to be transferred, funds for deposit in the Project Fund prior to the Completion Date.

~~(b)~~ Upon completion of the Project, the Borrower shall deliver a Completion Certificate to the Bond Trustee and make the final requisition of funds from the Project Fund. Any amounts

thereafter remaining in such Project Fund shall be transferred by the Bond Trustee, at the direction of the Borrower (i) to the Redemption Fund for the redemption of Bonds pursuant to Section 4.01(b) hereof, (ii) to the Interest Account for payment of interest on the Bonds, or (iii) to the Borrower, upon delivery to the Bond Trustee of (A) the Completion Certificate, (B) a written request of the Borrower and (C) delivery of an Opinion of Bond Counsel substantially to the effect that such transfer would not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. Upon such transfer, the Project Fund shall be closed.

SECTION 5.09. Establishment and Application of Costs of Issuance Fund; Insurance and Condemnation Proceeds Fund.

(a) The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the “Costs of Issuance Fund.” Moneys deposited in said fund shall be used and withdrawn by the Bond Trustee to pay the Costs of Issuance of the Bonds upon Requisition of the Borrower stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund, and including a copy of the invoice or statement evidencing the costs incurred. On the one hundred eightieth (180th) day following the initial issuance of the Bonds, or upon the earlier Request of the Borrower, amounts, if any, remaining in the Costs of Issuance Fund shall be transferred to the Project Fund and thereafter, the Costs of Issuance Fund shall be closed.

(b) As and when needed, the Master Trustee shall establish, maintain and hold in trust a separate fund designated as the “Insurance and Condemnation Proceeds Fund,” and administer said fund as set forth in Section 3.03 of the Master Indenture of Trust.

SECTION 5.10. Establishment and Application of the Repair and Replacement Fund.

(a) The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the “Repair and Replacement Fund,” which shall be used solely for the purposes set forth in this Section 5.10.

(b) The Bond Trustee shall withdraw funds from the Repair and Replacement Fund to pay for capital items not budgeted as ordinary maintenance and repair costs related to the Facilities.

(c) Moneys in the Repair and Replacement Fund to be used for the purpose described in the preceding paragraph subsection (b) shall be disbursed upon receipt of a Requisition of the Borrower for payment substantially in the form attached hereto as EXHIBIT C, which, by this reference thereto, is incorporated herein, executed by the Authorized Borrower Representative, and the Bond Trustee shall issue its checks for each such disbursement upon receipt of such a requisition. The Bond Trustee may conclusively rely upon such Requisition and shall have no responsibility or duty to investigate any of the matters set forth therein.

(d) Amounts on deposit in the Repair and Replacement Fund shall be valued by the Bond Trustee at their fair market value each January 1 and July 1, beginning [July 1, 20__], and the Bond Trustee shall notify the Borrower of the results of such valuation in the form of its regular periodic statement. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is less than one hundred percent (100%) of the Repair and Replacement Fund Requirement, the Borrower has agreed in the Loan Agreement to make the deposits in the Repair and Replacement Fund required by Section 5.02 hereof. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is greater than the Repair and Replacement Fund Requirement, then any additional excess shall be withdrawn from the Repair and Replacement Fund and transferred to the Revenue Fund.

(e) When (i) the amount of principal of, and premium, if any, and interest on the Outstanding Bonds is equal to or less than the sum of the balance of the Revenue Fund, the balance of the Redemption Fund and the balance of the Repair and Replacement Fund, and (ii) all other amounts owed under the Loan Agreement and this Indenture shall have been paid, moneys held in the Repair and Replacement Fund may be deposited into the Revenue Fund and credited against payments of Loan Repayments required under Section 3.02 of the Loan Agreement.

SECTION 5.11. Establishment and Application of Administration Fund. The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the “Administration Fund.” The Trustee shall deposit in the Administration Fund such amounts required to be deposited in the Administration Fund hereunder or under the Loan Agreement. The Trustee shall disburse amounts in the Administration Fund necessary for payment of Administrative Fees and Expenses when due.

SECTION 5.12. Extraordinary Monthly Rent Notice. If on the 25th of any month the Bond Trustee does not receive sufficient payments to make all deposits and or payments required under Section 5.02 hereof, the Bond Trustee shall notify the Borrower and the Lessee in writing of the deficiency (each such notice, an “Extraordinary Monthly Rent Notice”).

SECTION 5.13. Reserved.

SECTION 5.14. Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts or subaccounts thereof established pursuant to this Indenture other than the Grant-Reserve Subaccount of the Reserve Account shall be invested by the Bond Trustee solely in such Eligible Securities as are specified in a Request of the Borrower. If no such Request of the Borrower is made the Trustee shall hold such moneys uninvested.

All moneys in the Grant-Funded Reserve Subaccount of the Reserve Account shall be invested by the Bond Trustee solely in such Grant-Funded Reserve Eligible Securities as are specified in a Request of the Borrower, provided, however, that, if the Borrower does not file such a Request with the Bond Trustee, the Bond Trustee shall invest to the extent practicable in investments described in clause five (5) of the definition of the term “Grant-Funded Reserve Eligible Securities” in Section 1.01 of this Indenture; provided, however, that any such investment shall be made by the Bond Trustee only if, prior to the date on which such investment is to be

made, the Bond Trustee shall have received a Request of the Borrower specifying a specific money market fund and, if no such Request of the Borrower is so received, the Bond Trustee shall hold such moneys uninvested.

The Bond Trustee may conclusively rely upon the Requests of the Borrower as to both the suitability and legality of the directed investments, and such Request shall be deemed to be a certification to the Bond Trustee that the directed investments constitute Eligible Securities or, with respect to the Grant-Funded Reserve Subaccount, Grant-Funded Reserve Eligible Securities.

All interest, profits and other income received from the investment of moneys shall be deposited in the Revenue Fund; provided, however, all interest, profits and other income received from the investment of moneys in the Bond Reserve Subaccount and the Repair and Replacement Fund shall remain in such Subaccount and transferred to the Revenue Fund only in accordance with Section 5.05(d) and 5.10(d), respectively. The Borrower acknowledges the Bond Trustee shall determine the fair market value of investments held in the funds and accounts hereunder in accordance with the price provided by pricing services and sources relied upon by the Bond Trustee and the Bond Trustee does not have any duty to independently value any investment.

Investments in any and all funds and accounts established pursuant to this Indenture may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in a particular fund amounts received or held by the Bond Trustee hereunder, provided that the Bond Trustee shall at all times account for such investments strictly in accordance with the particular funds to which they are credited and otherwise as provided in this Indenture. The Bond Trustee may act as principal or agent in the making or disposing of any investment. To the extent Eligible Securities are registrable, such investments shall be registered in the name of the Bond Trustee. The Bond Trustee may sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such securities are credited, and the Bond Trustee shall not be liable or responsible for any loss resulting from such investment. The parties acknowledge that the Bond Trustee is not providing investment supervision, recommendations, or advice.

The Bond Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Bond Trustee or for any third person or dealing as principal for its own account.

No float forward or forward purchase agreement or other arrangement, agreement or financial product may be utilized in connection with the Revenue Fund.

The Borrower and the Authority acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Borrower or the Authority, as applicable, the right to receive brokerage confirmations of security transactions as they occur, the Borrower and the Authority specifically waive receipt of such confirmations to the extent permitted by law. The Bond Trustee will furnish the Borrower periodic cash transaction statements which include detail for all investment transactions made by the Bond Trustee hereunder.

The Bond Trustee may credit the funds or accounts hereunder with amounts expected to be received from the sale or redemption of, or the earnings on, the investments in such funds or accounts prior to actual receipt of final payment thereof, and may advance funds in anticipation of receipt of such final payments for the purchase of investments which it has been directed to purchase. Any such credit or advance shall be conditional upon actual receipt by the Bond Trustee of final payment and may be reversed if final payment is not actually received in full. The Borrower acknowledges that the legal obligation to pay the purchase price of any investment arises immediately at the time of the purchase. Nothing in this Indenture shall constitute a waiver of any of the Bond Trustee's rights as a securities intermediary under Uniform Commercial Code § 9-206.

SECTION 5.15. [Establishment and Application of Working Capital Fund. The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the "Working Capital Fund." Moneys deposited in the Working Capital Fund shall be withdrawn from such fund pursuant to Requisition(s) of the Borrower. The Requisitions of the Borrower shall be substantially in the form of EXHIBIT F hereto. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Bond Trustee shall have no duty to confirm the accuracy of such facts.]

SECTION 5.16. Amounts Remaining in Funds and Accounts. Any amounts remaining in the Revenue Fund or any other fund or account established hereunder after payments in full of the Bonds (or after provision for payment thereof as provided herein) and payment of the fees, charges and expenses of the Bond Trustee and the Authority, shall belong and be paid to or at the direction of the Borrower by the Bond Trustee.

ARTICLE VI

COVENANTS

SECTION 6.01. Punctual Payment. The Authority shall punctually pay, but only out of Payments and pledged funds as herein provided, the principal and interest to become due in respect of every Bond issued hereunder at the times and places and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof.

SECTION 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement except with the written consent of the Bondholders and, if the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended without the written consent of the Bondholders, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 6.03. Encumbrance upon Payments. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Payments and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except

the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Payments and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the valid and binding limited obligations of the Authority, and the Authority and Bond Trustee shall at all times, to the extent permitted by law and subject to the provisions of this Indenture, defend, preserve and protect said pledge and assignment of Payments and other assets and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. Accounting Records and Financial Statements. The Bond Trustee shall at all times keep, or cause to be kept, accurate books of record and account, prepared in accordance with the Bond Trustee's accounting practices for books of record and account relating to similar trust accounts and in accordance with the customary standards of the corporate trust industry for such books of record and account, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Payments, the Loan Agreement and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours, upon reasonable prior notice and under reasonable circumstances.

SECTION 6.06. Other Covenants; Amendment of the Loan Agreement

(a) Subject to the provisions of this Indenture, the Bond Trustee shall promptly collect all amounts due pursuant to the Loan Agreement and, subject to its rights and protections hereunder, diligently enforce and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority under the Loan Agreement assigned to it pursuant to Section 5.01(b) hereof.

(b) The Authority shall not amend, modify or terminate any of the terms of the Loan Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Bond Trustee. The Bond Trustee shall give such written consent if but only if (1) it has received a written representation from the Borrower to the effect that such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds; provided that, if an Event of Default described in paragraph (a), (b) or (c) of Section 7.01 has occurred and is continuing, the Bond Trustee rather than the Borrower shall make a determination that such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds (provided that, in making such determination, the Bond Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel), or (2) the Holders of a majority in aggregate principal amount of the Bonds then Outstanding consent in writing to such amendment, modification or termination, provided that no such

amendment, modification or termination shall reduce the amount of Loan Repayments payable to the Authority, or extend the time for making such payments, without the written consent of all of the Holders of the Bonds then Outstanding.

(c) The Bond Trustee shall promptly collect all amounts due from the Borrower pursuant to the Loan Agreement and Obligation No. 1, will perform all duties imposed upon it pursuant to the Loan Agreement and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of, all of the rights of the Authority (other than the Retained Rights) and all of the obligations of the Borrower under the Loan Agreement and Obligation No. 1.

SECTION 6.07. [Reserved].

SECTION 6.08. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Indenture.

SECTION 6.09. Continuing Disclosure. Pursuant to Section 4.07 of the Loan Agreement, the Borrower and the Lessee have undertaken all responsibility for compliance with continuing disclosure requirements pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5), and the Authority shall have no liability to the Holders of the Bonds or any other person with respect to Securities and Exchange Commission Rule 15c2-12. The Bond Trustee hereby covenants and agrees that, subject to the provisions of this Indenture, if appointed by the Borrower as Dissemination Agent it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and Section 4.07 of the Loan Agreement applicable to it. Notwithstanding any other provision of this Indenture, failure of the Borrower or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Bond Trustee at the written request of the Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall (but only to the extent the Bond Trustee has been tendered funds in an amount satisfactory to it or it has been otherwise indemnified from and against any loss, liability, cost or expense, including without limitation, fees and expenses of its counsel and agents and additional fees and charges of the Bond Trustee) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 4.07 of the Loan Agreement or, as to any Bondholder or Beneficial Owner, to cause the Bond Trustee to comply with its obligations under this Section. For purposes of this Section, “Beneficial Owner” means any person which (1) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (2) is treated as the owner of any Bonds for federal income tax purposes.

SECTION 6.10. Tax Covenants.

(a) The Authority covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would result in the interest on the Tax-

Exempt Bonds not being excluded from gross income for federal income tax purposes under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of the Tax Regulatory Agreement, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full or the defeasance of the Tax-Exempt Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section 6.10 it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Bond Trustee under this Indenture, and provided that such action shall not conflict with the requirements of the Tax Regulatory Agreement, the Authority shall so instruct the Bond Trustee in a Request of the Authority (which may be accompanied by a supporting Opinion of Bond Counsel), and the Bond Trustee shall take such action as may be directed in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Bond Trustee an Opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the Bond Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Regulatory Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 6.11. Intercept Covenants. The Bond Trustee shall, on each Interest Payment Date, each Principal Payment Date, or on any date which a transfer from the Controller to the Bond Trustee is scheduled pursuant to any Intercept Notice, notify the Authority and the Borrower of any shortfall in amounts received by the Bond Trustee from the Controller compared to the amounts set forth in any Intercept Notice for such date. If, subsequent to any shortfall for which the Bond Trustee has sent notice pursuant to the preceding sentence, the Bond Trustee shall receive payment of amounts sufficient to cure such shortfall, the Bond Trustee shall, within ten (10) Business Days thereof, notify the Authority and the Borrower of the receipt of such payment. The Bond Trustee shall not be required to take any action in connection with the foregoing except as specifically set forth in this Section 6.11.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES ON DEFAULT

SECTION 7.01. Events of Default; Waiver of Default. If one or more of the following events ("Events of Default") shall happen, that is to say:

(a) if default shall be made by the Authority in the due and punctual payment of the principal of any Bond as the same shall become due and payable (whether at maturity, by declaration or otherwise);

(b) if default shall be made by the Authority in the due and punctual payment of interest on any Bond when and as such interest shall become due and payable;

(c) if any occurrence and continuance of an “Event of Default” under the Loan Agreement; or

(d) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Bond Trustee, or to the Authority, the Borrower and the Bond Trustee by the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, except that, in each case, if such failure can be remedied but not within such 60-day period, such failure shall not become an Event of Default for so long as the Authority shall diligently proceed to remedy the same in accordance and subject to any directions or limitations of time established by the Master Trustee;

then and in each and every such case during the continuance of such Event of Default, the provisions of Section 7.02 shall apply.

SECTION 7.02. Institution of Legal Proceedings by Bond Trustee.

(a) If one or more of the Events of Default shall occur, the Bond Trustee in its discretion may, and upon the written request of the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, the Bond Trustee shall proceed to protect or enforce its rights or the rights of the holders of Bonds under this Indenture, the Loan Agreement, the Leases and Obligation No. 1, by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or therein, or in aid of the execution of any power herein or therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Bond Trustee shall determine in support of any of its rights or duties hereunder, provided that any such request from the Bondholders shall not be in conflict with any rule of law or with this Indenture, expose the Bond Trustee to personal liability or be unduly prejudicial to Bondholders not joining therein.

(b) Notwithstanding anything to the contrary in this Indenture, the Authority shall have no obligation to, and instead the Bond Trustee may, without further direction from the Authority, take any and all steps, actions and proceedings, to enforce any or all rights of the Authority (other than those specifically retained by the Authority pursuant to Section 5.01 of this Indenture) under this Indenture or the Loan Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Borrower under the Loan Agreement.

(c) Nothing herein shall be deemed to authorize the Bond Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Bondholder thereof, or to authorize the Bond Trustee to vote in respect of the claim of any Bondholder in any such proceeding without the approval of the Bondholders so affected.

(d) Anything in the Indenture or Loan Agreement to the contrary notwithstanding, the Bond Trustee shall not be required to enter, take possession of, or take any other action whatsoever with respect to the failure to initiate foreclosure proceedings with respect to the Project unless the Bond Trustee is satisfied that the Bond Trustee will not be subject to any liability under any Environmental Regulations of any kind whatsoever or from any circumstances present at the Project relating to the presence, use, management, disposal or contamination by any environmentally hazardous materials or substances of any kind whatsoever.

SECTION 7.03. Application of Moneys Collected by Bond Trustee. Any moneys collected by the Bond Trustee pursuant to Section 7.02 hereof and any other amounts then held by the Bond Trustee under this Indenture, shall be applied in the following order, at the date or dates fixed by the Bond Trustee and, in the case of distribution of such moneys on account of principal upon presentation of the Bonds, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First: To the payment of costs and expenses of collection and reasonable compensation to the Bond Trustee for its own services and for the services of counsel, agents and employees by it properly engaged and employed, and all other expenses and liabilities incurred, and for advances, together with interest on such advances at a rate per annum equal to the Bond yield plus two percent, made pursuant to the provisions of this Indenture.

Second: In case the principal of any of the Bonds shall have become due by declaration or otherwise and remains unpaid, first to the payment of interest in default, and then to the payment of the principal of all Bonds then due and unpaid, in every instance such payment to be made ratably to the persons entitled thereto without discrimination or preference.

Whenever moneys are to be applied pursuant to the provision of this Section, such moneys shall be applied at such times, and from time to time, as the Bond Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such funds, it shall fix the date (which shall be the Interest Payment Date unless the Bond Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and past-due interest to be paid on such date shall cease to accrue.

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all fees, expenses and charges of the Bond Trustee (including without limitation those of its attorneys) have been paid, any balance remaining in the funds and accounts hereunder shall be paid to the Borrower.

SECTION 7.04. Effect of Delay or Omission to Pursue Remedy. No delay or omission of the Bond Trustee or of any Holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by this Article VII to the Bond Trustee

or to the Holders of Bonds may be exercised from time to time, and as often as shall be deemed expedient. In case the Bond Trustee shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Bond Trustee, then and in every such case the Authority and the Bond Trustee, and the Holders of the Bonds, severally and respectively, shall be restored to their former positions and rights hereunder in respect to the trust estate; and all remedies, rights and powers of the Authority, the Bond Trustee and the Holders of the Bonds shall continue as though no such proceedings had been taken.

SECTION 7.05. Remedies Cumulative. No remedy herein conferred upon or reserved to the Bond Trustee or to any Holder of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

SECTION 7.06. Covenant to Pay Bonds in Event of Default. The Authority covenants that, upon the happening of any Event of Default, the Authority will pay, but only out of Payments, to the Bond Trustee, upon demand, for the benefit of the Holders of the Bonds, the whole amount then due and payable thereon (by declaration or otherwise) for interest and principal as the case may be, and all other sums which may be due hereunder or secured hereby, including reasonable compensation to the Bond Trustee and its agents and counsel and any expenses or liabilities incurred by the Bond Trustee hereunder and, its agents and counsel. In case the Authority shall fail to pay the same forthwith upon such demand, the Bond Trustee, in its own name and as trustee of an express trust, shall be entitled to institute proceedings at law or in equity in any court of competent jurisdiction to recover judgment for the whole amount due and unpaid, together with costs and reasonable attorneys' fees and expenses, subject, however, to the condition that such judgment, if any, shall be limited to, and payable solely out of, Payments as herein provided and not otherwise. The Bond Trustee shall be entitled to recover such judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of this Indenture, and the right of the Bond Trustee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture.

SECTION 7.07. Bond Trustee Appointed Agent for Bondholders. The Bond Trustee is hereby appointed the agent and attorney-in-fact of the Holders of all Bonds Outstanding hereunder for the purpose of filing any claims relating to the Bonds.

SECTION 7.08. Power of Bond Trustee to Control Proceedings. Subject to Section 7.09 hereof, in the event that the Bond Trustee, upon the happening of an Event of Default, shall have taken some action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Holders of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Bond Trustee shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding

hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 7.09. Limitation on Bondholders' Right to Sue. Notwithstanding any other provision hereof, no Holder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, the Loan Agreement or Obligation No. 1 unless (a) such Holder shall have previously given to the Bond Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Bond Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Holders shall have tendered to the Bond Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Bond Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Bond Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of the Outstanding Bonds.

The right of any Holder of any Bond to receive payment of the principal of and interest on such Bond out of Payments and the funds pledged herein, as herein provided, on and after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder, notwithstanding the foregoing provisions of this Section or Section 7.08 of this Indenture or any other provision of this Indenture.

SECTION 7.10. Authority Retained Rights. Nothing in this Article shall limit in any respect the right of the Authority to enforce or waive any of its Retained Rights under the Loan Agreement.

ARTICLE VIII

THE BOND TRUSTEE

SECTION 8.01. Duties, Immunities and Liabilities of Bond Trustee.

(a) The Authority hereby appoints U.S. Bank Trust Company, National Association as Bond Trustee. The Bond Trustee shall perform such duties and only such duties as are specifically and expressly set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Bond Trustee. The Bond Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this

Indenture. The Bond Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. So long as the Trustee is acting in good faith and in accordance with the Indenture, in no event shall the Trustee be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(b) The Authority may remove the Bond Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Bond Trustee if at any time requested to do so by the Borrower (unless an Event of Default shall have occurred and then be continuing) or at any time by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Bond Trustee, and thereupon shall appoint, with the written consent of the Borrower (unless an Event of Default has occurred and is continuing, at which time consent of the Borrower shall not be required) and Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), a successor Bond Trustee by an instrument in writing.

(c) The Bond Trustee may at any time resign and be discharged from its duties and obligations hereunder by giving written notice of such resignation to the Authority and the Borrower, and by giving the Bondholders notice of such resignation by posting an electronic notice of such resignation through the Depository. Upon receiving such notice of resignation, the Authority shall appoint, with the written consent of the Borrower (unless an Event of Default has occurred and is continuing, at which time consent of the Borrower shall not be required) and Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), a successor Bond Trustee by an instrument in writing.

(d) Any removal or resignation of the Bond Trustee and appointment of a successor Bond Trustee shall become effective upon acceptance of appointment by the successor Bond Trustee. If no successor Bond Trustee shall have been appointed and have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the retiring or resigning Bond Trustee (at the sole cost and expense of the Borrower, including with respect to reasonable attorneys' fees and expenses), or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee and for other appropriate relief, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Bond Trustee and any such resulting appointment or relief

shall be binding upon all of the parties in interest hereto. Any successor Bond Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Bond Trustee a written acceptance thereof, and thereupon such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Bond Trustee, with like effect as if originally named Bond Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Bond Trustee, such predecessor Bond Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and conveying to such successor Bond Trustee all the right, title and interest of such predecessor Bond Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Bond Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Bond Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Bond Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Bond Trustee as provided in this clause, such successor Bond Trustee shall mail a notice of the succession of such Bond Trustee to the trusts hereunder to the Bondholders at the addresses shown on the registration books maintained by the Bond Trustee.

(e) Any Bond Trustee appointed under the provisions of this Indenture shall be a national banking association, a trust institution or banking institution having trust powers, doing business and having a principal corporate trust office in California or, if it shall not have a principal corporate trust office in California, having the power under California law to perform all the duties of the Bond Trustee hereunder as evidenced by an opinion of its counsel, having, or if it is a member of a bank holding company system its parent shall have, a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and subject to supervision or examination by State or federal authorities. In case at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Bond Trustee to liability under any Environmental Law, the Bond Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The term “Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders

and directives of federal, state and local governmental agencies and authorities with respect thereto.

(g) In connection with the Borrower's incurrence of additional Indebtedness pursuant to the Loan Agreement or the Lessee's incurrence of additional Indebtedness pursuant to the terms of a Related Lease or Related Loan Agreement, which is secured by a lien on Gross Revenues or Gross School Revenues on parity with the Lien granted to the Lessor pursuant to the Related Lease or the Lender pursuant to the Related Loan Agreement ("Parity Debt"), the Trustee agrees to cooperate with the Borrower and the Lessee in connection with documentation required to reflect and implement the parity position of such Indebtedness. Such documentation may consist of, but is not limited to, a custody and parity lien agreement, intercreditor agreement or deposit account control agreement (the "Parity Agreement") with a representative of the holders of the Parity Debt (a "Parity Trustee") and a third party (the "Indebtedness Custodian").

The Indebtedness Custodian will (a) hold all sums held by it for the payment of principal of (and premium, if any) or interest or any other amounts on the Bonds and the Parity Debt in trust for the benefit of the Trustee and the Parity Trustee until such sums shall be paid to such entities or otherwise disposed of as therein provided; and (b) give the Trustee notice of any default by the Lessee in the making of any such payment of principal (and premium, if any) or interest or any other amounts.

Any Gross Revenues or School Gross Revenues collected by the Indebtedness Custodian under the Parity Agreement and any proceeds of any sale of the Facilities, whether made under any power of sale herein granted or pursuant to judicial proceedings, together with, in the case of an entry or sale as otherwise provided herein, any other sums then held by the Indebtedness Custodian under the Parity Agreement, shall be applied to the payment of the Bonds and the other Parity Debt in a prorata fashion based on then Outstanding principal amount of the Bonds and the then outstanding principal amount of Parity Debt.

No holder of any Parity Debt shall have any right to institute any proceeding, judicial or otherwise, with respect to the documents related to such Parity Debt, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless:

(i) such holder has previously given written notice to the Trustee of a continuing event of default; and

(ii) the holders of not less than 50% in principal amount of all Parity Debt Outstanding shall have made written request to institute proceedings in respect of such event of default;

it being understood and intended that no one or more holders of any Parity Debt shall have any right in any manner whatever by virtue of, or by availing of, any provision of the documents related to the applicable Parity Debt to affect, disturb or prejudice the rights of any other holder of Parity Debt, or to obtain or to seek to obtain priority or preference over any other holders, or to

enforce any right under their respective documents, except in the manner herein provided and for the equal and ratable benefit of all the holders of Parity Debt.

SECTION 8.02. Merger or Consolidation. Any company into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Bond Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01 hereof, shall be the successor to such successor Bond Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.03. Rights of Bond Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Bond Trustee does not assume any responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Loan Agreement or the Bonds, or incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(b) The Bond Trustee shall not be liable for any action taken, or error of judgment made, in good faith by a Responsible Officer or any of its employees or agents, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts.

(c) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Indenture. The permissive right of the Bond Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(d) The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Indenture unless such Bondholders shall have offered to the Bond Trustee reasonable security or indemnity satisfactory to it in the Bond Trustee's sole and absolute discretion against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Bond Trustee shall not be deemed to have knowledge of any Event of Default other than an Event of Default under Section 7.01(a) or 7.01(b) hereof unless and until a Responsible Officer of the Bond Trustee shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office. Except

as otherwise expressly provided herein, the Bond Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

(f) No provision of this Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Bond Trustee has no obligation or liability to the Bondholders for the payment of interest or principal with respect to the Bonds.

(g) The Bond Trustee shall be entitled to request and receive written instructions from the Authority under this Indenture and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Bond Trustee in accordance with the written direction of Authority. The Bond Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Bond Trustee shall not be responsible for the recording or filing of any document relating to this Indenture or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law to perfect the security interests in any collateral given to or held by it.

(h) The Bond Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(i) The Bond Trustee shall have the right to accept and act upon directions given pursuant to this Indenture and delivered using Electronic Notice; provided, however, that the Authority or the Borrower, as applicable, shall provide to the Bond Trustee an incumbency certificate listing authorized officers with the authority to provide such directions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority or the Borrower, as applicable, elects to give the Bond Trustee directions using Electronic Notice and the Bond Trustee in its discretion elects to act upon such directions, the Bond Trustee's understanding of such directions shall be deemed controlling. The Authority and the Borrower understand and agree that the Bond Trustee cannot determine the identity of the actual sender of such directions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such authorized officer. The Authority and/or the Borrower, as applicable, shall be responsible for ensuring that only authorized officers transmit such directions to the Bond Trustee and that all authorized officers treat applicable user and authorization codes, passwords and/or authentication keys with extreme care. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The Authority and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Notice

to submit directions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Bond Trustee and that there may be more secure methods of transmitting directions than the method(s) selected by the Authority and/or the Borrower; and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

(j) The Bond Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented or delayed by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Bond Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(k) The Bond Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Bond Trustee in accordance with the advice of counsel or other professionals retained or consulted by the Bond Trustee concerning all matters of trust and its duty hereunder, and shall be absolutely protected in relying thereon. The Bond Trustee shall not be answerable for the acts or omissions of any such attorney, agent, receiver or other professional selected by it with reasonable care. The Bond Trustee may, at the expense of Borrower, request, rely on and act in accordance with officer’s certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer’s certificates and opinions of counsel.

(l) The Bond Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds. Neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Authority, the Borrower, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by any such party. The Bond Trustee may assume performance by all such Persons of their respective obligations. The Bond Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(m) The Bond Trustee shall not be required to review or inspect, and shall not be deemed to have notice of, the contents of any financial statement delivered to the Bond Trustee hereunder or under any Borrower Document, it being expressly understood that the Bond Trustee shall only receive and hold such documents as a repository for examination and copying by any Holder at such Holder’s expense during business hours on Business Days with reasonable prior notice.

(n) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Bond Trustee to liability under any Environmental Regulation, the Bond Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The Bond Trustee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action.

(o) Whether or not therein expressly so provided, every provision of this Indenture, the Loan Agreement or related documents relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Article.

(p) In acting or omitting to act pursuant to Indenture, the Loan Agreement, any Borrower Document or any other document executed in connection herewith or therewith, the Bond Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Indenture and the Loan Agreement, including, but not limited to, this Article VIII.

(q) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Bond Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Bond Trustee formally executes this Indenture and commences acting as Bond Trustee hereunder, which for this purpose shall be the Closing Date.

(r) The Bond Trustee shall be under no responsibility to approve, evaluate or determine the independence of any expert or other skilled person selected by the Authority, the Borrower or the Lessee for any of the purposes expressed in this Indenture, the Loan Agreement or other Borrower Documents.

SECTION 8.04. Right of Bond Trustee to Rely on Documents. The Bond Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, judgment, decree, certificate, report, opinion, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bond Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in accordance therewith.

The Bond Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Indenture the Bond Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking

or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such Certificate shall be full warrant to the Bond Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Bond Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

SECTION 8.05. Preservation and Inspection of Documents. All documents received by the Bond Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours, upon reasonable notice and under reasonable conditions.

SECTION 8.06. Compensation and Indemnification of Bond Trustee. The Authority (solely from Payments received from the Borrower) shall from time to time, subject to any agreement between the Authority and the Bond Trustee then in force, pay to the Bond Trustee compensation for its services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Bond Trustee, which compensation shall not be limited by any provision of law with respect to the compensation of a trustee of an express trust, and the Authority (solely from Payments received from the Borrower) will reimburse the Bond Trustee for all its advances (with interest on such advances at the maximum rate allowed by law) and expenditures, including but not limited to advances to and fees and expenses of independent accountants, counsel (including in-house counsel to the extent not duplicative of other counsel's work) and engineers or other experts employed by it, and reasonably required, in the exercise and performance of its powers and duties hereunder. The Authority covenants and agrees to indemnify the Bond Trustee and its duly authorized officers, agents and employees (solely from Payments received from the Borrower) against any loss, costs, claims, suits, judgments, expense (including reasonable legal fees and expenses) and liability (other than those which are due to the Bond Trustee's negligence or default) which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability. The obligations of the Authority under this Section shall survive resignation or removal of the Bond Trustee hereunder and payment of the Bonds and discharge of this Indenture.

ARTICLE IX

MODIFICATION OF INDENTURE

SECTION 9.01. Modification Without Consent of Bondholders. Subject to the conditions and restrictions contained in this Indenture, the Authority and the Bond Trustee, from time to time and at any time may enter into an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part hereof, including, without limitation, for one or more of the following purposes, provided that the Authority and the Bond Trustee shall have received an Opinion of Bond Counsel to the effect that such amendment or modification will not cause the interest on the Tax-Exempt Bonds to be included as gross income for federal income tax purposes and that such amendment or modification is permitted by this Indenture:

(a) to add to the covenants and agreements of the Authority contained in this Indenture, other covenants and agreements thereafter to be observed, or to assign or pledge additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Authority; provided such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing, correcting or supplementing any defective provision, contained in this Indenture, or in regard to such matters or questions arising under this Indenture as the Authority may deem necessary or desirable and not inconsistent with this Indenture; provided such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds;

(c) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute; provided such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds;

(d) in connection with an amendment of any agreement permitted by Section 6.06 hereof for the purpose of conforming the terms, conditions and covenants of this Indenture to the corresponding or related provisions of such amended agreement;

(e) to modify or eliminate the book-entry registration system for the Bonds; or

(f) to comply with requirements of a Rating Agency to obtain or maintain a rating on any Bonds.

Any supplemental indenture authorized by the provisions of this Section 9.01 may be executed by the Authority and the Bond Trustee without the consent of the Holders of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 9.02 hereof, but the Bond Trustee shall not be obligated to enter into any such supplemental indenture which affects the Bond Trustee's own rights, duties or immunities under this Indenture or otherwise.

The Bond Trustee shall mail an executed copy of a supplemental indenture authorized by this Section 9.01 and any document related thereto or executed in connection therewith to the Borrower and each Rating Agency then rating the Bonds promptly after execution by the Authority and the Bond Trustee. The Bond Trustee mailing a copy of such Supplemental Indenture to any Rating Agency is conditioned upon the Borrower or the Authority providing the Bond Trustee with written notice as to the applicable Rating Agency then rating the Bonds. The Authority shall mail drafts of any such documents to such parties prior to execution thereof.

SECTION 9.02. Modification with Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Authority and the Bond Trustee may from time to time and at any time, with an

Opinion of Bond Counsel to the effect that such amendment or modification will not, in and of itself, cause the interest on the Tax-Exempt Bonds to be included as gross income for federal income tax purposes, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of any Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof or (2) reduce the aforesaid percentage of Holders of Bonds whose consent is required for the execution of such supplemental indentures or extend the time of payment or permit the creation of any lien on the Payments or the assets pledged herein prior to or on a parity with the lien of this Indenture or deprive the Holders of the Bonds of the lien created by this Indenture upon the Payments or the assets pledged herein, without the consent of the Holders of all of the Bonds then Outstanding. Upon the filing with the Bond Trustee of evidence of the consent of Bondholders, as aforesaid, the Bond Trustee shall join with the Authority in the execution of such supplemental indenture unless such supplemental indenture affects the Bond Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Bond Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Bondholders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Authority and the Bond Trustee of any Supplemental Indenture pursuant to the provisions of this Section, the Authority shall mail a notice to the Bond Trustee setting forth in general terms the substance of such supplemental indenture, and the Bond Trustee, upon receipt of such notice, shall mail such notice to the Borrower and the Bondholders at the addresses shown on the Bond registration books maintained by the Bond Trustee, at the expense of the Borrower. Any failure of the Authority or the Bond Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

The Bond Trustee shall mail an executed copy of such Supplemental Indenture and any amendment of the Loan Agreement permitted under Section 6.06 hereof to the Borrower, each Rating Agency then rating the Bonds promptly after execution by the Authority, the Bond Trustee, and in the case of the Loan Agreement, the Borrower. The Bond Trustee mailing a copy of such Supplemental Indenture or amendment of the Loan Agreement to any Rating Agency is conditioned upon the Borrower or the Authority providing the Bond Trustee with written notice as to the applicable Rating Agency then rating the Bonds. The Authority shall mail drafts of any such documents to such parties prior to execution thereof.

SECTION 9.03. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article IX this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Bond Trustee and all Holders of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such

Supplemental Indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.04. Opinion of Counsel as to Supplemental Indenture. Subject to the provisions of Section 8.04 of this Indenture and the requirement in Sections 9.01 and 9.02 hereof for an Opinion of Bond Counsel, the Bond Trustee and the Authority may receive an Opinion of Counsel as conclusive evidence that any Supplemental Indenture executed pursuant to the provisions of this Article IX complies with the requirements of this Article IX and shall have no liability to Holders in excluding any Supplemental Indenture in reliance on an Opinion of Bond Counsel.

SECTION 9.05. Notation of Modification on Bonds; Preparation of New Bonds. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article IX may bear a notation, in form approved by the Authority, as to any matter provided for in such Supplemental Indenture, and if such Supplemental Indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Authority, to any modification of this Indenture contained in any such Supplemental Indenture, may be prepared by the Authority, authenticated by the Bond Trustee and delivered without cost to the Holders of the Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Indenture.

(a) Bonds may be paid or caused to be paid in any of the following ways, provided any other sums payable hereunder have also been paid or caused to be paid:

(i) by paying or causing to be paid the principal of and interest on the Bonds Outstanding as and when the same become due and payable;

(ii) by depositing with the Bond Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03 hereof) to pay or redeem Bonds Outstanding; or

(iii) by delivering to the Bond Trustee, for cancellation by it, all Bonds Outstanding.

(b) If all Bonds then Outstanding are paid or caused to be paid as provided above and all other sums payable hereunder shall also be paid or caused to be paid, and if the Borrower shall have paid all Additional Payments and any indemnification owed to the Authority and any other fees and expenses payable to the Authority pursuant to the Loan Agreement, then and in that case, at the election of the Borrower (evidenced by a Certificate of the Borrower, filed with the Bond Trustee, signifying the intention to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Payments made under this

Indenture and all covenants, agreements and other obligations of the Authority under this Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 10.02 hereof. In such event, upon request of the Borrower, the Bond Trustee shall cause an accounting for such period or periods as may be requested by the Borrower to be prepared and filed with the Borrower and shall execute and deliver to the Borrower all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to the Borrower all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment of Bonds not theretofore surrendered for such payment and which are not required for the payment of fees and expenses of the Bond Trustee.

SECTION 10.02. Discharge of Liability on Bonds. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03 hereof) to pay any Outstanding Bond, whether upon or prior to its maturity, then all liability in respect of such Bond shall cease, terminate, become void and be completely discharged and satisfied, except only that thereafter the Holder thereof shall be entitled to payment of the principal of and interest on such Bond, and such payments will be payable under such Bond but only out of the money or securities deposited with the Bond Trustee as aforesaid for its payment; provided further, however, that the provisions of Section 10.04 hereof shall apply in all events.

The Bonds may at any time be surrendered to the Bond Trustee for cancellation by the Borrower, which Bonds may have been acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03. Deposit of Money or Securities with Bond Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the amount necessary to pay any Bonds, such amount (which may include money or securities held by the Bond Trustee in the funds established pursuant to this Indenture) shall be equal (taking into account income which will accrue from the investment thereof on the date of deposit of such funds but without taking into account any income from the subsequent reinvestment thereof) to the principal amount of such Bonds and all unpaid interest thereon to maturity, and shall be:

- (a) lawful money of the United States of America; or
- (b) noncallable bonds, bills and bonds issued by the Department of the Treasury (including without limitation (1) obligations issued or held in book-entry form on the books of the Department of the Treasury and (2) the interest component of Resolution Funding Corporation strips for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form), United States Treasury Obligations, State and Local Government Series and Zero Coupon United States Treasury Bonds;

provided, in each case, that the Bond Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the Borrower) to apply such money to the payment of such

principal of and interest on such Bonds and provided, further, that the Bond Trustee shall have received (i) an Opinion of Bond Counsel to the effect that such deposit shall not cause interest on the Tax-Exempt Bonds to be included in the gross income of the Holder thereof for federal income tax purposes and that the Bonds to be discharged are no longer Outstanding; and (ii) a verification report of a firm of certified public accountants or other financial services firm acceptable to the Bond Trustee verifying that the money or securities so deposited or held together with earnings thereon will be sufficient to make all payments of principal of and interest on the Bonds to be discharged to and including their maturity date.

SECTION 10.04. Payment of Bonds After Discharge of Indenture. Notwithstanding any provision of this Indenture, and subject to applicable escheat laws, any moneys (including interest thereon) held by the Bond Trustee in trust for the payment of the principal of or interest on any Bonds and remaining unclaimed for one year after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or by declaration as provided in this Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Borrower free from the trusts created by this Indenture, and all liability of the Bond Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Borrower as aforesaid, the Bond Trustee may (at the cost of the Borrower) first mail to the Holders of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Bond Trustee, a notice, in such form as may be deemed appropriate by the Bond Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Borrower of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Payments. Principal of and interest on the Bonds is payable solely from Payments. Neither the State nor the Authority shall be obligated to pay the Bonds or the interest thereon except from certain Payments set forth herein, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof shall be pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority shall not be treated or deemed as having incurred any liability hereunder or by reason of or in connection with this Indenture, the Loan Agreement or any of the transactions contemplated by any thereof except to the extent payable from certain Payments set forth herein or other amounts available therefor under and pursuant to this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of this Indenture any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Bond Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and

agreements in this Indenture contained by or on behalf of the Authority or the Bond Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03. Limitation of Rights to Parties, Borrower and Bondholders. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Bond Trustee, the Borrower and the Holders of the Bonds any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Bond Trustee, the Borrower and the Holders of the Bonds.

SECTION 11.04. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Bond Trustee and the delivery to the Authority of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds (in the presence of an officer of the Authority, if the Authority shall so require) and at the request of the Authority deliver a certificate of such destruction to the Authority.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. Notices. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given (a) if hand delivered or delivered by courier, when delivered to the appropriate notice address, or (b) if mailed by first class mail, postage prepaid, six Business Days after deposit in the United States mail addressed to the appropriate notice address. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day. The parties listed below may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

As to the California School Finance Authority

Authority: State Treasurer's Office
300 S. Spring Street, Suite 8500
Los Angeles, California 90013
Attention: Executive Director
Telecopy: (213) 620-6309

As to the Borrower: Grupo Nuevo Los Angeles
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

As to the Lessee: Camino Nuevo Charter Academy
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

As to Bond Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department

All notices, approvals, consents, requests and any communications to the Bond Trustee hereunder or under any Borrower Document must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Bond Trustee). Electronic signatures believed by the Bond Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Authority or the Borrower chooses to use electronic signatures to sign documents delivered to the Bond Trustee, the Authority and the Borrower, as applicable, agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Bond Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Bond Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Bond Trustee in lieu of, or in addition to, any document signed via electronic signature.

SECTION 11.08. Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Bond Trustee and of the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any

jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the bond registration books held by the Bond Trustee.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bond Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority or the Borrower or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. In determining whether the Bond Trustee shall be protected in relying upon any such approval or consent of an Holder, only Bonds which a Responsible Officer of the Bond Trustee actually knows to be owned or held by or for the account of the Authority or the Borrower or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower shall be disregarded unless all Bonds are so owned, in which case such Bonds shall be considered outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower. In case of a dispute as to such right, any decision by the Bond Trustee taken upon the advice of counsel shall be full protection to the Bond Trustee. Upon request of the Bond Trustee, the Authority and the Borrower shall specify in a certificate to the Bond Trustee those Bonds disqualified pursuant to this Section and the Bond Trustee may conclusively rely on such certificate.

SECTION 11.10. Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest, principal due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

SECTION 11.11. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the requirements of Sections 5.11 and 6.10 hereof (and the Tax Regulatory Agreement) and for the protection of the security of the Bonds and the rights

of every Holder thereof. In addition to the funds and accounts hereby established, and subject to the foregoing, the Bond Trustee may establish such additional accounts or subaccounts, including of a temporary nature, as may be necessary or convenient for the administration of this Indenture.

SECTION 11.12. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal (or redemption price) of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.13. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Bond Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.14. Governing Law; Venue. This Indenture shall be construed in accordance with and governed by the Constitution and the laws of the State applicable to contracts made and performed in the State. This Indenture shall be enforceable in the State, and any action arising out of this Indenture shall be filed and maintained in Sacramento County Superior Court, Sacramento County, California unless the Authority waives this requirement.

SECTION 11.15. Complete Agreement. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

SECTION 11.16. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.

SECTION 11.17. Action to Be Taken on Days Other Than Business Days. Except as otherwise provided herein, whenever this Indenture requires any action to be taken on a day which is not a Business Day, such action shall be taken on the next succeeding Business Day with the same force and effect as if taken on such day. If any payment is made on the next Business Day as aforesaid, no interest shall accrue for the intervening period.

IN WITNESS WHEREOF, the CALIFORNIA SCHOOL FINANCE AUTHORITY has caused this Indenture to be signed in its name by a Deputy Treasurer for the Chair and its Executive Director, and U.S. Bank Trust Company, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by a representative hereunto duly authorized, all as of the day and year first above written.

**CALIFORNIA SCHOOL FINANCE
AUTHORITY**

By: _____
Deputy Treasurer for Chair, State Treasurer
Fiona Ma

By _____
Katrina Johantgen, Executive Director

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Bond Trustee**

By: _____
Authorized Officer

[Signature Page to Indenture – Camino Nuevo Charter Academy –
Obligated Group 2023]

EXHIBIT A
FORM OF BONDS

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN THE INDENTURE (DEFINED HEREIN). BY POSSESSION OF THIS BOND, THE HOLDER CERTIFIES THAT IT IS AN ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN THE INDENTURE. THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, ACKNOWLEDGES THAT THIS BOND MAY ONLY BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, OR BENEFICIAL OWNERSHIP CAN ONLY BE HELD BY AN “ACCREDITED INVESTOR” OR A “QUALIFIED INSTITUTIONAL BUYER.” THE TRANSFER RESTRICTIONS HEREOF MAY BE REMOVED ONLY PURSUANT TO CERTAIN PROVISIONS OF THE INDENTURE. IN THE EVENT SUCH RESTRICTIONS ARE REMOVED, THE BOND TRUSTEE SHALL PROVIDE NOTICE THEREOF AS SET FORTH IN THE INDENTURE.

THE BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE CALIFORNIA SCHOOL FINANCE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICES OR TO MAKE FUNDS AVAILABLE TO THE SCHOOL IN ANY AMOUNT OR AT ANY TIME.

REGISTERED

No. R[A/B]-__

\$ _____

**CALIFORNIA SCHOOL FINANCE AUTHORITY
 CHARTER SCHOOL REVENUE BONDS
 (CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
 SERIES 2023[A][B] ([TAXABLE])**

Rate of Interest:	Maturity Date:	Dated Date:	CUSIP:
___%	[] 1, 20[]	[], 2023	_____

Registered Owner: Cede & Co.

Principal Amount: _____ DOLLARS

CALIFORNIA SCHOOL FINANCE AUTHORITY, a public instrumentality of the State of California (the “Authority”), for value received, hereby promises to pay (but only out of the Payments and other assets pledged therefor as hereinafter mentioned) to CEDE & CO. or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum of [] DOLLARS (\$PAR[A][B]), in lawful money of the United States of America; and to pay interest thereon (but only from said Payments and other assets pledged therefor) in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the rate stated above, payable on January 1 and July 1 of each year, commencing on [July 1, 20__]. The principal (or redemption price) hereof is payable at the Principal Corporate Trust Office (as defined in the Indenture) of U.S. Bank Trust Company, National Association (together with any successor trustee as provided in the Indenture, as defined below, the “Bond Trustee”). Interest hereon is payable by check mailed on each interest payment date to the registered owner hereof as of the fifteenth day of the month immediately preceding the month in which such interest payment date occurs (except with respect to defaulted interest) (the “Record Date”) at the address appearing on the bond registration books maintained by the Bond Trustee; provided, however, that the holder of \$1,000,000 or more in aggregate principal amount of Bonds may be paid by wire transfer to an account within the United States of America upon written request filed with the Bond Trustee at least one Business Day before the Record Date for the applicable interest payment date.

Principal of and interest on the Bonds is payable solely from Payments. Neither the State nor the Authority shall be obligated to pay the Bonds or the interest thereon except from the Payments as set forth in the Indenture, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof shall be pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority shall not be treated or deemed as having incurred any liability under the Indenture or by reason of or in connection with the Indenture, the Loan Agreement or any of the transactions contemplated by any thereof except to the extent payable from certain Payments set forth in the Indenture or other

amounts available therefor under and pursuant to the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of the Indenture any funds of the Authority which may be made available to it for such purposes. The Bonds are not a debt of the State of California and said State is not liable for payment thereof.

This Bond is entitled “California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023[A][B] [(Taxable)]” (herein called the “Bonds”), limited in aggregate principal amount of [_____] dollars (\$PAR[A][B]) and issued pursuant to the provisions of the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (herein called the “Act”) and an indenture, dated as of [_____] 1, 2023, between the Authority and the Bond Trustee (herein called the “Indenture”). The Bonds are issued for the purpose of (i) funding the loan to Grupo Nuevo Los Angeles, a California nonprofit corporation, pursuant to a Loan Agreement, dated as of [_____] 1, 2023 (herein called the “Loan Agreement”), between the Authority and the Borrower, for the purposes and on the terms and conditions set forth therein, (ii) funding a deposit to the Reserve Account, and (iii) paying certain costs of issuance of the Bonds. Proceeds of the loan will be used by the Borrower for the acquisition, construction, improvement and equipping of certain charter school facilities located in Los Angeles County, California (the “Project”), as more particularly described in the Indenture.

The Bonds are issuable only as fully registered Bonds in denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof, except as otherwise provided in the Indenture. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged, at the Principal Corporate Trust Office, for a like aggregate principal amount of Bonds of other authorized denominations.

Reference is hereby made to the Indenture (a copy of which is on file at said Principal Corporate Trust Office) and all indentures supplemental thereto, to the Loan Agreement (a copy of which is on file at said Principal Corporate Trust Office) and to the Act for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Bond Trustee and of the rights and obligations of the Authority thereunder, to all the provisions of which Indenture and Loan Agreement the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are secured by a pledge and assignment of Payments and of amounts held in the funds and accounts (other than the Rebate Fund) established pursuant to the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The Bonds are subject to redemption prior to their stated maturity, at the times and redemption prices, upon the notice and subject to the terms and conditions set forth in the Indenture. If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the registered owner hereof, in person or by such person’s attorney duly authorized in writing, at the Principal Corporate Trust Office, but only in the manner,

subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a Bond or Bonds, of authorized denomination or denominations and for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Authority and the Bond Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Authority and the Bond Trustee shall not be affected by any notice to the contrary.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the provisions of the Act and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Act, or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Bond Trustee.

This Bond shall be construed in accordance with and governed by the Constitution and the laws of the State of California applicable to contracts made and performed in the State of California.

IN WITNESS WHEREOF, the California School Finance Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chair, as of the Dated Date recited above.

**CALIFORNIA SCHOOL FINANCE
AUTHORITY**

By: _____
Chair

**[FORM OF TRUSTEE'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION]**

This is one of the Bonds described in the within-mentioned Indenture which has been authenticated and registered this [_____], 2023.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Bond Trustee**

By _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(print or type name, address, taxpayer identification no.
and zip code of assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Bond Trustee with full power of substitution in the premises.

Dated: _____

Signature

BOND: The signature to the assignment must correspond to the name as written on the face of this Bond in every particular, without any alteration or change whatsoever.

Signature Guaranteed By: _____

BOND: The signature(s) to the assignment must be guaranteed by an eligible guarantor institution.

EXHIBIT B

[FORM OF REQUISITION FROM THE PROJECT FUND]

The undersigned authorized representative of Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “Borrower”) hereby requests U.S. Bank Trust Company, National Association, as trustee (the “Bond Trustee”) under that certain Indenture, dated as of [_____] 1, 2023 (the “Indenture”), between the California School Finance Authority and the Bond Trustee, to pay to the Persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Project Fund established and maintained under the Indenture.

The Borrower hereby certifies that:

(a) obligations in amounts stated in this Requisition have been incurred by the Borrower and are presently due and payable and each item is a proper charge against the Project Fund and has not been previously paid from the Project Fund;

(b) 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, other than materialmen’s or mechanics’ liens accruing by mere operation of law;

(c) no Event of Default has occurred under the Loan Agreement or the Lease Agreement;
and

(d) this draw request meets the requirements of the Loan Agreement and the Indenture.

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

Dated: _____

GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation

By: _____
Authorized Borrower Representative

EXHIBIT C

FORM OF REQUISITION FROM THE REPAIR AND REPLACEMENT FUND

The undersigned authorized representative of Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “Borrower”) hereby requests U.S. Bank Trust Company, National Association, as trustee (the “Bond Trustee”) under that certain Indenture, dated as of [_____] 1, 2023, between the California School Finance Authority and the Bond Trustee, to pay to the Persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Repair and Replacement Fund established and maintained under the Indenture.

The Borrower hereby certifies that (a) obligations in amounts stated in this Requisition have been incurred by the Borrower and are presently due and payable and each item is a proper charge against the Repair and Replacement Fund and has not been previously paid from the Repair and Replacement Fund; and (b) 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, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

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

Dated: _____

GRUPO NUEVO LOS ANGELES ,
a California nonprofit corporation

By: _____

Schedule I

(REPAIR AND REPLACEMENT FUND REQUISITION)

<u>Item #</u>	<u>Name/Address</u>	<u>Amount</u>	<u>Purpose</u>
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EXHIBIT D
FORMS OF INVESTOR LETTER

FORM OF INVESTOR LETTER

The Honorable Fiona Ma
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

California School Finance Authority
304 South Broadway
Los Angeles, California 90013

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111

RBC Capital Markets, LLC
777 S. Figueroa St., Suite 850
Los Angeles, California 90017

Re: \$[PARA] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and \$[PARB] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable)

Ladies and Gentlemen:

The undersigned (the “Investor”) hereby acknowledges that it is purchasing \$_____ aggregate principal amount of California School Finance Authority (the “Authority”) Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) 2023A (the “Series 2023A Bonds”) and \$_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the “Series 2023B Bonds” and, together with the Series 2023A Bonds, the “Bonds”), issued pursuant to an Indenture, dated as of [_____] 1, 2023 (the “Indenture”), between the Authority and U.S. Bank Trust Company, National Association (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This letter is being provided pursuant to a Bond Purchase Agreement, dated [_____] 2023 (the “Purchase Agreement”), among the Authority, the Treasurer of the State of California, as agent for sale on behalf of the Authority, RBC Capital Markets, LLC (the “Underwriter”), and approved by Grupo Nuevo Los Angeles (the “Borrower” and “Obligated Group Representative”) and Camino Nuevo Charter Academy, a California nonprofit corporation (the “Lessee”).

The undersigned acknowledges that the Bonds are being delivered for the purpose of financing the acquisition, expansion, remodeling, renovation, and/or equipping of certain charter school facilities located in Los Angeles, California (the “Project”) on behalf of the Borrower, as more particularly described in the Loan Agreement, dated as of [_____] 1, 2023 (the “Loan Agreement”), by and between the Authority and the Borrower. The undersigned further acknowledges that the Borrower will lease the charter school facility to the Lessee pursuant to those certain lease agreements (collectively, the “Lease”) between the Borrower and the Lessee.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Bonds (“Obligation No. 1”) issued by the Obligated Group Representative in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of [_____] 1, 2023 (the “Master Indenture”), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023 (the “Supplemental Master Indenture”), each by and between the Obligated Group Representative, the Borrower and the Landlords, as the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee (the “Master Trustee”). The Indenture, the Loan Agreement, the Lease,

the Master Trust Indenture, and the Supplemental Master Indenture are referred to herein as the “Bond Documents.”

In connection with the sale of the Bonds to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is either (a) a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “Act”), or (b) an “accredited investor,” described in Sections (a)(1), (2), (3), (7), (8), (9), (12), or (13) of Rule 501 of Regulation D promulgated under the Act, and therefore has sufficient knowledge and experience in financial and business matters, including in the purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a current view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Bonds and in the Indenture. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since a sale of the Bonds, or any portion thereof, prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Act and that such registration is not legally required as of the date hereof and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating, and (d) will be delivered in a form which may not be readily marketable due to restrictions on transfer.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, which it has requested from the Borrower and which the Investor believes to be significant in making investment decisions, which information is included in the Preliminary Limited Offering Memorandum, dated [____], 2023 (the “Preliminary Limited Offering Memorandum”), and the Limited Offering Memorandum, dated as of [____], 2023 (the “Limited Offering Memorandum”), and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project, the Lessee, the Bond Documents and the Bonds and the security therefor so that the Investor has been able to make a decision to purchase the Bonds.

6. The Investor has received a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. The Investor acknowledges that it has not relied upon any advice, counsel, representation or information of the Authority in connection with the Investor’s purchase of the Bonds.

7. The Investor acknowledges that the obligations of the Authority under the Indenture are special, limited obligations payable solely from amounts paid to the Authority or the Trustee from the Borrower and the Landlords, as the initial Members of the Obligated Group pursuant to the Loan Agreement and Obligation No. 1 and the Authority shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of the Authority to pay any portion of the costs of the Project, the Costs of Issuance, or any other costs or expense in connection with the Project, the Costs of Issuance, the Bonds or the Bond Documents. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Authority (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and

credit of the Authority, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal of or interest on the Bonds and that the liability of the Authority and the State of California with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

8. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Investor is aware that the business of the Borrower and the Lessee involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Investor has reviewed the documents executed in conjunction with the issuance of the Bonds, or summaries thereof, including, without limitation, the Indenture, the Master Indenture, the Supplemental Master Indenture, the Lease and the Loan Agreement.

9. The Investor acknowledges and agrees that the Authority takes no responsibility for, and makes no representation to the Investor, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bonds in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Investor also acknowledges that, with respect to the Authority’s obligations and liabilities, the Investor is solely responsible for compliance with the sales restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by the Investor.

10. The Investor agrees that it is bound by and will abide by the provisions of the Indenture relating to transfer, the restrictions noted on the face of the Bonds and this Investor Letter. The Investor also covenants to comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Bonds by the Investor.

11. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties herein by the addressees hereto.

12. The Investor hereby waives any and all claims, actions, or causes of action which the Investor may have from and after the date hereof against the Authority, counsel to the Authority, and their respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Authority took or could have taken in connection with the authorization, execution, delivery, and sale of the Bonds or the purchase of the Bonds by the undersigned or in connection with any statements or representations which induced the undersigned to purchase the Bonds. This waiver does not go to the Borrower, the Underwriter, Bond Counsel, the Lessee, or their counsel, their respective members, officers, agents, or employees.

The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.

Date: _____, 2023

Very truly yours,

NAME OF INVESTOR

By: _____

Name: _____

Title: _____

FORM OF BONDHOLDER REPRESENTATIVE LETTER

The Honorable Fiona Ma
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

California School Finance Authority
304 South Broadway
Los Angeles, California 90013

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111

RBC Capital Markets, LLC
777 S. Figueroa St., Suite 850
Los Angeles, California 90017

Re: \$[PARA] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and \$[PARB] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable)

Ladies and Gentlemen:

This letter is being delivered in connection with the sale of \$ _____ aggregate principal amount of California School Finance Authority (the "Authority") Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) 2023A (the "Purchased Series 2023A Bonds") and \$ _____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the "Purchased Series 2023B Bonds" and, together with the Purchased Series 2023A Bonds, the "Purchased Bonds"), issued pursuant to an Indenture, dated as of [_____] 1, 2023 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association (the "Trustee").

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This letter is being provided pursuant to a Bond Purchase Agreement, dated [_____] 2023 (the "Purchase Agreement"), among the Authority, the Treasurer of the State of California, as agent for sale on behalf of the Authority, RBC Capital Markets, LLC (the "Underwriter"), and approved by Grupo Nuevo Los Angeles (the "Borrower" and "Obligated Group Representative") and Camino Nuevo Charter Academy, a California nonprofit public benefit corporation ("Camino Nuevo").

The undersigned acknowledges that the Bonds are being delivered for the purpose of financing the acquisition, expansion, remodeling, renovation, furnishing and/or equipping of certain charter school facilities located in Los Angeles, California (the "Project") on behalf of the Borrower, as more particularly described in the Loan Agreement, dated as of [_____] 1, 2023 (the "Loan Agreement"), by and between the Authority and the Borrower. The undersigned further acknowledges that the Lessee will lease the charter school facility to the Borrower, and the Borrower will sublease the charter school facility to the Lessee pursuant to those certain lease and sublease agreements (collectively, the "Lease") between the Borrower and the Lessee.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Bonds ("Obligation No. 1") issued by the Obligated Group Representative in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of [_____] 1, 2023 (the "Master Indenture"), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023 (the "Supplemental Master Indenture"), each by and between the Obligated Group Representative, the Borrower and the Landlords, as the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee (the "Master Trustee"). The Indenture, the Loan Agreement, the Lease, the Master Trust Indenture, and the Supplemental Master Indenture are referred to herein as the "Bond Documents."

In connection with the sale of the Purchased Bonds, the undersigned (the “Bondholder Representative”) hereby makes the following representations upon which you may rely:

1. The Bondholder Representative is a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “Act”) or a registered investment adviser as defined in the Investment Advisers Act of 1940, responsible for managing at least \$1 billion in assets.

2. The Bondholder Representative has discretionary authority over the investments of its clients who will be the owners of the Purchased Bonds (the “Owners”), is the duly appointed representative of the Owners of all of the Purchased Bonds and is authorized to act on behalf of the Owners.

3. Each Owner is an “accredited investor” as described in Sections (a)(1), (2), (3), (7), (8), (9), (12) or (13) of Rule 501 of Regulation D promulgated under the Act, or a “qualified institutional buyer” as defined in Rule 144A of the Act, and therefore has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Purchased Bonds.

4. The Bondholder Representative and each Owner understands that the Bonds are not registered under the Act and that such registration is not legally required as of the date hereof and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating, and (d) may not be readily marketable due to restrictions on transfer.

5. Each Owner is acquiring its Bonds for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and each Owner intends to hold its Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of its Bonds. However, each Owner, or the Bondholder Representative on behalf of such Owner, may sell such Owner’s Bonds at any time such Owner, or the Bondholder Representative on behalf of such Owner, deems appropriate, subject to the transfer restrictions set forth in the Bonds and in the Indenture. Each Owner understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

6. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, which it has requested from the Borrower and to which the Bondholder Representative, on behalf of itself and each Owner would attach significance in making investment decisions, which information is included in the Preliminary Limited Offering Memorandum, dated [____], 2023, (the “Preliminary Limited Offering Memorandum”), and the Limited Offering Memorandum, dated as of [____], 2023 (the “Limited Offering Memorandum”), and the Bondholder Representative, on behalf of itself and each Owner, has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project, the Lessee, the Bond Documents and the Bonds and the security therefor so that, as a reasonable investor, the Bondholder Representative, on behalf of itself and each Owner, has been able to make a decision to purchase the Bonds.

7. The Bondholder Representative, on behalf of itself and each Owner, has received a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that it has not relied upon any advice, counsel, representation or information of the Authority in connection with the Bondholder Representative's purchase, on behalf of the Owner, of the Bonds.

8. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that the obligations of the Authority under the Indenture are special, limited obligations payable solely from amounts paid to the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 and the Authority

shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of the Authority to pay any portion of the costs of the Project, the Costs of Issuance, or any other costs or expense in connection with the Project, the Costs of Issuance, the Bonds or the Bond Documents. The Bondholder Representative, on behalf of itself and each Owner, understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Authority (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal of or interest on the Bonds and that the liability of the Authority and the State of California with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

9. The Bondholder Representative, on behalf of itself and each Owner, has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Bondholder Representative and each Owner are aware that the business of the Borrower and the Lessee involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Bondholder Representative, on behalf of itself and each Owner, has also reviewed the documents executed in conjunction with the issuance of the Bonds, or summaries thereof, including, without limitation, the Indenture, the Master Indenture, the Supplemental Master Indenture, the Lease and the Loan Agreement.

10. The Bondholder Representative, on behalf of itself and each Owner, acknowledges and agrees that the Authority takes no responsibility for, and makes no representation to the Bondholder Representative or such Owner, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bonds in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Bondholder Representative, on behalf of itself and each Owner, also acknowledges that, with respect to the Authority's obligations and liabilities, the Bondholder Representative and such Owner are solely responsible for compliance with the sales restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by such Owner or by the Bondholder Representative on behalf of such Owner.

11. The Bondholder Representative, on behalf of itself and each Owner, agrees that it is bound by and will abide by the provisions of the Indenture relating to transfer, the restrictions noted on the face of the Bonds and this Investor Letter. The Bondholder Representative and each Owner will comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Purchased Bonds by such Owner, or by the Bondholder Representative on behalf of such Owner.

12. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that the sale of the Bonds to such Owner is made in reliance upon the certifications, representations and warranties herein by such Owner and by the Bondholder Representative on behalf of itself and on behalf of such Owner.

13. The Bondholder Representative, on behalf of itself and each Owner, hereby waives any and all claims, actions, or causes of action which such Owner or the Bondholder Representative on behalf of such Owner may have from and after the date hereof against the State Treasurer, the Authority, counsel to the Authority, counsel to the State Treasurer and their respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Authority or the State Treasurer took or could have taken in connection with the authorization, execution, delivery, and sale of the Bonds or the purchase of the Bonds by the Owner or by the Bondholder Representative on behalf of such Owner or in connection with any statements or representations which induced the Owner or the Bondholder Representative on behalf of such Owner to purchase the Bonds. This waiver does not go to the Borrower, the Underwriter, Bond Counsel, the Lessee, or their counsel, their respective members, officers, agents, or employees.

14. The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.

Date: _____, 2023

Very truly yours,

NAME OF BONDHOLDER REPRESENTATIVE

By: _____

Name: _____

EXHIBIT E

FORM OF DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

RECORDING REQUESTED BY)
AND WHEN RECORDED, RETURN TO:)
))
Kutak Rock LLP)
777 S Figueroa Street, Suite 4550)
Los Angeles, California 90017)
))
Attn: Jessica Shaham, Esq.)
))
_____)
COUNTY OF LOS ANGELES

**DEED OF TRUST
WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “Deed of Trust”), is made as of [_____] 1, 2023, by [Landlord], a California limited liability company, as trustor (“Trustor”), to [Fidelity Title Insurance Company], as trustee (“Trustee”), for the benefit of the U.S. Bank Trust Company, National Association, a national banking association, as Beneficiary (“Beneficiary” and “Master Trustee”), as master trustee under that certain Master Indenture of Trust, dated as of [_____] 1, 2023 (the “Master Indenture”), as amended and supplemented from time to time, among the Trustor, as Borrower and as the obligated group representative, other members of the obligated group, and the Beneficiary. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Indenture.

ARTICLE I. GRANT IN TRUST

1.1 Trustor hereby grants and assigns to Trustee, in trust, with power of sale and right of entry and possession, all of Trustor’s right, title and interest in that certain real property located in the County of Los Angeles, State of California, as described on Exhibit A attached hereto and by this reference incorporated herein (the “Site” or the “Land”), together with all of the Trustor’s right, title and interest, whether now owned or hereafter acquired, in or to the property and rights listed in paragraphs (a) through (m) below (hereinafter collectively with the Site referred to as the “Property”):

- (a) All buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located on the Site (hereinafter referred to as the “Improvements”); and to the extent permitted by law, the name or names, if any, as may now or hereafter be used for each Improvement;

(b) All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Site or the Improvements and the reversions, remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Site to the center line thereof and all the estates, rights, titles, interests, property, possession, claim and demand whatsoever, both in law and in equity, of Trustor of, in and to the Site and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(c) All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), inventory and articles of personal property and accessions thereof and renewals, replacements thereof and substitutions therefor, and other tangible property of every kind and nature whatsoever owned by Trustor, or in which Trustor has or shall have an interest, now or hereafter located upon the Site or the Improvements, or appurtenances thereto, or used in connection with the present or future operation and occupancy of the Site or the Improvements;

(d) All awards of payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property to the extent actually received by Trustor, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer of the Property or part thereof made in lieu of or in anticipation of the exercise of said right), or for any other injury to or decrease in the value of the Property;

(e) All rights to minerals, oil and gas and other hydrocarbon substances, all water, irrigation and drainage rights, and all crops and timber on, under or relating to the Land; all shares of stock in any water company or other utility supplying water or utility services to the Land; and all damages, royalties and revenues of every kind, nature and description whatsoever that Trustor may be entitled to receive from any person or entity owning or hereafter acquiring a right to any oil, gas and mineral rights and reservations appurtenant or otherwise related to the Land;

(f) All privileges and other rights now or hereafter appurtenant or incidental to the Land, including air rights and development rights relating to the Land and all streets, curbs, gutters, sidewalks, sewers, storm drains, roads and public places, open or proposed; and all easements and rights of way, public or private, now or hereafter used in connection with the Land;

(g) All reserves, escrows and deposit accounts maintained by Trustor with respect to the Property (including, without limitation, all reserves, escrows, deposit accounts and other accounts established pursuant to the Loan Agreement), together with all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property from time to time held therein, and all proceeds, products, distributions, dividends or substitutions thereon or thereof;

(h) All plans, drawings, specifications, contracts and agreements for development, subdivision, grading or construction of any Improvements now located on, or hereafter to be constructed on, the Land and all studies, data and drawings relating thereto; all approvals, permits, entitlements, development agreements or other rights relating thereto; all payment, performance or other bonds and all deposits and other security delivered to, by or for the benefit of Trustor in connection with the construction of Improvements on the Land; any and all construction materials, supplies and equipment used or to be used in connection with the construction of Improvements on the Land, whether or not stored on the Land, and all warranties and guaranties relating thereto; any and all contracts, subcontracts, agreements, and purchase orders with architects, engineers, consultants, contractors, subcontractors, suppliers and materialmen incidental to construction of Improvements on the Land; all reserves, deferred payment deposits, cost savings and payments of any kind relating to the construction of such Improvements; and all drawings, maps, plats, surveys, studies and reports relating to the Land;

(i) All leases and other agreements affecting the use, enjoyment or occupancy of the Property now or hereafter entered into (the "Leases") and all oil and gas or other mineral royalties, bonuses and rents, revenues, security deposits, issues and profits from the Property (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the obligations secured by this Deed of Trust;

(j) All names, trade names, trademarks, service marks, and logos by which the Land is known or operated, all rights to conduct business under any such name or any variation thereof, and all goodwill in any way relating to the Land;

(k) All insurance policies and proceeds of and any unearned premiums on any insurance policies covering the Property including, without limitation, the right to receive and apply the proceeds of any insurance, judgments (including with respect to a casualty thereto or condemnation thereof), or settlements made in lieu thereof, for damage to the Property;

(l) The right, in the name and on behalf of Trustor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Beneficiary in the Property; and

(m) All right, title and interest of every nature of the Trustor in all receivables and other accounts of Trustor relating to the Property and in all monies deposited or to be deposited in any funds or account maintained or deposited with Beneficiary, or its assigns, in connection herewith, if any.

ARTICLE II. ASSIGNMENT OF RENTS

2.1 Trustor absolutely and irrevocably assigns to Beneficiary the Rents of the Property upon the terms and conditions hereinafter set forth. The foregoing assignment shall not impose upon Beneficiary any duty to produce Rents from the Property, and said assignment shall not cause Beneficiary to be a "mortgagee in possession" for any purpose. This assignment of the Rents and

profits of the Property is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest. Beneficiary is hereby authorized to collect and receive the foregoing Rents, to give proper receipts and acquittances therefor and to apply the same to the payment of the obligations secured hereby. However, Beneficiary hereby grants Trustor a revocable license to collect and receive, and to use in accordance with the provisions of the Master Indenture, such Rents until after an Event of Default (as that term is defined herein in Article V, Default Provisions) has occurred and while such Event of Default is continuing. Upon an Event of Default, the license shall be automatically revoked, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all Rents of the Property as the same shall become due and payable, including, but not limited to, Rents then due and unpaid. All such Rents thereafter collected by Trustor shall be held by Trustor as trustee in a constructive trust for the benefit of Beneficiary only. Trustor agrees that commencing upon delivery of such written notice of revocation of license, each tenant of the Property shall make such Rents payable to and pay such Rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant, without any liability on the part of said tenant to inquire further as to the existence of a default or license by Trustor.

ARTICLE III. OBLIGATIONS SECURED

3.1 Trustor makes the foregoing grant for the purpose of securing (collectively, the "Secured Obligations"):

(a) Payment to the California School Finance Authority (the "Authority") of all Loan Repayments and Additional Payments and other amounts to be paid by Trustor arising under the Loan Agreement, dated of even date herewith, between the Authority and the Borrower (the "Loan Agreement") and amounts due under the obligations issued pursuant to the Master Indenture;

(b) The observance and performance by Trustor of each covenant and obligation on the part of Trustor to be observed or performed pursuant to the Loan Agreement (hereinafter as amended, supplemented or otherwise modified from time to time referred to collectively with the Master Indenture, as the "Financing Documents");

(c) The payment of all payments required with respect to Related Bonds issued or executed and delivered from time to time by the Trustor and the performance by Trustor of each covenant and obligation on part of Trustor to be observed or performed pursuant to the agreements and/or instruments pursuant to which such Related Bonds is issued or executed and delivered;

(d) The observance and performance of each covenant and obligation of Trustor herein contained or incorporated herein by reference and payment of each fee, cost and expense by Trustor as herein set forth; and

(e) Payment of such further sums and/or performance of such further obligations as the then record owner of the Property may undertake to pay and/or perform (whether as principal, surety or guarantor), for the benefit of Beneficiary, its successors or

assigns, when said borrowing and/or obligation is evidenced by a writing or writings signed by such owner reciting that it or they are so secured.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, THE PARTIES AGREE AS FOLLOWS:

ARTICLE IV. RIGHTS AND DUTIES OF THE PARTIES.

4.1 Title. Trustor warrants that it lawfully holds and possesses the real property as shown in Exhibit A, in fee simple, free and clear of all liens, encumbrances and other exceptions, other than the Permitted Liens, and without limitation on the right to encumber except as set forth in the Loan Agreement.

4.2 Taxes and Assessments. Trustor shall pay or cause to be paid prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Property, any part thereof or interest therein (unless contested in good faith by Trustor). Trustor shall also pay, after notice and prior to delinquency, all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in the Property created hereby or by reason of any payment, or portion thereof, made to Beneficiary hereunder or pursuant to any obligation hereby secured; provided, however, that Trustor shall have no obligation to pay or discharge Beneficiary's business or franchise taxes, federal or state income taxes or other taxes and which are measured by and imposed upon Beneficiary's net or gross income or receipts.

4.3 Insurance. Trustor shall provide all insurance specified in the Financing Documents.

4.4 Liens and Encumbrances. Except as permitted by the Financing Documents, Trustor shall pay, when due at or prior to maturity or such other period as permitted in the Loan Agreement, all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber the Property or any part thereof or interest therein, whether senior or subordinate hereto, including without limitation all claims for work or labor performed, or materials or supplies furnished, in connection with any work of demolition, alteration, improvement of or construction upon the Property. Trustor shall have the right to contest in good faith any such obligation or claim provided such contest shall be prosecuted diligently and in a manner not prejudicial to Beneficiary, and if a judgment adverse to Trustor is obtained, such judgment shall be fully paid or discharged within ten (10) days after the entry of such judgment unless such judgment is stayed. Upon demand by Beneficiary, Trustor shall defend, indemnify and hold Beneficiary harmless against any such obligation or claim, so contested by Trustor, and upon demand by Beneficiary, Trustor shall make suitable provision by payment to Beneficiary or by posting a bond or other security satisfactory to Beneficiary for the possibility that the contest will be unsuccessful, including, if Beneficiary requests, a one-and-one half times bond with respect to mechanics' or materialmen's liens, if available. Such provision shall be made within ten (10) days after demand therefor and, if made by payment of funds to Beneficiary, the amount so deposited shall be disbursed in accordance with the resolution of the contest either to Trustor or the adverse claimant. If Trustor fails to post a suitable bond or other acceptable security as provided, Beneficiary may remove or pay such lien or encumbrance at Trustor's expense.

4.5 Disposition of Insurance and Condemnation Proceeds. Trustor agrees to apply all insurance and condemnation proceeds in accordance with the terms and conditions of the Financing Documents.

4.6 Maintenance and Preservation of the Property.

(a) Trustor covenants: (i) to maintain or cause to be maintained the Property in good condition and repair; (ii) to pay when due all claims for work performed and for materials furnished on or to the Property to the extent required by the Financing Documents and which are not otherwise being contested by the Trustor in good faith, and to pay within the periods permitted in the Financing Documents any and all liens or encumbrances arising out of or resulting from work performed or materials supplied on or to the Property to the extent required by the Financing Documents; (iii) to comply in all material respects with and not suffer material violations of, (a) any and all laws, ordinances and regulations ("Laws"), (b) any and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character ("Covenants"), and (c) all requirements of insurance companies ("Requirements"), which Laws, Covenants or Requirements affect the Property and pertain to acts committed or conditions existing thereon, including without limitation such work of alteration, improvement or demolition as such Laws, Covenants or Requirements mandate; (iv) not to commit or permit waste of the Property or any material part thereof; (v) to do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value; (vi) to perform all material obligations required to be performed in leases, conditional sales contracts or like agreements affecting the Property or the operation, occupation or use thereof (and upon the occurrence and continuance of an Event of Default all right, title and interest of Trustor under any such leases, conditional sales contracts or like agreements shall be automatically assigned to Beneficiary hereunder, together with any deposits made in connection therewith); (vii) not to create any deed of trust or encumbrance upon the Property other than Permitted Liens; (viii) to make no further assignment of Rents of the Property other than Permitted Liens; and (ix) to execute and, where appropriate, acknowledge and deliver such further instruments as Beneficiary or Trustee reasonably deems necessary or appropriate to preserve, continue, perfect and enjoy the security provided for herein, including without limitation assignments of Trustor's interest in leases of the Property.

(b) Without the prior written consent of Beneficiary, which consent will not be unreasonably withheld or delayed, Trustor will not apply for, directly or indirectly, any change in the zoning or permitted land uses of the Property, other than to permit the development of the Facilities as required by the Loan Agreement and Indenture, which change could reasonably be expected to materially and adversely affect the use or value of the Property.

4.7 Defense and Notice of Actions. Trustor shall, without liability, cost or expense to Beneficiary or Trustee, protect, preserve and defend (by counsel satisfactory to Beneficiary) title to the Property, the security hereof and the rights or powers of Beneficiary or Trustee hereunder. Said protection, preservation and defense shall include protection, preservation and defense against all adverse claimants to title or any possessory or non-possessory interest therein, whether or not

such claimants or encumbrances assert title paramount to that of Trustor or claim their interest on the basis of events or conditions arising subsequent to the date hereof, other than Permitted Liens. Trustor shall give Beneficiary and Trustee prompt notice in writing of the filing of any such action or proceeding.

4.8 Books and Records.

(a) Trustor will keep adequate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Upon the occurrence and continuance of an Event of Default (as such term is defined in Article V, Default Provisions), Beneficiary will have the right to examine, copy and audit Trustor's records and books of account at all reasonable times during normal business hours upon not less than five (5) Business Days' prior written notice to Trustor. Trustor shall deliver to Beneficiary such records, statements and notices as may be required from time to time pursuant to the terms of the Loan Agreement.

(b) Trustor will promptly furnish, within fifteen (15) days after Beneficiary's written request, a duly acknowledged written statement setting forth all amounts due on the indebtedness secured by this Deed of Trust and stating whether, to the best of Trustor's knowledge, any offsets or defenses exist, and containing such other matters as Beneficiary may reasonably require.

4.9 Collection of Rents. Subject to the provisions of the Financing Documents, Beneficiary confers upon Trustor the authority to collect and retain Rents of the Property as they become due and payable; provided, however, that Beneficiary may revoke said authority and collect and retain the Rents of the Property assigned herein to Beneficiary upon the occurrence and continuance of an Event of Default by Trustor upon giving written notice to Trustor, and without regard to the adequacy of any security for the indebtedness hereby secured, and without taking possession of all or any part of the Property or becoming a "mortgagee in possession." The right to collect Rents as herein provided shall not grant to Beneficiary or Trustee the right to possession, except as expressly herein provided; nor shall said right impose upon Beneficiary or Trustee the duty to produce Rents or profits or maintain the Property in whole or in part. Trustor hereby agrees that it will do nothing to impair Beneficiary's ability to collect and retain the Rents and interests herein assigned on the terms hereof and that any tenant or subtenant occupying the Property or any part thereof may pay any and all Rents or other charges directly to Beneficiary upon notice from Beneficiary without the necessity of any notice from Trustor. Beneficiary may apply, in its sole discretion, any Rents, so collected by Beneficiary against any indebtedness secured hereby or any obligations of Trustor arising hereunder or any other obligations of Trustor to Beneficiary, whether existing on the date hereof or hereafter arising. Collection of any Rents by Beneficiary shall not cure or waive any default or notice of default hereunder or invalidate any acts done pursuant to such notice.

4.10 Right of Inspection. Beneficiary, its agents, contractors and employees, may enter the Property in accordance with the rights of inspection set forth in the Loan Agreement.

4.11 Acceptance of Trust; Notice of Indemnification. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, becomes a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless Trustee brings such action. Trustee shall not be obligated to perform any act required of it hereunder unless the performance of such act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.

4.12 Powers of Trustee. From time to time upon the written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of the obligation secured hereby, Trustee may, without liability therefor and without notice, (i) reconvey all or any part of the Property, (ii) consent to the making of any map or plat thereof, (iii) join in granting any easement thereon, (iv) join in any declaration of covenants and restrictions, or (v) join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee shall, upon request by Trustor, and at no expense to Trustee or Beneficiary, consent to utility easements, subdivision maps and similar rights in the Property granted or applied for by Trustor, provided that rights granted or applied for (a) are customary in connection with the development of real property, (b) are reasonable in form and content, and (c) do not materially and adversely diminish the value of the Property. Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and Trustee or Beneficiary may obtain orders or decrees directing or confirming or approving acts in the execution of said trusts and the enforcement of said remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding unless held or commenced and maintained by Trustee under this Deed of Trust. Trustor shall pay to Trustee reasonable compensation and rents for services and expenses in the administration of the trusts created hereunder upon the occurrence of an Event of Default, including reasonable attorneys' fees. Trustor indemnifies Trustee and Beneficiary against all losses, claims, demands and liabilities (except losses, claims, demands or liabilities arising from the negligence or willful misconduct of the indemnified party) which may be incurred, suffered or sustained in the execution of the trusts created hereunder or in the performance of any act required or permitted hereunder or by law.

4.13 Substitution of Trustees. From time to time, by a writing signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Property is located, a copy of which shall be delivered to Trustor, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall refer to this Deed of Trust and set forth the date, book and page of its recordation. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this paragraph shall be conclusive proof of the proper substitution of such new trustee.

4.14 Reconveyance. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust and a copy of the instrument or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Property or that portion thereof then held hereunder. The recitals of any matters or facts in any reconveyance executed

hereunder shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, the reconveyance may describe the grantee as “the person or persons legally entitled thereto.” Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future Rents of the Property to the person or persons legally entitled thereto, unless such reconveyance expressly provides to the contrary.

4.15 Certain Taxes. In the event of the passage, after the date of this Deed of Trust, of any law deducting from the value of the Property for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust or similar instruments, or the manner of the collection of any such taxes, so as to affect this Deed of Trust, or imposing payment of the whole or any portion of any taxes, assessments or other similar charges against the Property upon Beneficiary, Trustor shall pay such tax or increased portion and shall agree with Beneficiary in writing to pay, or reimburse Beneficiary for the payment of, any such tax or increased portion thereof when thereafter levied or assessed against the Property or any portion thereof. The obligations of Trustor under such agreement shall be secured by this Deed of Trust.

4.16 Environmental Matters.

(a) Definitions. The following definitions apply to the provisions of this Section 4.16:

(1) The terms “Responsible Person” shall mean Trustor, and any other person who owns or acquires any interest in any part of the Property so long as Trustor continues to own the Property, including but not limited to any tenants, easement holders, licensees and other persons using or occupying the Property or any portion thereof and all persons in transit across any part of the Property.

(2) The term “Applicable Law” shall include, but shall not be limited to, each statute named or referred to in (3) below, and all rules and regulations thereunder, and any other local, state and/or federal laws, rules, regulations and ordinances, whether currently in existence or hereafter enacted, which govern, to the extent applicable to the Property,

(i) the existence, cleanup and/or remedy of contamination on property;

(ii) the protection of the environment from soil, air or water pollution, or from spilled, deposited or otherwise emplaced contamination;

(iii) the emission or discharge of hazardous substances into the environment;

(iv) the control of hazardous wastes; or

(v) the use, generation, transport, treatment, removal or recovery of hazardous substances.

(3) The term “Hazardous Substance” shall mean (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Property or to persons on or about the Property or (ii) cause the Property to be in material violation of any Applicable Law; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Applicable Law including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §§ 9601 *et seq.*; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. §§ 6901 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 *et seq.*; the California Hazardous Waste Control Law (“HWCL”), CAL. HEALTH & SAFETY CODE §§ 25100 *et seq.*; the Hazardous Substance Account Act (“HSAA”), CAL. HEALTH & SAFETY CODE §§ 25300 *et seq.*; the Underground Storage of Hazardous Substances Act, CAL. HEALTH & SAFETY CODE §§ 25280 *et seq.*; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), CAL. WATER CODE §§ 13000 *et seq.*; the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property, or any other person coming upon the Property or adjacent property; and (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

(b) Covenants and Representations.

(1) Except as set forth in the Limited Offering Memorandum, dated [____], 2023 (the “Limited Offering Memorandum”), related to the issuance of the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable), Trustor represents and warrants that there have not been during the period of Trustor’s ownership and, to the best of Trustor’s knowledge, information and belief, there have not been at any other times, any activities on the Property involving, directly or indirectly, the use, generation, treatment, storage or disposal of any Hazardous Substances in material violation of Applicable Law (a) under, on or in the land included in the Property, whether contained in soil, tanks, sumps, ponds, lagoons, barrels, cans or other containments, structures or equipment, (b) incorporated in the buildings, structures or improvements included in the Property, including any

building material containing asbestos, or (c) used in connection with any operations on or in the Property, in each case that would have a material adverse effect on the Trustor's operations, taken as a whole.

(2) Trustor shall not allow, nor shall it permit any other Responsible Person to allow, any Hazardous Substances to be brought onto, installed, used, stored, treated or disposed or transported over the Property in material violation of Applicable Law. Without limiting the generality of the foregoing, Trustor shall not, nor shall it permit any Responsible Person to, install, use or permit to be installed or used any product or substance containing asbestos, urea formaldehyde foam insulation or polychlorobiphenyls (pcbs) on the Property in violation of Applicable Law.

(3) Trustor represents that all activities and conditions on the Property are currently in compliance with Applicable Law, except to the extent that non-compliance could not reasonably be expected to materially impair the use of the Property or materially and adversely affect the value thereof. So long as Trustor shall own the Property, Trustor covenants and agrees that all activities on the Property, whether conducted by any Responsible Person or by any other person under the Trustor's license or control, shall at all times comply with Applicable Law except to the extent that non-compliance could not reasonably be expected to materially impair the use of the Property or materially and adversely affect the value thereof.

(4) Within ten (10) days after receipt or completion of any material report, citation, order, manifest or other written or oral communication from any local, state or federal agency or authority empowered to enforce, investigate or oversee compliance with Applicable Law, concerning the Property, any condition thereon, or the activities of any person on or near the Property, Trustor shall notify Beneficiary in writing of the contents of such communication, and shall provide Beneficiary with a copy of all relevant documents.

(5) Notwithstanding any other provision of this Deed of Trust, upon discovery of any Hazardous Substance on or in the Property in material violation of Applicable Law, including, without limitation, substances that have leached onto the Property from neighboring property, substances that were deposited prior to Trustor's ownership of the Property and all substances spilled, discharged or otherwise emitted or deposited on the Property during Trustor's ownership, Trustor shall immediately notify Beneficiary thereof. Trustor shall immediately take all actions necessary to comply with Applicable Law requiring notification of government agencies concerning such Hazardous Substance and to the extent required by law to remedy or correct the violation. Trustor shall handle and dispose of such substances in accordance with Applicable Law. Trustor shall take any and all actions, including institution of legal action against third parties, which in Trustor's reasonable business judgment are appropriate to obtain reimbursement or compensation from such persons as were responsible for the presence of any Hazardous Substance on the Property or otherwise obligated by law to bear the cost

of such remedy. Beneficiary shall be subrogated to Trustor's rights in all such claims.

(6) Trustor shall be solely responsible for and agrees to indemnify Beneficiary, the Authority and the Master Trustee, protect and defend with counsel acceptable to Beneficiary, the Master Trustee and the Authority, and hold Beneficiary, the Master Trustee and the Authority harmless from and against any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), reasonable consultant fees, and expert fees that arise directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Substance in, or from the Property, whether into the air, soil, surface water or groundwater at the Property, or any other violation of Applicable Law, or any breach of the foregoing representations and covenants. The provisions of this subparagraph 4.16(b)(6) shall survive the termination and reconveyance of this Deed of Trust.

(c) Right of Entry. In addition to all rights of entry contained in this Deed of Trust, Beneficiary shall have the right during normal business hours, upon not less than five (5) Business Days' prior written notice to Trustor, to enter and inspect the condition of the Property at any time and to conduct, or to designate a representative to conduct such inspection, testing, environmental audit or other procedures that Beneficiary reasonably believes are necessary or desirable to determine current compliance with the covenants and representations contained herein, provided that such inspection, testing, environmental audit or other procedures do not disrupt or negatively impact Trustor's ordinary business operations on the property and shall be at Beneficiary's sole cost and expense.

(d) Beneficiary's Obligations. Nothing contained in this Section 4.16 shall obligate Beneficiary to take any action with respect to the Property, any Hazardous Substances thereon, or any condition or activity that is in violation of Applicable Law, or to take any action against any person with respect to such substances, condition or activity.

4.17 Wetlands. Trustor represents and warrants that, to the best of its knowledge, no part of the Property consists of or is classified as wetlands, tidelands or swamp and overflow lands. Trustor shall be solely responsible for and agrees to indemnify Beneficiary, protect and defend with counsel acceptable to Beneficiary, and hold Beneficiary harmless from and against any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), reasonable consultant fees, and expert fees that arise directly or indirectly from or in connection with the presence on the Property of wetlands, tidelands or swamp and overflow lands, or any breach of the foregoing representation and warranty. The provisions of this Section 4.17 shall survive the termination and reconveyance of this Deed of Trust.

ARTICLE V. DEFAULT PROVISIONS.

5.1 Event of Default. As used in this Deed of Trust, the term “Event of Default” means each of the following:

(a) Trustor fails to perform or observe any term or condition of this Deed of Trust applicable to Trustor or to the Property, and such event or circumstance, if capable of being cured, is not cured within 60 days after written notice thereof is given by Trustee or Beneficiary to Trustor;

(b) The holder of any junior, subordinated or senior mortgage, deed of trust or other lien on the Property, or any part thereof (without hereby implying Beneficiary’s consent to any junior, subordinated or senior mortgage, deed of trust or other lien) is granted relief in any foreclosure or similar proceeding for the enforcement of its remedies thereunder, which relief (i) negatively affects Beneficiary’s rights hereunder and (ii) is not stayed; or

(c) If any Event of Default under the Indenture or under the Loan Agreement shall occur and be continuing.

5.2 Rights and Remedies. At any time after the occurrence and during the continuance of an Event of Default, Beneficiary and Trustee shall each have the following rights and remedies:

(a) To declare all obligations secured hereby immediately due and payable;

(b) With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor and, in connection therewith, to enter upon the Property and to perform such acts and things as Beneficiary or Trustee deem necessary or desirable to inspect, investigate, assess and protect the security hereof, including without limitation of any of its other rights: to obtain a court order to enforce Beneficiary’s right to enter and inspect the Property pursuant to California Civil Code Section 2929.5, to which the decision of Beneficiary as to whether there exists a release or threatened release of a Hazardous Substance onto the Property shall be deemed reasonable and conclusive as between the parties hereto; to have a receiver appointed pursuant to California Code of Civil Procedure Section 564 to enforce Beneficiary’s right to enter and inspect the Property for Hazardous Substances; to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of either Beneficiary or Trustee, is prior or superior hereto, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; to pay any premiums or charges with respect to insurance required to be carried hereunder; and to employ counsel, accountants, contractors and other appropriate persons to assist them;

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that

for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

(d) Beneficiary or its employees, acting by themselves or through a court-appointed receiver may enter upon, possess, manage, operate, dispose of and contract to dispose of the Property or any part thereof; negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; make, terminate, enforce or modify leases of the Property upon such terms and conditions as Beneficiary deems proper; contract for goods and services, hire agents, employees and counsel, make repairs, alterations and improvements to the Property necessary, in Trustee's or Beneficiary's judgment, to protect the security hereof; incur the risks and obligations ordinarily incurred by owners of property (without any personal obligation on the part of the receiver); and/or take any and all other actions which may be reasonably necessary or desirable to comply with Trustor's obligations hereunder and under the Financing Documents. All sums realized by Beneficiary under this subparagraph, less all costs and expenses incurred by it under this subparagraph, including reasonable attorneys' fees, and less such sums as Beneficiary reasonably deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness nor any other action taken by Beneficiary under this subparagraph shall cure or waive any Event of Default, or notice of default hereunder or nullify the effect of any such notice of default. Beneficiary or Trustee, or any employee or agent of Beneficiary or Trustee, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to (i) the adequacy of the security for the indebtedness secured hereunder, (ii) the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or (iii) the filing of a notice of default except as otherwise provided in Section 5.1 above; and

(e) To execute a written notice of such Event of Default, and of its election to cause the Property to be sold to satisfy the obligations secured hereby, Trustee shall give and record such notice as the law then requires as a condition precedent to a Trustee's sale. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as otherwise required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale and in such order as it or Beneficiary may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale (the obligations hereby secured being the equivalent of cash for purposes of said sale). If the Property consists of several lots, parcels, or items of property, Beneficiary may: (i) designate the order in which such lots, parcels, or items shall be offered for sale or sold, or (ii) elect to sell such lots, parcels or items through a single sale, through two or more successive sales, or in any other manner Beneficiary deems in its best interest. Trustor shall have no right to direct the order in which the Property is sold. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at such time fixed by the preceding postponement. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the

truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary, may purchase at such sale.

In connection with any sale or sales hereunder, Beneficiary may elect to treat any of the Property which consists of a right in action or which is property that can be severed from the real property covered hereby or any improvements thereon without causing structural damage thereto as if the same were personal property or a fixture, as the case may be, and dispose of the same in accordance with applicable law, separate and apart from the sale of real property. Any sale of any personal property or fixtures hereunder shall be conducted in any manner permitted by the California Uniform Commercial Code.

After deducting all reasonable costs, fees and expenses of Trustee and of this trust, including all costs of evidence of title and reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums so expended under the terms hereof not then repaid, the payment of all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto;

(f) To resort to and realize upon the security hereunder and any other security now or hereafter held by Beneficiary in such order and manner as Trustee and Beneficiary or either of them may, in their sole discretion, determine; and resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both;

(g) To seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters set forth above in Section 4.16, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Civil Procedure Code Section 736, whether commenced prior to foreclosure of the Property or after foreclosure of the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other reasonable out-of-pocket costs or expenses actually incurred by Beneficiary (collectively, the "Environmental Costs") incurred or advanced by Beneficiary relating to the cleanup, remediation or other response action required by Applicable Law or to which Beneficiary reasonably believes necessary to protect the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation or other response action of or to the Property were made by Beneficiary in good faith. All Environmental Costs incurred by Beneficiary pursuant to this subparagraph (including without limitation court costs, reasonable consultants' fees and reasonable attorneys' fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Default Rate (as hereinafter defined) from the date of invoice thereof until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Property held pursuant to subparagraph (e) above, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein, the Environmental Costs shall be exceptions to any non-recourse or exculpatory provision and Trustor shall be fully and personally liable for the Environmental Costs hereunder and such liability shall not be limited to the original

principal amount of the obligations secured by this Deed of Trust and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust. For the purposes of any action brought under this subparagraph, Trustor hereby waives the defense of laches and any applicable statute of limitations; and

(h) To waive its lien against the Property or any portion thereof, whether fixtures or personal property, to the extent such property is found to be environmentally impaired in accordance with California Code of Civil Procedure Section 726.5 and to exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including, but not limited to, seeking an attachment order pursuant to California Code of Civil Procedure Section 483.010. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure Section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) was not in any way negligent in permitting the release or threatened release of the Hazardous Substance. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein, to the extent permitted by law, all judgments and awards entered against Trustor shall be exceptions to any non-recourse or exculpatory provision and Trustor shall be fully and personally liable for all judgments and awards entered against Trustor hereunder and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust. For the purposes of any action brought under this subparagraph, Trustor hereby waives the defense of laches and any applicable statute of limitations.

5.3 Payment of Costs, Expenses and Attorneys' Fees. All reasonable costs and expenses incurred by Trustee and Beneficiary pursuant to subparagraphs (a) through (h) inclusive of Section 5.2 (including without limitation court costs, reasonable consultants' fees and reasonable attorneys' fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at a rate equal to the interest rate on the Loan Repayments (the "Default Rate"), from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Property held pursuant to subparagraph 5.2(e) above, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

5.4 Remedies Cumulative. All rights and remedies of Beneficiary and Trustee hereunder are cumulative and in addition to all rights and remedies provided by law.

5.5 Releases, Extensions, Modifications and Additional Security. Without affecting the liability of any person for payment of any indebtedness secured hereby, or the lien or priority of this Deed of Trust upon the Property, Beneficiary may, from time to time, with or without notice, do one or more of the following as otherwise permitted under the Financing Documents: release any person's liability for the payment of any indebtedness secured hereby, make any agreement or take any action extending the maturity or otherwise altering the terms or increasing the amount of

any indebtedness secured hereby, and accept additional security or release all or a portion of the Property and/or other security held to secure the indebtedness secured hereby.

5.6 Marshalling. Trustor hereby waives any right to require that any security given hereunder or under any other agreement securing the obligations secured hereby be marshalled and further waives any right otherwise available in respect to marshalling of assets which secure any obligation secured or imposed hereby or to require Beneficiary to pursue its remedies against any such assets.

ARTICLE VI. SECURITY AGREEMENT AND FIXTURE FILING.

6.1 Grant of Security Interest. As additional security for the obligations secured by this Deed of Trust, Trustor hereby grants to Beneficiary a security interest in and to the following items (collectively, the “Collateral”). Trustor is sometimes referred to herein as “Debtor” and Beneficiary is sometimes referred to herein as “Secured Party.”

(a) All goods, fixtures and other equipment of every kind in which Debtor now or at any time hereafter owns or acquires any interest in connection with the Property, including, without limitation, all tools, equipment, appliances, heating, ventilating and air conditioning systems, plumbing, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, carpets and carpeting, furnishings, furniture, trailers, mobile homes, service equipment, building or maintenance equipment, and all additions and accessions thereto, whether located at the Property, Debtor’s places of business or elsewhere;

(b) All inventory and tangible assets used or consumed in connection with the Property in which Debtor now or at any time hereafter owns or acquires any interest, and all products thereof, whether in the possession of Debtor, warehousemen, bailees or any other person and to the extent now or hereafter located at the Property;

(c) All goods and property covered by any warehouse receipts, bills of lading and other documents evidencing any goods or other tangible personal property of any kind in which Debtor now or at any time hereafter has any interest in connection with the Property or Collateral;

(d) All goods and other tangible personal property of every kind, character or nature in which Debtor now has or at any time hereafter shall have any interest, located on or used in the operation, use, maintenance, development or construction of or otherwise in connection with the Property or Collateral, including, without limitation, any equipment, inventory and other goods and assets which are now or hereafter acquired with loan proceeds or acquired pursuant to or in connection with any lease or other contract pertaining to any use of the Property;

(e) All general intangibles, accounts, agreements, contracts, documents and leases of any kind or nature in which Debtor now or at any time hereafter has an interest related to the Property or the use, operation or maintenance of the Property or any part thereof, and all amendments, supplements, substitutions and renewals thereof, including without limitation all contract rights of Debtor in leases, warranties, letters of credit,

construction contracts, permits, licenses, approvals, governmental authorizations, consulting contracts, bonds, plans and specifications, architectural and engineering drawings, fire insurance policies and other insurance policies, condemnation awards and settlements, copyrights, trademarks, trade names, goodwill, and accounts receivable;

(f) All profits, payments or proceeds of and from any and all agreements for the sale, lease, transfer or conveyance of all or any portion of the Property, subject to the rights of Debtor to collect and retain the same so long as no Event of Default shall have occurred and is continuing; and

(g) Any and all products, accessions, additions, substitutions, replacements or proceeds of or to any of the Collateral which may now or hereafter exist, and any and all rent or income derived from any or all of the Collateral, subject to the rights of Debtor to collect and retain the same so long as no Event of Default shall have occurred and is continuing.

6.2 Remedies. Upon an Event of Default, Beneficiary is and shall be entitled to all the rights, powers and remedies granted a secured party under the California Uniform Commercial Code and other applicable law, including, but not limited to, the right to take possession of all such Collateral. Beneficiary or its representatives may enter upon the Property (without Beneficiary being deemed to be taking possession of the Property or being deemed a mortgagee-in-possession) at any time to inspect, repair, assemble, have appraised or to remove the Collateral and may advertise and conduct public auctions and private sales thereon. Beneficiary may require Trustor to assemble the Collateral and make it available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties. In addition to the expenses of retaking, holding, preparing for sale, selling and otherwise exercising its remedies hereunder, Beneficiary shall be entitled to recover reasonable attorneys' fees and legal expenses before applying the balance of the proceeds from the sale or other disposition of the Collateral towards satisfaction of the obligations secured hereby. Trustor shall remain liable for any deficiency remaining after such sale or other disposition.

With respect to fixtures, Beneficiary or Trustee may elect to treat same as either real property or personal property and proceed to exercise such rights and remedies applicable to the categorization so chosen. Beneficiary may proceed against the items of real property and any items of Collateral separately or together in any order whatsoever, without in any way affecting or waiving Beneficiary's rights and remedies under the California Uniform Commercial Code or its rights and remedies provided under this Deed of Trust.

6.3 Fixture Filing. Trustor agrees that this Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder where the Property is located with respect to any and all fixtures included within the term "Property" as used herein and with respect to any goods and other personal property that may now be or hereafter become fixtures. The names and mailing addresses of the debtor (Trustor) and the secured party (Beneficiary) are set forth below in Section 7.12 of this Deed of Trust. Trustor is, or is one of, the record owners of the Property. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Trustor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any financing

statements, as well as extensions, renewals, and amendments thereof, and reproductions of this Deed of Trust in such form as Beneficiary may require to perfect a security interest with respect to such Collateral. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Beneficiary may reasonably require.

6.4 Limitations. Except as otherwise clearly and expressly provided in the Borrower Documents, the Master Indenture, the Limited Offering Memorandum or this Deed of Trust: (i) Beneficiary has not consented to any other security interest of any other person in any Collateral and has not disclaimed any interest in any Collateral; and (ii) Beneficiary has not agreed or consented to the removal of any Collateral from the Property, and such consent by Trustor shall not be binding on Beneficiary.

6.5 Removal. Notwithstanding any other provision of this Deed of Trust or any other agreement or contract between Trustor and Beneficiary to the contrary, Trustor shall not, without the prior written consent of Beneficiary, remove or permit the removal of any fixture from the Property with a replacement cost in excess of Twenty Thousand Dollars (\$20,000) for any one item or One Hundred Thousand Dollars (\$100,000) in the aggregate of all such fixtures removed from the date of such completion until the date this Deed of Trust is reconveyed, except for fixtures removed and replaced in the ordinary course of business. Beneficiary further reserves the right to prohibit the removal of any such fixture by any person with the legal right to remove any fixture from the Property unless and until such person makes arrangements with (and satisfactory to) Beneficiary for the payment to Beneficiary of all costs of repairing any physical injury to the Property which may be caused by the removal of that fixture.

ARTICLE VII. MISCELLANEOUS PROVISIONS.

7.1 Non-Waiver. By accepting payment of any sum secured hereby after its due date or late performance of any obligation secured hereby, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder or on any obligation hereby secured, either to require prompt payment or performance when due of all other sums and obligations so secured or to declare default for failure to make such prompt payment or performance. No exercise of any right or remedy by Beneficiary or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

7.2 Further Assurances. Trustor shall, upon demand by Beneficiary or Trustee, execute, acknowledge (if appropriate) and deliver any and all documents and instruments and do or cause to be done all further acts reasonably necessary or appropriate to effectuate the provisions hereof.

7.3 Statements of Condition. From time to time as required by law, Beneficiary shall furnish to Trustor such statement as may be required concerning the condition of the obligations secured hereby. Upon demand by Beneficiary, Trustor covenants and agrees to pay Beneficiary's reasonable costs incurred in furnishing such statement, but not in excess of the maximum amount allowed by law.

7.4 Usury Savings Clause. Nothing contained herein or in the Financing Documents shall be deemed to require the payment of interest or other charges by Trustor in excess of the amounts that may be lawfully charged to the Trustor pursuant to the Financing Documents or under the applicable usury laws. In the event Beneficiary shall collect monies which are deemed to constitute interest which would increase the effective interest rate to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of the legal rate shall, upon such determination, at the option of Beneficiary, be returned to Trustor or credited against the principal balance of any obligation secured hereby then outstanding.

7.5 Attorneys' Fees. In the event legal action, suit or any proceeding is commenced between Trustor and Trustee or Beneficiary regarding their respective rights and obligations under this Deed of Trust or any of the other Financing Documents, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, attorneys' fees and court costs. As used herein the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise settlement or judgment. If the party which shall have commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

7.6 Waiver of Personal Liability. No officer, agent, director or employee of the Trustor shall be individually or personally liable for payment of any principal (or Redemption Price) and interest on the Related Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of the Deed of Trust; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or specifically provided by this Deed of Trust.

7.7 Trustor and Beneficiary Defined. The term "Trustor" herein includes both the original Trustor and any subsequent owner or owners of any of the Property, and the term "Beneficiary" includes the original Beneficiary and also any subsequent duly appointed beneficiary, and each of their successors.

7.8 No Joint Venture. The relationship of Trustor and Beneficiary under this Deed of Trust and the Loan Agreement is, and shall at all times remain, solely that of borrower and lender; and Beneficiary neither undertakes nor assumes any responsibility or duty to Trustor or to any third party with respect to the Property. Notwithstanding any other provisions of this Deed of Trust and the Financing Documents: (a) Beneficiary and Authority are not, and shall not be construed as, a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Trustor and Beneficiary and Authority do not intend to ever assume such status; (b) the activities of Beneficiary and Authority in connection with this Deed of Trust and the Financing Documents shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as amended or recodified from time to time, and Beneficiary and Authority do not intend to ever assume any responsibility to any person for the quality, suitability, safety or condition of the Property; and (c) Beneficiary and Authority shall not be deemed responsible for or a participant in any acts, omissions or decisions of Trustor. The Beneficiary and Authority shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any construction on, or occupancy or use of, any of the Property, whether caused by or arising from: (i) any defect in any building, structure,

grading, fill, landscaping or other improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Trustor or any of Trustor's agents, employees, independent contractors, licensees or invitees; (iii) any accident in or on any of the Property or any fire, flood or other casualty or hazard thereon; (iv) the failure of Trustor, any of Trustor's licensees, employees, invitees, agents, independent contractors or other representatives to maintain the Property in a safe condition; and (v) any nuisance made or suffered on any part of the Property.

7.9 Rules of Construction. When the identity of the parties hereto or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. Specific enumeration of rights, powers and remedies of Trustee and Beneficiary and of acts which they may do and acts Trustor must or must not do shall not exclude or limit the general. The headings of each paragraph are for information and convenience and do not limit or construe the contents of any provision hereof.

7.10 Severability. If any term of this Deed of Trust, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

7.11 Successors in Interest. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

7.12 Notices. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by hand delivery, recognized overnight courier, registered or certified mail addressed as follows:

To TRUSTOR at: [Landlord]
c/o Grupo Nuevo Los Angeles
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

To MASTER TRUSTEE at: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department

The addresses may be changed from time to time by any party by serving notice as heretofore provided. Service of such notice or demand shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or at the expiration of the second day after the date of mailing, whichever is earlier in time.

7.13 No Merger. The parties' rights, obligations and interests in land created by or arising under the Financing Documents are separate, cumulative, and independent and there shall be no merger of any such rights, obligations or interests.

7.14 Beneficiary's Right to Perform. If Trustor fails to make any payment or perform any act required by this Deed of Trust or by any junior, subordinated or senior deed of trust or other lien on the Property (without hereby implying the Beneficiary's consent to any such lien or encumbrance), then, at any time thereafter (but subject to any grace period or cure period and notice requirements under the Financing Documents), and without waiving or releasing any obligation or default, Beneficiary may make such payment or perform such act for the account and at the expense of Trustor and shall have the right to enter the Property for such purpose and to take all such action thereon and with respect to the Property as may be necessary or appropriate for such purpose. Notwithstanding anything to the contrary in this Deed of Trust, Beneficiary shall have no obligation to do anything set out in this Section 7.14. Beneficiary shall be entitled to interest on all sums so paid by Beneficiary and all costs and expenses so incurred from the date paid by Beneficiary until reimbursed in full by Trustor at the Default Rate. All sums so paid by Beneficiary, all costs and expenses so incurred and interest thereon shall be paid by Trustor to Beneficiary on demand. If Beneficiary shall elect to pay any tax, assessment, levy or charge mentioned in Section 4.2 of this Deed of Trust, Beneficiary may do so in reliance on any bill, statement or assessment procured from the appropriate public or nonpublic office, without inquiring into the accuracy thereof or into the validity of such tax, assessment, levy or charge. Similarly, in making any payments to protect the security interests intended to be created by this Deed of Trust, Beneficiary shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

7.15 Amendments; Releases or Reconveyances. This Deed of Trust may be amended, changed, modified or terminated at any time, without the necessity of obtaining the consent of the Master Trustee or the holders of the Related Bonds, subject to the conditions and as provided in Section 3.04(b) of the Master Indenture.

In addition, if, from time to time, the Trustor withdraws from the Obligated Group (as defined in the Master Indenture) in accordance with Section 3.12 of the Master Indenture or any other condition of Section 3.04(e) of the Master Indenture is satisfied, then, upon request of the Trustor, Beneficiary shall direct Trustee to issue a partial reconveyance of the Deed of Trust with respect to such portion of the Property as permitted by the Master Indenture.

Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security for the full amount of all unpaid obligations, the Trustee may from time to time, and with notice to the Trustor, release any person other than the Trustor so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed, any portion or all of the Property, release any other or additional security for any obligation herein mentioned, or make compositions or other arrangements with debtors in relation thereto; and if the Trustee at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently herewith or after a sale is made hereunder.

7.16 Headings. The headings of the articles of this Deed of Trust are for convenience only and do not limit its provisions.

7.17 Master Trustee and Trustee. To the extent Beneficiary is the Master Trustee, all provisions of the Master Indenture relating to the rights, powers, privileges and protections of the Master Trustee thereunder shall apply with equal force and effect to all actions taken by the Master Trustee as Beneficiary in connection with this Deed of Trust.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust on the day and year set forth above.

TRUSTOR PLEASE NOTE: IN THE EVENT OF YOUR DEFAULT, CALIFORNIA PROCEDURE PERMITS THE TRUSTEE TO SELL THE SUBJECT PROPERTY AT A SALE HELD WITHOUT SUPERVISION BY ANY COURT AFTER EXPIRATION OF A PERIOD PRESCRIBED BY LAW. SEE SECTION 5.2.(e) ABOVE FOR A DESCRIPTION OF THIS PROCEDURE. UNLESS YOU PROVIDE AN ADDRESS FOR THE GIVING OF NOTICE, YOU MAY NOT BE ENTITLED TO OTHER NOTICE OF THE COMMENCEMENT OF SALE PROCEEDINGS. BY EXECUTION OF THIS DEED OF TRUST, YOU CONSENT TO SUCH PROCEDURE. IF YOU HAVE ANY QUESTIONS CONCERNING IT, YOU SHOULD CONSULT YOUR LEGAL ADVISOR. BENEFICIARY URGES YOU TO GIVE IT PROMPT NOTICE OF ANY CHANGE IN YOUR ADDRESS SO THAT YOU MAY RECEIVE PROMPTLY ANY NOTICE GIVEN PURSUANT TO THIS DEED OF TRUST.

TRUSTOR:

[LANDLORD],
a California limited liability company

By: _____

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

[To be attached]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____,
(insert name and title of the officer)

personally _____ appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT F

[FORM OF REQUISITION FROM THE WORKING CAPITAL FUND]

[To be determined]

MASTER INDENTURE OF TRUST

GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation, as Obligated Group Representative

and

THE INITIAL MEMBERS LISTED IN APPENDIX A HERETO,
as Initial Members of the Obligated Group

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee

Dated as of [_____] 1, 2023

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS AND INTERPRETATION	1
Section 1.01.	Definitions.....	1
Section 1.02.	Interpretation.....	17
Section 1.03.	References to Master Indenture	18
Section 1.04.	Contents of Certificates and Opinions	18
ARTICLE II	AUTHORIZATION, ISSUANCE AND FORM OF OBLIGATIONS	18
Section 2.01.	Authorization of Obligations	18
Section 2.02.	Authorization for Issuance of Obligations in Series	19
Section 2.03.	Appointment of Obligated Group Representative	19
Section 2.04.	Execution and Authentication of Obligations.....	19
Section 2.05.	Conditions to the Issuance of Obligations	20
ARTICLE III	PARTICULAR COVENANTS OF EACH MEMBER AND THE BORROWER.....	20
Section 3.01.	Payment of Required Payments; Pledge of Gross Revenues.....	20
Section 3.02.	Covenants as to Maintenance of Property, Plant and Equipment, Etc.....	22
Section 3.03.	Insurance	23
Section 3.04.	Mortgages; Against Encumbrances	27
Section 3.05.	Limitations on Additional Indebtedness	28
Section 3.06.	Amendment of Leases or School Loan Agreements.....	29
Section 3.07.	Rates and Charges; Debt Coverage; Required Covenants	30
Section 3.08.	Sale, Lease or Other Disposition of Property	30
Section 3.09.	Consolidation, Merger, Sale or Conveyance	31
Section 3.10.	Preparation and Filing of Financial Statements, Reports and Other Information	32
Section 3.11.	Membership in Obligated Group	33
Section 3.12.	Withdrawal from Obligated Group.....	35
Section 3.13.	Gross Revenue Fund.....	36
Section 3.14.	Inspection of Books	37
Section 3.15.	Reports and Information	37

TABLE OF CONTENTS
(continued)

		Page
	Section 3.16. Notice	37
	Section 3.17. Tax Covenants	37
	Section 3.18. Continuing Disclosure	39
	Section 3.19. Additional Covenants.....	39
	Section 3.20. Covenant of the Obligated Group Representative	40
	Section 3.21. Approval of Consultants	40
ARTICLE IV	DEFAULTS	41
	Section 4.01. Events of Default	41
	Section 4.02. Acceleration; Annulment of Acceleration	42
	Section 4.03. Additional Remedies and Enforcement of Remedies	43
	Section 4.04. Application of Revenues and Other Moneys After Default.....	44
	Section 4.05. Remedies Not Exclusive.....	45
	Section 4.06. Remedies Vested in the Master Trustee.....	45
	Section 4.07. Master Trustee to Represent Holders.....	46
	Section 4.08. Holders' Control of Proceedings	46
	Section 4.09. Termination of Proceedings.....	46
	Section 4.10. Waiver of Event of Default.....	47
	Section 4.11. Appointment of Receiver.....	47
	Section 4.12. Remedies Subject to Provisions of Law	47
	Section 4.13. Notice of Default.....	48
ARTICLE V	THE MASTER TRUSTEE.....	48
	Section 5.01. Certain Duties and Responsibilities	48
	Section 5.02. Certain Rights of Master Trustee.....	49
	Section 5.03. Right to Deal in Obligations and Related Bonds	51
	Section 5.04. Removal and Resignation of the Master Trustee.....	51
	Section 5.05. Compensation and Reimbursement	52
	Section 5.06. Recitals and Representations	52
	Section 5.07. Separate or Co-Master Trustee	53
	Section 5.08. Merger or Consolidation.....	54

TABLE OF CONTENTS
(continued)

	Page
ARTICLE VI SUPPLEMENTS AND AMENDMENTS.....	55
Section 6.01. Supplements Not Requiring Consent of Holders.....	55
Section 6.02. Supplements Requiring Consent of Holders.....	55
Section 6.03. Execution and Effect of Supplements.....	57
Section 6.04. Amendment of Related Supplements.....	57
ARTICLE VII SATISFACTION AND DISCHARGE OF INDENTURE.....	57
Section 7.01. Satisfaction and Discharge of Indenture	57
Section 7.02. Payment of Obligations After Discharge of Lien	58
ARTICLE VIII MISCELLANEOUS PROVISIONS.....	58
Section 8.01. Limitation of Rights.....	58
Section 8.02. Severability	58
Section 8.03. Holidays	59
Section 8.04. Governing Law	59
Section 8.05. Counterparts.....	59
Section 8.06. Immunity of Individuals	59
Section 8.07. Binding Effect.....	59
Section 8.08. Notices	59
APPENDIX A INITIAL MEMBER(S)	
APPENDIX B RELATED LEASE AND SCHOOL LOAN AGREEMENT PROVISIONS	
APPENDIX C INITIAL MORTGAGE(S)	
APPENDIX D EXCLUSIONS FROM INITIAL PROPERTY, PLANT & EQUIPMENT	

MASTER INDENTURE OF TRUST

THIS MASTER INDENTURE OF TRUST (this “Master Indenture”), dated as of [] 1, 2023, between **GRUPO NUEVO LOS ANGELES**, a California nonprofit public benefit corporation (the “Company” or the “Borrower” and the initial Obligated Group Representative, as more specifically defined herein), and the other nonprofit corporations or limited liability companies listed on Appendix A hereto (as more particularly set forth herein, the “Initial Members”) and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as master trustee, a national banking association organized and existing under the laws of the United States of America, being qualified to accept and administer the trusts hereby created (the “Master Trustee”),

W I T N E S S E T H:

WHEREAS, the Initial Members and the Company are authorized and deem it necessary and desirable to enter into this Master Indenture for the purpose of providing for the issuance from time to time of obligations hereunder to provide for the financing or refinancing of the acquisition, construction, equipping or improvement of certain educational facilities, or for other lawful and proper corporate purposes; and

WHEREAS, all acts and things necessary to constitute this Master Indenture a valid indenture and agreement according to its terms have been done and performed and the Initial Members and the Company have duly authorized the execution and delivery of this Master Indenture; and

WHEREAS, the Master Trustee agrees to accept and administer the trusts created hereby;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the obligations issued hereunder by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which such obligations are to be issued, authenticated, delivered and accepted by all Persons who shall from time to time be or become holders thereof, the Initial Members and the Company covenant and agree with the Master Trustee for the equal and proportionate benefit of the respective holders from time to time of obligations issued hereunder, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Master Indenture and of any supplemental indenture issued hereafter and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, equally applicable to both singular and plural forms of any of the terms herein defined.

“Accountant” means any firm of independent certified public accountants selected by the Obligated Group Representative.

“Additional Indebtedness” means any Indebtedness (including all Obligations) incurred subsequent to the execution and delivery of this Master Indenture, other than Obligation No. 1, dated as of [_____] 1, 2023, in the aggregate principal amount of \$[PAR]

“Affiliate” means a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or any state thereof, directly controlled by or under common control with a Member or any other Affiliate. For purposes of this definition, “control” means the power to direct the management and policies of a Person through the ownership of at least a majority of its voting securities, or the right to designate or elect at least a majority of the members of its board of directors by contract or otherwise.

“Authorized Representative” means with respect to each Member, the chair (or president) of its Governing Body, its chief executive officer or its chief financial officer or any other Person designated as an Authorized Representative of such Member by a Certificate of such Member, signed by the chair (or president) of its Governing Body or its chief executive officer or chief financial officer and filed with the Master Trustee, and, with respect to a limited liability company, an Authorized Representative of the manager(s) or managing member(s) of such limited liability company.

“Balloon Indebtedness” means Long-Term Indebtedness 25% or more of the principal of which becomes due (either by maturity or mandatory redemption) during any period of 12 consecutive months, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date.

“Base Rent” means an amount not less than the greater of (a) debt service due and payable with respect to the related Facility plus any Ground Rent on such related Facility or (b) the amounts provided in the rent schedule attached to the applicable Lease plus (if not included therein) any Ground Rent on the related Facility.

“Bond Counsel” means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Obligated Group Representative and approved by the Governmental Issuer.

“Book Value” means, when used in connection with Property, Plant and Equipment or other Property of any Member, the value of such property, net of accumulated depreciation, as it is carried on the books of such Person and in conformity with generally accepted accounting principles, and when used in connection with Property, Plant and Equipment or other Property of the Obligated Group, means the aggregate of the values so determined with respect to such property of each Member determined in such a way that no portion of such value of property of any Member is included more than once.

“Borrower” means Grupo Nuevo Los Angeles, a California nonprofit corporation, and any borrower under a Related Loan Agreement, and any successor or assignee thereof.

“Burlington Lease” means, collectively, those certain Lease Agreements, dated as of [_____] 1, 2023, between GNLA 697 S Burlington LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, for the use and occupancy of certain premises for a charter school currently

known as Camino Nuevo Charter Academy (or any successor charter school(s) to the extent permitted under such Lease).

“Business” means (a) leasing or sub-leasing, either directly or indirectly through its wholly-owned subsidiaries, real property on which charter schools, including the Schools, operate, and (b) acquiring and maintaining, directly or indirectly through its wholly-owned subsidiaries, the real property on which charter schools, including the Schools, operate.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed.

“Certificate,” “Statement,” “Request,” “Consent” or “Order” of any Member or of the Master Trustee means, respectively, a written certificate, statement, request, consent or order signed in the name of such Member by its respective Authorized Representative or in the name of the Master Trustee by its Responsible Officer. Any such instrument and supporting opinions or certificates, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or certificate and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.04 hereof, each such instrument shall include the statements provided for in Section 1.04.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consolidated Net Operating School Revenue” means the sum of all Net Operating School Revenue (as such term is defined in the related Lease or School Loan Agreement) related to all Leases and School Loan Agreements for all Lessees of all Facilities as that computation would be applied to the operations of a Lessee of a Facility financed with Related Bonds; provided that with respect to calculation of the Consolidated Payment Obligations Coverage Ratio in connection with the issuance of Additional Indebtedness, “Consolidated Net Operating School Revenue” means the sum of all Net Operating School Revenue (as such term is defined in the related Lease or School Loan Agreement) related to all Leases and School Loan Agreements for all Lessees of all Facilities and proposed Facilities as that computation would be applied to the operations of an existing or proposed school Lessee of an existing or proposed Facility financed with Related Bonds or to be financed with Additional Indebtedness, and excluding therefrom the payment obligations associated with any loan or other indebtedness to be refinanced or retired from proceeds of the Long-Term Indebtedness then to be incurred.

“Consolidated Payment Obligations” means the sum of all Lessee Payment Obligations for all Lessees of all Facilities and proposed Facilities.

“Consolidated Payment Obligations Coverage Ratio” means the ratio determined by dividing Consolidated Net Operating School Revenue for such period by the Consolidated Payment Obligations.

“Continuing Disclosure Agreement” means any Continuing Disclosure Agreement executed by the Borrower and the Dissemination Agent appointed thereto dated the date of issuance and delivery of the Related Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Dalzell High Lease” means, collectively, those certain Lease Agreements, dated as of [] 1, 2023, between 3500 West Temple LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, for the use and occupancy of certain premises for a charter school currently known as Camino Nuevo High #2 (or any successor charter school(s) to the extent permitted under such Lease)

“Debt Service Coverage Ratio” means for any Fiscal Year the ratio determined by dividing the Income Available for Debt Service for such Fiscal Year by the Debt Service Requirement for such Fiscal Year.

“Debt Service Requirement” means, for any Fiscal Year for which such determination is made, the aggregate of the scheduled payments to be made with respect to principal (or mandatory sinking fund or installment purchase price or lease rental or similar payments) and interest on Outstanding Long-Term Indebtedness of the Members during such period, taking into account, at the option of the Obligated Group Representative, the following:

(a) With respect to Indebtedness represented by a Guaranty of obligations of a Person, as long as any such Guaranty is a contingent liability under generally accepted accounting principles, the principal and interest deemed payable with respect to such Guaranty shall be deemed to be the lowest percentage of debt service requirements set forth immediately following this paragraph (determined after giving effect to any other paragraph of this definition at the election of the Obligated Group Representative), if the debt service coverage ratio (determined in a manner as nearly as practicable to the determination of the Debt Service Requirement hereunder) of the Person primarily obligated on the obligations effectively guaranteed by such Guaranty for the immediately preceding Fiscal Year, or any other 12-month period ending within 180 days prior to the date of calculation, shall be greater than the amount specified opposite such percentage below:

Debt Service Coverage Ratio of Accommodated Person	Percentage of Debt Service Requirements
1.35	25%
1.1	50%
Less than 1.1	100%

If any such Guaranty becomes a noncontingent liability but thereafter becomes a contingent liability, during the period such Guaranty is a noncontingent liability and for two years after such Guaranty becomes a contingent liability, 100% of the annual debt service on the indebtedness being guaranteed shall be added to the computation of the Debt Service Requirement.

(b) With respect to Balloon Indebtedness, the amount of principal and interest deemed payable during such period shall be determined as if such Balloon Indebtedness were being repaid in substantially equal annual installments of principal and interest over a term over which the Members could reasonably be expected to borrow, not to exceed forty (40) years from the date of incurrence of such Balloon Indebtedness, and bearing

interest at an interest rate (determined as of the date of calculation of the Debt Service Requirement) equal to the rate at which the Members could reasonably be expected to borrow for such term, by issuing Indebtedness, all as set forth in an Officer's Certificate accompanied by a letter of a banking or investment banking institution knowledgeable in matters of charter school facility finance, confirming that the borrowing term and interest rate assumptions set forth in such statement comply with the requirements of this subsection.

(c) With respect to Variable Rate Indebtedness, if the actual interest rate on such Variable Rate Indebtedness cannot be determined for the period for which the Debt Service Requirement is being calculated, the amount of interest deemed payable during such period on such Variable Rate Indebtedness shall be assumed to be equal to the average interest rate per annum which was in effect for any twelve (12) consecutive calendar months specified in an Officer's Certificate during the eighteen (18) calendar months immediately preceding the date of calculation of the Debt Service Requirement (or, if such Variable Rate Indebtedness was not Outstanding during such eighteen month period, the average interest rate per annum which would have been in effect).

(d) With respect to Indebtedness payable from an Irrevocable Deposit, the amount of principal or interest taken into account during such period shall be assumed to equal only the principal or interest not payable from such Irrevocable Deposit and the investment income from such funds.

(e) With respect to Long-Term Indebtedness incurred to finance or refinance the construction of capital improvements, principal and interest with respect to such Long-Term Indebtedness shall be excluded from the determination of the Debt Service Requirement but only in proportion to the amount of principal and interest on such Long-Term Indebtedness which is payable in the then current Fiscal Year from the proceeds of such Long-Term Indebtedness.

(f) With respect to Long-Term Indebtedness with respect to which a Financial Products Agreement has been entered into by a Member, interest on such Long-Term Indebtedness shall be included in the determination of the Debt Service Requirement by including for each Fiscal Year an amount equal to the amount of interest payable on such Long-Term Indebtedness in such Fiscal Year at the rate or rates stated in such Long-Term Indebtedness plus any Financial Product Payments payable in such Fiscal Year minus any Financial Products Receipts receivable in such Fiscal Year; provided that in no event shall any calculation made pursuant to this clause result in an amount less than zero being included in the determination of the Debt Service Requirement and provided, further, if the actual interest rate on such Long-Term Indebtedness or the actual amount of Financial Product Payments or Financial Products Receipts cannot be determined for the period for which the Debt Service Requirement is being calculated, the amount of interest deemed payable during such period on such Long-Term Indebtedness shall be determined by applying the average interest rate per annum which was in effect or the average Financial Product Payments which would have been paid, or the average Financial Products Receipts which would have been received, as the case may be, for any twelve (12) consecutive calendar months specified in an Officer's Certificate during the eighteen (18) calendar

months immediately preceding the date of calculation of the Debt Service Requirement (or, if such Long-Term Indebtedness was not Outstanding during such eighteen month period, the average rate which would have been in effect).

“Defeasance Obligations” means any obligations authorized under applicable State law and the related financing documents to be deposited in escrow for the defeasance of any Indebtedness.

“Dissemination Agent” means the entity appointed as dissemination agent under the Continuing Disclosure Agreement.

“Eisner Middle Lease” means, collectively, those certain Lease Agreements, dated as of [] 1, 2023, between Fifteenth and Ardmore LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, for the use and occupancy of certain premises for a charter school currently known as Camino Nuevo Elementary #3 (or any successor charter school(s) to the extent permitted under such Lease)

“EMMA” means and refers to the Electronic Municipal Market Access system of the Municipal Rulemaking Securities Board, or any successor which comports with the applicable rules of the United States Securities and Exchange Commission.

“Event of Default” means any of the events specified in Section 4.01 hereof.

“Facility” or “Facilities” means all the real property described in Exhibit A of each Lease and School Loan Agreement, together with the improvements thereon (including improvements constructed with proceeds of an Obligation).

“Fair Market Value,” when used in connection with Property, means the fair market value of such Property as determined by either:

(a) an appraisal of the portion of such Property which is real property made within five years of the date of determination by a “Member of the Appraisal Institute” and by an appraisal of the portion of such Property which is not real property made within five years of the date of determination by any expert qualified in relation to the subject matter, provided that any such appraisal shall be performed by a Person which (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in any Member or Affiliate and (iii) is not connected with any Member or Affiliate as an officer, employee, promoter, trustee, partner, director or Person performing similar functions, adjusted for the period, not in excess of five years, from the date of the last such appraisal for changes in the implicit price deflator for the gross national product as reported by the United States Department of Commerce or its successor agency, or if such index is no longer published, such other index certified to be comparable and appropriate in an Officer’s Certificate delivered to the Master Trustee;

or

(b) a bona fide offer for the purchase of such Property made on an arm’s-length basis within six months of the date of determination, as established by an Officer’s Certificate.

“Financial Products Agreement” means an interest rate swap, cap, collar, option, floor, forward or other hedging agreement, arrangement or security, however denominated, identified to the Master Trustee in an Officer’s Certificate as having been entered into by a Member with a Qualified Provider not for investment purposes but with respect to Indebtedness (which Indebtedness shall be specifically identified in the Officer’s Certificate) for the purpose of (a) reducing or otherwise managing the Member’s risk of interest rate changes or (b) effectively converting the Member’s interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

“Financial Products Payments” means payments periodically required to be paid to a counterparty by a Member pursuant to a Financial Products Agreement.

“Financial Products Receipts” means amounts periodically required to be paid to a Member by a counterparty pursuant to a Financial Products Agreement.

“Fiscal Year” means that period adopted by the Obligated Group Representative as the annual accounting period for the Members. The Fiscal Year is initially the twelve month period commencing on July 1 and ending on June 30 in each year.

“Fitch” means Fitch Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Obligated Group Representative.

“Governing Body” means, when used with respect to any Member, its board of directors, board of trustees, or other board or group of individuals in which all of the powers of such Person are vested except for those powers reserved to the corporate membership thereof by the articles of incorporation or bylaws of such Person, or, with respect to a limited liability company, the Governing Body of the manager(s) or managing member(s) of such limited liability company.

“Government Obligations” means noncallable and nonprepayable direct obligations of the United States of America or obligations which as to full and timely payment of principal and interest constitute full faith and credit obligations of the United States of America (excluding therefrom unit investment trusts and money market funds comprised of such securities).

“Governmental Issuer” means any municipal corporation, political subdivision, state, territory or possession of the United States, or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, which obligations constitute Related Bonds.

“Gross Revenue Fund” means the fund by that name established pursuant to Section 3.13 hereof.

“Gross Revenues” means all revenues, income, receipts and money received by or on behalf of the Members from all lawfully available sources, including (a) gross revenues derived from the operation and possession of each Member’s facilities; (b) gifts, grants, bequests, donations and contributions, exclusive of any gifts, grants, bequests, donations and contributions

to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Required Payments; (c) proceeds derived from (i) accounts receivable, (ii) securities and other investments, (iii) inventory and other tangible and intangible property, and (iv) contract rights and other rights and assets now or hereafter owned by each Member; and (d) rentals received from the lease of space; and (e) School Loan Repayments provided, however, that Gross Revenues shall not include (A) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on any Indebtedness; (B) any gains or losses resulting from the early extinguishment of Indebtedness, the sale, exchange or other disposition of Property not in the ordinary course of business, or the reappraisal, reevaluation or write-up of assets, or any other extraordinary gains or losses; (C) net unrealized gain (losses) on investments on investments and Financial Products Agreements; (D) proceeds of borrowing; (E) condemnation proceeds; (F) insurance proceeds; and (G) income derived from, or accounts receivable for, repayment to any Member of loans made by any other Member or Members.

“Gross School Revenues” has the meaning ascribed thereto in the applicable Lease or School Loan Agreement, which meaning shall be substantially in the form set forth in Appendix B hereof.

“Ground Leases” shall mean any lease between any Member, as lessee, and a third party landlord, as lessor, for use and occupancy of any Facilities by such Member.

“Ground Rent” means any aggregate rental payment obligation of the Members for use and occupancy of any Facilities pursuant to one or more Ground Leases.

“Guaranty” means all loan commitments and all obligations of any Member guaranteeing in any manner whatever, whether directly or indirectly, any obligation of any other Person that would, if such other Person were a Member, constitute Indebtedness.

“Head Office Lease” means, collectively, those certain Lease Agreements, dated as of [_____] 1, 2023, between [3545 West Temple LLC], as lessor, and Camino Nuevo Charter Academy, as lessee, for the use and occupancy of certain premises for administrative offices.

“Holder” means the registered owner of any Obligation in registered form or the bearer of any Obligation in coupon form that is not registered or is registered to bearer.

“Income Available for Debt Service” means, unless the context provides otherwise, with respect to the Members as to any period of time, the Gross Revenues less expenses of the Members relating to the operation and management of the Facilities, and less rent paid pursuant to any Ground Leases; provided that no determination thereof shall take into account:

- (a) any gain or loss resulting from either the early extinguishment or refinancing of Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business;
- (b) gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Required Payments;

- (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards;
- (d) adjustments to the value of assets or liabilities resulting from changes in generally accepted accounting principles;
- (e) unrealized gains or losses that do not result in the receipt or expenditure of cash, including the extinguishment of debt; and
- (f) nonrecurring items which do not involve the receipt, expenditure or transfer of assets.

“Indebtedness” means all obligations for borrowed money, installment sales and capitalized lease obligations, incurred or assumed by a Member (other than Indebtedness of one Member to another Member or the Guaranty by any Member of Indebtedness of any other Member), including Guaranties, Long-Term Indebtedness, Short-Term Indebtedness or any other obligation for payments of principal and interest with respect to money borrowed, provided, however, that if more than one Member will have incurred or assumed a Guaranty of a Person other than a Member, or if more than one Member will be obligated to pay any obligation, for purposes of any computations or calculations hereunder such Guaranty or obligation will be included only one time.

“Independent Consultant” means, as the context requires, a Person that (a) does not have any direct financial interest or any material indirect financial interest in any Member or the Lessee, or any Affiliate of either, as applicable, and (b) is not connected with any Member or the Lessee, or any Affiliate of either, as applicable, as an officer, employee, promoter, trustee, partner, director or Person performing similar functions, and designated by the Obligated Group Representative, or Lessee, as applicable, qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the Members or Lessee, as applicable, and having a favorable reputation for skill and experience in the financial affairs of such facilities.

“Initial Members” means, individually or collectively as the case may be, as of the date of original execution hereof, Fifteenth and Ardmore LLC, a California limited liability company, 3500 West Temple LLC, a California limited liability company, [3545 West Temple LLC], a California limited liability company, GNLA 697 S Burlington LLC, a California limited liability company, or any limited liability company, corporation or other entity which is the surviving, resulting or transferee in any merger, consolidation or transfer of assets permitted under this Master Indenture.

“Insurance and Condemnation Proceeds Fund” means the fund by that name established pursuant to Section 3.03(d) hereof.

“Insurance Consultant” means a Person (which may be an insurance broker or agent of a Member) which (a) does not have any direct financial interest or any material indirect financial interest in any Member or any Affiliate and (b) is not connected with any Member or any Affiliate as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions, and designated by the Obligated Group Representative, qualified to survey risks

and to recommend insurance coverage for educational facilities and organizations engaged in such operations.

“Intercept” means the apportionment from the Controller of the State of California, pursuant to Section 17199.4 of the California Education Code (or any successor provision) and the Intercept Notice, of amounts specified in the Intercept Notice and payable directly to the Related Bond Trustee, if applicable.

“Intercept Notice” means any notice from a Lessee on behalf of any School located in the State of California and operated by such Lessee to the Controller of the State of California, pursuant to Section 17199.4 of the California Education Code (or any successor provision), specifying a transfer schedule for the payment directly to the Related Bond Trustee of one or more of the following: (a) principal of the Related Bonds of the California School Finance Authority, (b) interest on the Related Bonds of the California School Finance Authority and (c) other costs necessary or incidental to financing pursuant to the Act relating to the Related Bonds of the California School Finance Authority, including Additional Payments (as defined in the Related Bond Indenture), in substantially the form set forth in the applicable Lease or School Loan Agreement, as the same may be amended, supplemented or restated from time to time.

“Irrevocable Deposit” means the irrevocable deposit in trust with any trustee or escrow agent authorized to act in such capacity of cash in an amount or Government Obligations the principal of and interest on which will be an amount, and under the terms sufficient to pay all or a portion of the principal of and/or premium, if any, and interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit may be the Master Trustee or any other trustee authorized to act in such capacity.

“Lease” means each individually, and “Leases” means, collectively, the Burlington Lease, the Dalzell Lease, the Eisner Middle Lease, the Head Office Lease, and each other lease agreement pursuant to which a Lessee leases a Facility at which a School is located from a Member of the Obligated Group.

“Lender” means the lender under any School Loan Agreement.

“Lessee” means Camino Nuevo Charter Academy, as operator of the Schools subject to the Charter School Law, any lessee under a Lease, and any borrower under a School Loan Agreement.

“Lessee Payment Obligations” means (a) that portion of the total lease payment obligation under any Lease by a Lessee of any Facility or proposed Facility, or portion of such Facility, characterized therein as “Base Rent” plus (b) the repayment obligations for a Lessee under any School Loan Agreement for the financing of such Lessee’s improvement or equipping of any Facility or proposed Facility, or portion of such Facility, characterized therein as “School Loan Repayments.”

“Lien” means any mortgage or pledge of, or security interest in, or lien or encumbrance on, any Property, excluding Liens applicable to Property in which any Member has only a leasehold interest unless the Lien is with respect to such leasehold interest.

“Loan Repayments” has the meaning given to such term in the Related Loan Agreement.

“Long-Term Indebtedness” means Indebtedness having an original maturity greater than one year or renewable at the option of a Member for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least twenty (20) consecutive days during each calendar year.

“Master Indenture” means this instrument as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms hereof.

“Master Trustee” means U.S. Bank Trust Company, National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America and, subject to the limitations contained in Section 5.07, any other corporation or association which may be co-trustee with U.S. Bank Trust Company, National Association and any successor or successors to said trustee or co-trustee in the trusts created hereunder.

“Maximum Annual Debt Service” means the highest Debt Service Requirement for the current or any succeeding Fiscal Year.

“Member” means each signatory to this Master Indenture (excluding the Master Trustee and the Obligated Group Representative) and, together with each other Person which is obligated hereunder to the extent and in accordance with the provisions of Section 3.09 or 3.11 hereof, from and after the date upon which such Person joins the Obligated Group, but excluding any Member which withdraws from the Obligated Group to the extent and in accordance with the provisions of Section 3.12 hereof, from and after the date of such withdrawal.

“Member Document” means any loan agreement that any Member is a party to including, the Leases, the School Loan Agreements and the Mortgages.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Obligated Group Representative.

“Mortgages” means (a) each mortgage, including leasehold deed of trust, deed of trust, security agreement, assignment of rents and leases, and/or financing statement identified on Appendix C attached hereto and incorporated by reference, as originally executed and as amended and modified from time to time in accordance with its terms and (b) any mortgage, including leasehold deed of trust, deed of trust, security agreement, assignment of rents and leases, and/or financing statement encumbering Property, Plant and Equipment for the benefit of Holders executed and delivered in accordance with Sections 3.04, 3.09 or 3.11 hereof.

“Mortgaged Property” shall have the meaning set forth in the last paragraph of Section 3.08 hereof.

“Net Operating School Revenue” shall have the meaning given thereto in the related Lease, which meaning shall be substantially in the form set forth in Appendix B hereof.

“Non-recourse Indebtedness” means all Indebtedness with respect to which the obligee is prevented by applicable law or contractual arrangement from exercising recourse, or any other right or remedy exercisable by a creditor, against all or any part of the Property of the Improvements in order to pay, satisfy or discharge all or any part of the Indebtedness.

“Obligated Group” means all Members, which does not include the Obligated Group Representative.

“Obligated Group Financial Statements” has the meaning set forth in Section 3.10.

“Obligated Group Representative” means the Company or such Member (or Members acting jointly) or other Person as may have been designated to act as Obligated Group Representative hereunder pursuant to written notice to the Master Trustee executed by all of the Members.

“Obligation” means any obligation of the Obligated Group issued hereunder, which shall be in the form set forth in a Related Supplement, including, but not limited to, bonds, obligations, debentures, reimbursement agreements, Financial Products Agreements, loan agreements or leases. Reference to a Series of Obligations or to Obligations of a Series means Obligations or Series of Obligations issued pursuant to a single Related Supplement, unless otherwise specified in the Related Supplement.

“Officer’s Certificate” means a Certificate signed by the Authorized Representative of the Obligated Group Representative.

“Operating Expenses” has the meaning ascribed thereto in the applicable Lease or School Loan Agreement, which meaning shall be substantially in the form set forth in Appendix B hereof.

“Opinion of Bond Counsel” means a written opinion signed by an attorney or firm of attorneys experienced in the field of public finance whose opinions are generally accepted by purchasers of bonds issued by or on behalf of a Governmental Issuer.

“Opinion of Counsel” means a written opinion signed by an attorney or firm of attorneys who may be counsel for the Obligated Group Representative.

“Outstanding,” when used with reference to Indebtedness or Obligations, means, as of any date of determination, all Indebtedness or Obligations theretofore issued or incurred and not paid and discharged other than (a) Obligations theretofore cancelled by the Master Trustee or delivered to the Master Trustee for cancellation, (b) Obligations in lieu of which other Obligations have been authenticated and delivered or have been paid pursuant to the provisions of a Related Supplement regarding mutilated, destroyed, lost or stolen Obligations unless proof satisfactory to the Master Trustee has been received that any such Obligation is held by a bona fide purchaser, (c) any Obligation held by any Member and (d) Indebtedness deemed paid and no longer outstanding pursuant to the terms thereof; provided, however, that if two or more obligations which constitute Indebtedness represent the same underlying obligation (as when an Obligation secures an issue of

Related Bonds and another Obligation secures repayment obligations to a bank under a letter of credit which secures such Related Bonds) for purposes of the various financial covenants contained herein, but only for such purposes, only one of such Obligations shall be deemed Outstanding and the Obligation so deemed to be Outstanding shall be that Obligation which produces the greater amount of Annual Debt Service to be included in the calculation of such covenants.

“Permitted Liens” shall mean and include:

(a) Any judgment lien or notice of pending action against any Member so long as such judgment or pending action is being contested in good faith and execution thereon is stayed, or while the period for responsive pleading has not lapsed;

(b) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Property; (ii) any liens on any Property for taxes, assessment, levies, fees, water and sewer charges, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Property, which are not due and payable or which are not delinquent or which, or the amount or validity of which, are being contested and execution thereon is stayed or which are subject to an installment payment obligation with a tax collection authority and execution thereon is stayed or, with respect to liens of mechanics, materialmen and laborers, have been due for less than 60 days; (iii) covenants, conditions and restriction agreements, easements, rights-of-way, water rights, servitudes, waivers, reservations of abutter’s rights, restrictions, governmental requirements and other defects, encumbrances, and irregularities in the title to any Property which do not materially impair the use of such Property or materially and adversely affect the value thereof; (iv) condominium declarations, condominium plans, condominium maps, tract maps, lot splits or lot line adjustment maps affecting the property; and (v) rights reserved to or vested in any municipality or public authority to control or regulate any Property or to use such Property in any manner, which rights do not materially impair the use of such Property in any manner, or materially and adversely affect the value thereof;

(c) Any Lien described in the final title policy which summarized certain liens existing on the date of execution of this Master Indenture provided that no such Lien (or the amount of Indebtedness secured thereby) may be increased, extended, renewed or modified to apply to any Property of any Member not subject to such Lien on such date, unless (i) such Lien as so extended, renewed or modified otherwise qualifies as a Permitted Lien or (ii) the maturity date of the Indebtedness secured by such Lien is not extended and either the total principal and interest requirements or the maximum annual principal and interest requirements (calculated in a manner consistent with the calculation of the Debt Service Requirement) on such Indebtedness is not increased as a result of the refinancing of such Indebtedness;

(d) Any Lien in favor of the Master Trustee securing all Obligations other than Non-recourse Indebtedness on a parity basis, including without limitation the Lien of the Mortgages and the Lien on Gross Revenues;

(e) Liens arising by reason of good faith deposits with any Member in connection with leases of real estate, bids or contracts (other than contract for the payment of money), deposits by any Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(f) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements, and any Lien in the nature of a banker's lien or right of setoff with respect to deposits which any Member is not required to maintain with the bank in question;

(g) Any Lien arising by reason of any escrow established to pay debt service with respect to Indebtedness, including Irrevocable Deposits;

(h) Any Lien in favor of a trustee on the proceeds of Indebtedness prior to the application of such proceeds;

(i) Liens on Property received by any Member through gifts, grants or bequests, such Liens being due to restrictions on such gifts, grants or bequests of Property or the income thereon, up to the Fair Market Value of such Property;

(j) Liens securing Non-recourse Indebtedness incurred pursuant to this Master Indenture so long as the Property purchased, acquired, constructed, or equipped with the proceeds of such Non-recourse Indebtedness does not replace any Property of the Members which generated more than ten percent (10%) of the Total Revenues of the Members for the most recent Fiscal Year for which Obligated Group Financial Statements are available;

(k) Liens securing leases of Property;

(l) the lease or license of the use of all or a part of any portion of the Property in connection with the proper and economical use of such Property in accordance with customary and prudent business practice;

(m) purchase money security interests and security interests existing on any Property prior to the time of its acquisition through purchase, merger, consolidation or otherwise, or placed upon Property to secure a portion of the purchase price thereof, or placed upon instruments evidencing Indebtedness to secure the purchase price thereof, or lessee's interests in leases required to be capitalized in accordance with generally accepted accounting principles; and

(n) any other Lien, provided that either (i) the aggregate Book Value of Property subject to Liens created or permitted to exist pursuant to this clause (n) shall not

exceed 5% of the aggregate Book Value of all Property of the Obligated Group or (ii) the aggregate Fair Market Value of Property subject to Liens created or permitted to exist pursuant to this clause (n) shall not exceed 5% of the aggregate Fair Market Value of all Property of the Obligated Group.

“Person” means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Amount” means, when used with respect to Obligations, the principal amount of such Obligation, or, in the case of a Financial Products Agreement, the notional amount, or, in the case of any other Obligation which does not represent or secure Indebtedness, the aggregate amount payable by the Obligated Group pursuant to such Obligation.

“Principal Corporate Trust Office” means for the Master Trustee originally appointed hereunder, the corporate trust office of U.S. Bank Trust Company, National Association, which at the date of execution of this Master Indenture is U.S. Bank Trust Company, National Association, One California Street, Suite 1000, San Francisco, California 94111, provided however, that for purposes of presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Master Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Property” means any and all right, title and interest in and to any and all property of the Obligated Group whether real or personal, tangible or intangible and wherever situated.

“Property, Plant and Equipment” means all Property of the Obligated Group that is considered property, plant and equipment of such Persons under generally accepted accounting principles other than the respective Members’ interests in the real property, fixtures and equipment identified on Appendix D hereto.

“Qualified Provider” means any financial institution or insurance company which is a party to a Financial Products Agreement if the unsecured long-term debt obligations of such financial institution or insurance company (or of the parent or a subsidiary of such financial institution or insurance company if such parent or subsidiary guarantees the performance of such financial institution or insurance company under such Financial Products Agreement), or obligations secured or supported by a letter of credit, contract, guarantee, agreement, insurance policy or surety bond issued by such financial institution or insurance company (or such guarantor parent or subsidiary), are rated in one of the three highest Rating Categories of a national rating agency at the time of the execution and delivery of the Financial Products Agreement.

“Rating Agency” means, as at any time, any nationally recognized rating agency including Fitch, Moody’s, or S&P, then rating Related Bonds at the request of the Obligated Group Representative.

“Rating Category” means (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (b) with respect to any short-term or commercial

paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Related Bond Indenture” means any indenture, trust agreement, bond resolution or other comparable instrument pursuant to which a series of Related Bonds are issued.

“Related Bond Issuer” means the Governmental Issuer of any issue of Related Bonds.

“Related Bond Trustee” means the trustee and its successors in the trusts created under any Related Bond Indenture, and if there is no such trustee, means the Related Bond Issuer.

“Related Bonds” means the revenue bonds or other obligations issued by any Governmental Issuer, pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to a Member or Members in consideration of the execution, authentication and delivery of an Obligation or Obligations to or for the order of such Governmental Issuer.

“Related Loan Agreement” means any loan agreement, financing agreement or other comparable instrument pursuant to which proceeds of Related Bonds are lent to the parties thereto.

“Related Project” means any project financed by Indebtedness that remains Outstanding.

“Related School” means any School operating at a Related Project.

“Related Supplement” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Indenture.

“Required Payment” means any payment, whether at maturity, by acceleration, upon proceeding for redemption or otherwise, including the purchase price of Related Bonds tendered or deemed tendered for purchase pursuant to the terms of a Related Bond Indenture, required to be made by any Member under this Master Indenture, any Related Supplement or any Obligation.

“Responsible Officer” means, with respect to the Master Trustee, any person who at the time and from time to time may be designated, by written certificate, as a person authorized to act on behalf of the Master Trustee. Such certificate shall contain the specimen signature of such person(s) and shall be signed on behalf of the Master Trustee by any officer of the Master Trustee and may designate an alternate or alternates.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Obligated Group Representative.

“School” or “Obligated Group School” means individually, and “Schools” or “Obligated Group Schools” means collectively, each public charter school operated by a Lessee and located at one or more Facilities from and after the date upon which the Member that is the lessor or Lender under such Lease or School Loan Agreement, as applicable, joins the Obligated Group, but excluding any public charter school operated by a Lessee at premises that are not owned or leased

by a Member that is part of the Obligated Group or is owned or leased by a Member that withdraws from the Obligated Group to the extent and in accordance with the Master Indenture, from and after the date of such withdrawal. As of the date of issuance of Obligation No 1 the Obligated Group Schools are Camino Nuevo High #2, Camino Nuevo Elementary #3, and Camino Nuevo Charter Academy.

“School Loan Agreement” means any loan agreement pursuant to which a Lessee borrows money from a Member of the Obligated Group for the benefit of a Facility at which a School is located.

“School Loan Repayments” shall have the meaning given thereto in the School Loan Agreement.

“Short-Term Indebtedness” means all Indebtedness having an original maturity less than or equal to one year and not renewable at the option of a Member for a term greater than one year from the date of original incurrence or issuance, provided however, that any Short-Term Indebtedness that has been issued as revenue anticipation notes (“RANs”) will not be included or counted as Short-Term Indebtedness to the extent that the RANs are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANs.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement which may be delivered by the Governmental Issuer and the Company at the time of the issuance and delivery of any Related Bonds, as the same may be amended or supplemented in accordance with its terms, and any other tax certificate and agreement delivered in connection with the issuance of any Related Bonds.

“Tax-Exempt Bonds” means any Related Bonds interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code.

“Total Revenues of the Members” means the combined operating and non-operating revenues of the Members for any Fiscal Year, all as determined in accordance with generally accepted accounting principles.

“Variable Rate Indebtedness” means Indebtedness the interest on which is payable pursuant to a variable interest rate formula or other determination method rather than at a fixed rate of interest per annum to maturity.

Section 1.02. Interpretation.

(a) Any reference herein to any officer of a Member shall include those succeeding to his or her functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing his or her functions.

(b) Unless the context otherwise indicates, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The singular shall include the plural and vice versa.

(c) All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated herein. If any change in accounting principles from those used in the preparation of the financial statements of the Members as of June 30, 2021 results from the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board, American Institute of Certified Public Accountants, or other authoritative bodies that determine generally accepted accounting principles (or successors thereto or agencies with similar functions) and such change results in a change in the accounting terms used in this Master Indenture, the accounting terms used herein shall be modified to reflect such change in accounting principles so that the criteria for evaluating the Member's financial condition shall be the same after such change as if such change had not been made. Any such modification shall be described in an Officer's Certificate filed with the Master Trustee, which shall contain a certification to the effect that (i) such modifications are occasioned by such a change in accounting principles and (ii) such modifications will not have a materially adverse effect on the Obligation Holders or result in materially different criteria for evaluating the Members' financial condition.

(d) Headings of Articles and Sections herein and the table of contents hereto are solely for convenience of reference, and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Section 1.03. References to Master Indenture. The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, used in this Master Indenture refer to this Master Indenture.

Section 1.04. Contents of Certificates and Opinions. Every Certificate or opinion provided for herein with respect to compliance with any provision hereof shall include (a) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and the scope of the examination or investigation upon which the certificate or opinion is based; (c) a statement that, in the opinion of such Person, he or she has made, or caused to be made, such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (d) a statement as to whether, in the opinion of such Person, such provision has been complied with.

Any such Certificate or opinion made or given by an officer of a Member or the Master Trustee may be based, insofar as it relates to legal, accounting or school management matters, upon a Certificate or opinion or representation of counsel, an Accountant or Independent Consultant unless such officer knows, or in the exercise of reasonable care should have known, that the Certificate, opinion or representation with respect to the matters upon which such Certificate or opinion may be based, as aforesaid, is erroneous. Any such Certificate, opinion or representation made or given by counsel, an Accountant, or an Independent Consultant, may be based, insofar as it relates to factual matters (with respect to which information is in the possession of any Member) upon the Certificate or opinion of, or representation by an officer of any Member unless such counsel, Accountant or Independent Consultant knows, or in the exercise or reasonable care should have known, that the Certificate, opinion of or representation by such officer, with

respect to the factual matters upon which such Person's Certificate or opinion may be based, as aforesaid, is erroneous. The same officer of any Member or the same counsel or Accountant or Independent Consultant, as the case may be, need not certify as to all the matters required to be certified under any provision hereof, but different officers, counsel, Accountants or Independent Consultants may certify as to different matters, respectively.

ARTICLE II

AUTHORIZATION, ISSUANCE AND FORM OF OBLIGATIONS

Section 2.01. Authorization of Obligations. Each Member hereby authorizes to be issued from time to time Obligations or Series of Obligations, without limitation as to amount, except as provided herein or as may be limited by law, and subject to the terms, conditions and limitations established herein and in any Related Supplement.

Section 2.02. Authorization for Issuance of Obligations in Series. From time to time when authorized by this Master Indenture and subject to the terms, conditions and limitations established in this Master Indenture, the Obligated Group Representative may authorize the issuance of an Obligation or a Series of Obligations by entering into a Related Supplement. The Obligation or the Obligations of any such Series may be issued and delivered to the Master Trustee for authentication upon compliance with the provisions hereof and of any Related Supplement.

Each Related Supplement authorizing the issuance of an Obligation or a Series of Obligations shall specify and determine the Principal Amount of such Obligation or Series of Obligations, the purposes for which such Obligation or Series of Obligations are being issued, the form, title, designation, and the manner of numbering or denominations, if applicable, of such Obligations, the date or dates of maturity or other final expiration of the term of such Obligations, the date of issuance of such Obligations, and any other provisions deemed advisable or necessary by the Obligated Group Representative.

Section 2.03. Appointment of Obligated Group Representative. Each Member, by becoming a Member, irrevocably appoints the Obligated Group Representative as its agent and true and lawful attorney in fact and grants to the Obligated Group Representative full power to execute Related Supplements authorizing the issuance of Obligations or Series of Obligations, and containing covenants and other provisions related thereto, and to execute and deliver Obligations and documents related thereto.

Section 2.04. Execution and Authentication of Obligations.

(a) All Obligations shall be executed by the Authorized Representative of the Obligated Group Representative as provided in the Related Supplement authorizing such Obligation. The signature of such officer may be mechanically or photographically reproduced on the Obligations. If any officer whose signature appears on any Obligation ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Each Obligation shall be manually authenticated by a Responsible Officer of the Master Trustee, without which authentication no Obligation shall be entitled to the benefits hereof.

(b) The form of Certificate of Authentication to be printed on each Obligation and manually executed by a Responsible Officer of the Master Trustee shall be as follows:

[FORM OF MASTER TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

The undersigned Master Trustee hereby certifies that this Obligation No. ____ is one of the Obligations described in the within-mentioned Master Indenture.

Dated: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Master Trustee

By _____
Authorized Officer

Section 2.05. Conditions to the Issuance of Obligations. The issuance, authentication and delivery of any Obligation or Series of Obligations shall be subject to the following specific conditions:

(a) The Obligated Group Representative and the Master Trustee shall have entered into a Related Supplement providing for the terms and conditions of such Obligation and the repayment thereof.

(b) The Master Trustee shall have received an Officer's Certificate to the effect that each Member shall be in full compliance with all warranties, covenants and agreements set forth in this Master Indenture and in any Related Supplement.

(c) The Master Trustee shall have received an Officer's Certificate to the effect that neither an Event of Default nor any event which with the passage of time or the giving of notice or both would become an Event of Default has occurred and is then outstanding or would occur upon issuance of such Obligation or is continuing under this Master Indenture or any Related Supplement.

(d) The Master Trustee shall have received an Officer's Certificate to the effect that all requirements and conditions to the issuance of such Obligation set forth herein and in the Related Supplement shall have been complied with and satisfied.

(e) The Master Trustee shall have received an Opinion of Counsel to the effect that: (i) such Obligation and Related Supplement have been duly authorized, executed and delivered by the Obligated Group Representative on behalf of the Obligated Group and constitute valid and binding obligations of the Obligated Group, enforceable in accordance with their terms; and (ii) such Obligation is not subject to registration under the Securities Act of 1933, as amended, and such Related Supplement is not subject to registration under the Trust Indenture Act of 1939, as amended (or that such registration, if required has occurred).

(f) If such Obligation constitutes Indebtedness, the requirements of Section 3.05 with respect to the incurrence of Additional Indebtedness shall have been satisfied.

ARTICLE III

PARTICULAR COVENANTS OF EACH MEMBER AND THE BORROWER

Section 3.01. Payment of Required Payments; Pledge of Gross Revenues. Each Member jointly and severally covenants and agrees (i) to pay or cause to be paid promptly all Required Payments at the place, on the dates and in the manner provided herein, in any Related Supplement and in said Obligations and (ii) to faithfully observe and perform all of the conditions, covenants and requirements of this Master Indenture, any Related Supplement and any Obligation. Each Member acknowledges and agrees that the time of such payment and performance is of the essence of the obligations hereunder.

The obligation of each Member with respect to Required Payments shall not be abrogated, prejudiced or affected by:

(a) the granting of any extension, waiver or other concession given to any Member by the Master Trustee or any Holder or by any compromise, release, abandonment, variation, relinquishment or renewal of any of the rights of the Master Trustee or any Holder or anything done or omitted or neglected to be done by the Master Trustee or any Holder in exercise of the authority, power and discretion vested in them by this Master Indenture, or by any other dealing or thing which, but for this provision, might operate to abrogate, prejudice or affect such obligation;

(b) the liability of any Member under this Master Indenture ceasing for any cause whatsoever, including the release of any Member pursuant to the provisions of this Master Indenture or any Related Supplement from membership in the Obligated Group; or

(c) any Member's becoming incompetent or otherwise failing to become liable as, or losing eligibility to become, a Member with respect to an Obligation.

Subject to the provisions of Section 3.12 hereof permitting withdrawal from the Obligated Group, the obligation of each Member to make Required Payments is a continuing one and is to remain in effect until all Required Payments have been paid in full in accordance with Article VII hereof. All moneys from time to time received by the Obligated Group Representative or the Master Trustee to reduce liability on Obligations, whether from or on account of the Members or otherwise, shall be regarded as payments in gross without any right on the part of any one or more of the Members to claim the benefit of any moneys so received until the whole of the amounts owing on Obligations has been paid or satisfied and so that in the event of any such Member's filing bankruptcy, the Obligated Group Representative or the Master Trustee shall be entitled to prove up the total indebtedness or other liability on Obligations Outstanding as to which the liability of such Member has become fixed.

Each such Obligation shall be a primary obligation and shall not be treated as ancillary to or collateral with any other obligation and shall be independent of any other security so that the

covenants and agreements of each Member hereunder shall be enforceable without first having recourse to any such security or source of payment and without first taking any steps or proceedings against any other Person. The Obligated Group Representative and the Master Trustee are each empowered to enforce each covenant and agreement, as hereinbefore provided, and to enforce the making of Required Payments. Each Member hereby authorizes the Obligated Group Representative and the Master Trustee to enforce or refrain from enforcing any covenant and agreement of the Members hereunder and to make any arrangement or compromise with any particular Member or Members as the Obligated Group Representative or the Master Trustee may deem appropriate, consistent with this Master Indenture and any Related Supplement. Each Member hereby waives in favor of the Obligated Group Representative and the Master Trustee all rights against the Obligated Group Representative, the Master Trustee and any other Member, insofar as is necessary to give effect to any of the provisions of this Section.

The Master Trustee hereby covenants that it shall not take recourse against the Company, the Obligated Group Representative or any of the Members with respect to the failure by the Company, the Obligated Group Representative or any of the Members to make any Required Payment under this Master Indenture and any Related Supplement except recourse to the Gross Revenues and the amounts held in the funds and accounts created under the Related Bond Indenture (except the Rebate Fund) or hereunder, or to such other security as may from time to time be given for the payment of obligations arising out of this Master Indenture, any Related Supplement or any other agreement securing the obligations of the Company or any of the Members with respect to the Related Bonds.

Subject only to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, each Member, respectively, hereby pledges, and to the extent permitted by law grants a security interest to the Master Trustee in, the Gross Revenue Fund and all of the Gross Revenues of the Obligated Group to secure the payment of Required Payments and the performance by the Members of their other obligations under this Master Indenture. Each Member, respectively, shall execute and cause to be filed Uniform Commercial Code financing statements, shall execute and cause to be sent to each Depository Bank (as defined in Section 3.13 herein), if any, and to the Master Trustee a notice of the security interest granted hereunder and shall execute and deliver such other documents (including, but not limited to, control agreements and continuation statements) as may be necessary or reasonably requested by the Master Trustee in order to perfect or maintain as perfected such security interest or give public notice thereof. Notwithstanding anything to the contrary contained herein, neither the Master Trustee nor any other Person (other than the Borrower) shall be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection or priority of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code.

Section 3.02. Covenants as to Maintenance of Property, Plant and Equipment, Etc. Each Member hereby covenants and agrees to:

- (a) pay and discharge, or cause to be paid pursuant to Section 3.13(b) hereof, any Ground Rent when and as the same becomes due and payable;

(b) maintain its Property, Plant and Equipment in accordance with all valid and applicable governmental laws, ordinances, approvals and regulations including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon it; provided, however, that no Member shall be required to comply with any law, ordinance, approval or regulation as long as it shall in good faith contest the validity thereof;

(c) maintain and operate its Property, Plant and Equipment in good repair, working order and condition, and from time to time make or cause to be made all needful and proper replacements, repairs, renewals and improvements so that the operations of the Members will not be materially impaired;

(d) pay and discharge all applicable taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become liens upon the Property, Plant and Equipment, and make such payments or cause such payments to be made in due time to prevent any delinquency thereon or any forfeiture or sale of the Property, Plant and Equipment or any part thereof, and, upon request, furnish to the Master Trustee receipts for all such payments, or other evidences satisfactory to the Master Trustee; provided, however, that no Member shall be required to pay any tax, assessment, rate or charge as herein provided as long as it shall in good faith contest the validity thereof or applied for property tax exemption and shall have set aside reserves with respect thereto that, in the opinion of the Obligated Group Representative, are adequate or shall have entered into an agreement with the applicable taxing authority for the payment of such taxes in installments and any such Member remains in compliance with such agreement;

(e) at all times comply with all terms, covenants and provisions of any Liens at such time existing upon its Properties or any part thereof or securing any of its Indebtedness noncompliance with which would have a material adverse effect on the operations of the Members or their Properties;

(f) use its best efforts (as long as it is in its best interests and will not materially adversely affect the interests of the Holders) to maintain all permits, licenses and other governmental approvals necessary for the operation of its Properties; and

(g) use reasonable efforts to maintain any available exemption from ad valorem taxation available for any real estate owned by it.

Nothing in this Section 3.02 shall be construed to require a Member to maintain any permit, license or other governmental approval, or to continue to operate or maintain any Property, Plant or Equipment, if, in the reasonable good faith judgment of the Member, such permit, license, governmental approval or Property, Plant or Equipment is, or within the next succeeding twenty-four (24) calendar months is reasonably expected to become, inadequate, obsolete, unsuitable, undesirable or unnecessary for the business of the Members and failure to maintain or operate such permit, license, governmental approval, Property, Plant or Equipment will not materially adversely impair the operation of the Members.

Section 3.03. Insurance.

(a) (i) Each Member covenants and agrees that it will keep (or cause to be kept) insurance (including builder's all-risk insurance during any period of construction at a Facility) against loss or damage to any structure constituting any part of the Facilities by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. All insurance provided pursuant to this subsection shall be in an amount equal to the lesser of (A) one hundred percent (100%) of the replacement cost (without deduction for depreciation) of all buildings, structures and fixtures constituting any part of the Facilities owned by such Member, or (B) the principal amount of the Related Bonds then outstanding under any Related Bond Indenture, and shall be subject to a deductible not to exceed \$100,000 per occurrence.

(ii) Each Member covenants and agrees to procure and maintain (or cause to be procured or maintained), throughout the term of any Related Bond Indenture, business interruption insurance to cover loss, total or partial, of the use of any structures constituting any part of the Facilities as the result of any of the hazards covered by the insurance required by Section 3.03(a)(i), in an amount sufficient to pay the Required Payments for a period of at least twelve (12) months. Proceeds of such insurance in the amount of at least twelve (12) months of Required Payments shall be deposited into the "Insurance and Condemnation Proceeds Fund" created under Section 3.03(d) hereunder and applied to the payment of the Required Payments, in installments as the proceeds are paid to each Member.

(iii) Each Member covenants and agrees that it will maintain (or cause to be maintained) (A) general liability insurance of no less than \$1,000,000 per occurrence and \$2,000,000 aggregate and (B) worker's compensation insurance as required by the laws of the State.

(iv) An Insurance Consultant shall review the insurance requirements of each Member with respect to the Facilities from time to time (but not less frequently than once every five years) commencing July 1, 2028. If such review indicates that any Member should increase any of the coverages required by Section 3.03(a) hereof, each Member shall review such recommendation with the governing body of each Member and shall increase such coverage; provided, however, that such coverage is available from reputable insurance companies at a reasonable cost on the open market.

(v) Each Member hereby covenants that it will use its best efforts to apply for any grants, loans or other relief available from each state government, as applicable, or the federal government to obtain amounts necessary to rebuild any portion of the Facilities destroyed or damaged in connection with an uninsured or underinsured calamity causing destruction or damage; provided, however, that each Member shall not be required to accept such amounts if doing so would jeopardize the integrity of each Member's programs.

(b) The insurance policies required by Section 3.03(a) hereof shall be carried by insurance companies which are financially responsible and capable of fulfilling the requirements of such policies. All such policies (except worker's compensation insurance policies) shall name each applicable Member and the Master Trustee as loss payees or additional insureds as their interest may appear, as applicable. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved and shall contain a provision to the effect that the insurer shall not cancel or substantially modify the policy provisions without first giving at least thirty (30) days written notice thereof to the Obligated Group Representative, the Governmental Issuer, the Related Bond Trustee and the Master Trustee. In lieu of separate policies, the Members may maintain blanket policies which cover any one or more risks required to be insured against so long as the minimum coverages required herein are met.

(c) (i) All proceeds of the insurance carried pursuant to Section 3.03(a)(i) (except proceeds of the liability portion, if any, of such insurance), and proceeds of any condemnation awards with respect to any individual Facility, in each case, in excess of ten percent (10%) of the Book Value of such Facility shall be paid immediately upon receipt by the Members or other named insured parties to the Master Trustee for deposit in the Insurance and Condemnation Proceeds Fund. In the event that the proceeds of any loss or damage to or condemnation of the Facilities shall be less than ten percent (10%) of the Book Value of the Facilities, each Member may retain such proceeds without any formality whatsoever. In the event any of the Members elects to repair or replace the Facilities damaged, destroyed or taken, moneys in the Insurance and Condemnation Proceeds Fund shall be disbursed by the Master Trustee after deducting therefrom the reasonable charges and expenses of the Master Trustee in connection with the collection and disbursement of such moneys, for the purpose of repairing or replacing the Facilities damaged, destroyed or taken in the manner and subject to the conditions set forth in Section 3.03(d) hereof with respect to disbursements from the Insurance and Condemnation Proceeds Fund; provided, that unless the Master Trustee receives an Officer Certificate stating that that after repair and replacement the Facilities will continue to be used for the purposes for which they were constructed or acquired by the Member, no such disbursement shall be made prior to receipt by the Master Trustee of the written consent of the Governmental Issuer.

(ii) If any of the Members shall elect not to, or cannot, repair or replace the Facilities damaged, destroyed or taken, as provided in Section 3.03(c)(i), subject to Section 3.03(c)(iii), the Master Trustee shall transfer all amounts in the Insurance and Condemnation Proceeds Fund on account of such damage, destruction or condemnation to the Related Bond Trustee for deposit in the applicable redemption account under the Related Bond Indenture.

(iii) If all of the amounts deposited in the Insurance and Condemnation Proceeds Fund pursuant to the first sentence of Section 3.03(c)(i) exceed ten percent (10%) of the Book Value of the applicable Facility, but are not sufficient to retire all Related Bonds (or allocable portion thereof) then outstanding with respect to such Facility, the Master Trustee shall not transfer said amounts to the applicable redemption account under the Related Bond Indenture unless the Obligated Group Representative shall file with the Master Trustee a report of an Independent

Consultant showing that Gross Revenues are projected to be at least equal to the Debt Service Requirement on all Related Bonds and Ground Rent obligations of the Members for each of the three full Fiscal Years immediately following such transfer after giving effect to the retirement of such Related Bonds (or allocable portion thereof) in accordance with the terms of the Related Bond Indenture. In the event such report of an Independent Consultant shows that projected Gross Revenues will not be sufficient to pay the Debt Service Requirement on all the Related Bonds and any Ground Rent obligations of the Members for each of the three full Fiscal Years immediately following such transfer after giving effect to the retirement of such Related Bonds (or allocable portion thereof), the Members shall apply all amounts in the Insurance and Condemnation Proceeds Fund to the repair or replacement of the Facilities damaged, destroyed or taken, as provided in Section 3.03(c)(i), unless the Obligated Group Representative shall file a further report of an Independent Consultant showing that even after making such repair and replacement, Gross Revenues are not projected to be at least equal to 1.10 times the Debt Service Requirement on all Related Bonds and Ground Rent obligations of the Members for each of the three full Fiscal Years immediately following the completion of such repair and replacement, in which event the Master Trustee shall transfer all moneys in the Insurance and Condemnation Proceeds Fund as provided in Section 3.03(c)(ii).

(d) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Insurance and Condemnation Proceeds Fund," and administer said fund as set forth in Section 3.03(c) hereof.

(i) Before any payment from the Insurance and Condemnation Proceeds Fund shall be made, the Obligated Group Representative shall file or cause to be filed with the Master Trustee a Request of the Obligated Group Representative stating: (A) the item number of such payment; (B) the name of the Person to whom each such payment is due, which may be the Obligated Group Representative in the case of reimbursement for costs of such repair or replacement theretofore paid by the Obligated Group Representative; (C) the respective amounts to be paid; (D) the purpose by general classification for which each obligation to be paid was incurred; (E) that obligations in the stated amounts have been incurred by the Obligated Group Representative and are presently due and payable and that each item thereof is a proper charge against the Insurance and Condemnation Proceeds Fund and has not been previously paid from the Insurance and Condemnation Proceeds Fund; and (F) that there has not been filed with or served upon the Obligated Group Representative 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 such Request, for which adequate security for the payment of such obligation has been posted, or which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Within five (5) Business Days of receipt of a Request, the Master Trustee shall pay the amount set forth in such Request as directed by the terms thereof out

of the Insurance and Condemnation Proceeds Fund. The Master Trustee may conclusively rely upon such Request and shall have no responsibility or duty to investigate any of the matters set forth therein. The Master Trustee shall not make any such payment if it has received any written notice of claim of lien, attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, that has not been released or will not be released simultaneously with such payment, unless adequate security for the payment of such obligation has been posted.

(ii) When the repair or replacement of damaged, destroyed or taken property shall have been completed, the Obligated Group Representative shall deliver to the Master Trustee a Certificate of the Obligated Group Representative stating the fact and date of such completion and stating that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the Insurance and Condemnation Proceeds Fund is to be maintained in the full amount of such claims until such dispute is resolved).

Section 3.04. Mortgages; Against Encumbrances.

(a) To secure the payment of Required Payments and the performance of the other obligations of the Members hereunder, each Member hereby grants to the Master Trustee, for the benefit of the Holders of the Obligations, a security interest in the Property, Plant and Equipment of such Member, unless expressly set forth in a Related Supplement. Each Member covenants and agrees to execute and cause to be filed Uniform Commercial Code financing statements and to execute and deliver such other documents as the Master Trustee may reasonably require in order to perfect or maintain as perfected such security interest or give public notice thereof (provided the Master Trustee shall have no duty to request such other documents). In furtherance of the foregoing requirement, the Master Trustee covenants and agrees to cause to be filed appropriate continuation statements during the period ninety (90) days preceding each fifth anniversary of the initial delivery of this Master Indenture unless the Obligated Group Representative provides to the Master Trustee, no later than the fifth day next preceding each such fifth anniversary, an Opinion of Counsel to the effect that no continuation statements need be filed in order to maintain the perfection of such security interest until the next succeeding fifth anniversary of the initial delivery of this Master Indenture. The Master Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection or priority of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. The Master Trustee shall file continuation statements with respect to each such initial financing statements; provided that a copy of the filed initial financing statement is timely delivered to the Master Trustee. Unless the Master Trustee shall have been notified in writing by the Obligated Group Representative that any such initial filing or description of collateral was or has become defective, the Master Trustee shall be fully protected in (a) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this

Master Indenture and (b) filing any continuation statements in the same filing offices as the initial filings were made. The Obligated Group shall be responsible for the customary fees charged by the Master Trustee for the preparation and filing of continuation statements and for the reasonable costs incurred by the Master Trustee in the preparation and filing of all continuation statements hereunder.

(b) Unless expressly set forth in a Related Supplement or unless project funds allocated to the financing of such facility are escrowed until the filing of a Mortgage, each Member shall enter into a mortgage, deed of trust, security agreement, assignment of rents and leases and/or financing statement described in clause (a) of the definition of "Mortgages" contained in Section 1.01 hereof for each Facility to secure the obligations of the Members hereunder. Each Member, respectively, agrees to supplement such deed of trust or mortgage or to execute and deliver such other deeds of trust or mortgages as may be necessary from time to time to grant to the Master Trustee a first priority Lien on any Property, Plant and Equipment of the Member.

(c) Except as provided in subparagraph (b) above, each Member, respectively, covenants and agrees that it will not create, assume or suffer to exist any Lien upon the Property of the Obligated Group; provided that the following Liens are permitted: (i) a Lien that is subordinate to the Obligations or (ii) a Permitted Lien. Notwithstanding the foregoing, each Member, respectively, further covenants and agrees that if such a Lien is created or assumed by any Member, it will make or cause to be made effective a provision whereby all Obligations will be secured prior to any such Indebtedness or other obligation secured by such Lien; provided, however, that notwithstanding the provisions of this Section 3.04, each Member may create, assume or suffer to exist Permitted Liens.

(d) Each Member agrees to obtain, or to cause to be obtained, at its own cost and expense, ALTA policies of lender's title insurance on its respective Facilities, in an aggregate amount not less than the aggregate principal amount of the Related Bonds, less the amount of proceeds of the Related Bonds held in the Project Fund established with respect thereto until such funds are released from the Project Fund, naming and payable to the Master Trustee, insuring the leasehold or fee title interests, as applicable, of the respective Members to the Facilities, subject only to Permitted Liens, issued by a title insurance company qualified to do business in the State.

(e) Upon written request of the Obligated Group Representative, the Master Trustee shall execute and deliver such releases, subordinations, requests for reconveyance or other instruments as may be reasonably requested by the Obligated Group Representative in connection with (i) the disposition of Property, Plant and Equipment in accordance with the provisions of Section 3.08 hereof, (ii) the withdrawal of a Member pursuant to Section 3.12 hereof, (iii) the granting by a Member of any Lien which constitutes a Permitted Lien hereunder, or (iv) payment or redemption of Related Bonds.

Section 3.05. Limitations on Additional Indebtedness. Each Member covenants and agrees that it will not incur any Additional Indebtedness after the date hereof except as follows:

(a) Long-Term Indebtedness may be incurred if, prior to the issuance of such Additional Indebtedness, an Independent Consultant selected by the Obligated Group Representative provides a written report to the Master Trustee setting forth projections which indicate that:

(i) the Consolidated Payment Obligations Coverage Ratio for each of the three consecutive full Fiscal Years beginning in the earlier of:

(A) the first full Fiscal Year following the estimated date of completion and initial use of all revenue-producing facilities to be financed with such Additional Indebtedness, based upon a certified written estimated completion date by the consulting engineer for such Facility or Facilities; or

(B) the first full Fiscal Year in which the obligor of such Additional Indebtedness will have scheduled payments of interest on or principal of the Additional Indebtedness to be issued for the payment of which provision has not been made as indicated in the report of such Independent Consultant from proceeds of such Additional Indebtedness, investment income thereon or from other appropriate sources (other than Consolidated Net Operating School Revenue), provides for a Consolidated Payment Obligations Coverage Ratio, taking into account all Outstanding Long Term Indebtedness and the Additional Indebtedness to be issued, of not less than 1.20:1.00; and

(ii) the Consolidated Payment Obligations Coverage Ratio for the Fiscal Year immediately preceding the assumption of the proposed Additional Indebtedness is calculated to be at least 1.10:1.00 in such Fiscal Year, or would have been greater than it would otherwise have been, absent such proposed Additional Indebtedness.

The report of the Independent Consultant shall take into account, as applicable, (1) the audited results of operations and verified enrollment of the Obligated Group Schools for the most recently completed Fiscal Year, (2) projected enrollment of the Obligated Group Schools and (3) Gross Revenues at the completion of such Facility or Facilities financed with such Additional Indebtedness. In addition, the report of the Independent Consultant shall assume that the Long Term Indebtedness then to be incurred shall have been outstanding for the entire year.

(b) Long Term Indebtedness may be incurred for the purpose of refunding any Outstanding Indebtedness, if prior to the incurrence thereof, there is delivered to the Master Trustee an Officer's Certificate demonstrating that (i) the Maximum Annual Debt Service will not increase by more than 10% after the incurrence of such proposed refunding Long Term Indebtedness and after giving effect to the disposition of the proceeds thereof; (ii) the total Debt Service on the Indebtedness being refinanced will not increase by more than 10% after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof; or (iii) the requirements of

subsection (a)(i) above are met; provided that the foregoing shall not apply to any refinancing with Balloon Indebtedness.

(c) Short-Term Indebtedness may be incurred by any Member as long as the Short-Term Indebtedness is made payable from such Member's Gross Revenues.

(d) Indebtedness consisting of purchase money obligations with respect to any item of equipment related to the Facilities may be incurred without limitation.

(e) Indebtedness consisting of leases (other than those described in paragraph (f) below) which are considered operating leases under generally accepted accounting principles, the term of which does not exceed two years, may be incurred without limitation.

(f) Leases for a charter school facility the term of which exceeds two years shall be deemed to be Indebtedness and may be incurred only if, prior to the incurrence of such Indebtedness, an Independent Consultant selected by the Borrower provides a written report to the Master Trustee stating that the Consolidated Payment Obligations Coverage Ratios required to be met under the Long-Term Indebtedness provisions set forth in paragraph (a) above are satisfied, assuming only for the purposes of such calculation that such lease Indebtedness constitutes additional Long-Term Indebtedness.

(g) Subordinated Indebtedness may be incurred without limitation.

Section 3.06. Amendment of Leases or School Loan Agreements. There shall be no amendment, modification or termination of any of the Leases or School Loan Agreements without (1) an Officer's Certificate delivered to the Master Trustee stating that the amendment, modification or termination of the Lease or School Loan Agreement contemplated shall not have a material adverse effect on the financial position of the Obligated Group or (2) the prior written consent of the Master Trustee. The Master Trustee shall give such written consent only if:

(a) in the Opinion of Bond Counsel, such amendment is necessary to preserve the exclusion of interest on related Tax-Exempt Bonds from gross income for purposes of federal income taxation or the exemption of interest on the related Tax-Exempt Bonds from state income taxation;

(b) (i)(A) the Holders of a majority in principal amount of the related Tax-Exempt Bonds then Outstanding consent in writing to such amendment, modification or termination, or (B) in the Opinion of Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Related Bondholders or result in any material impairment of the security given for the payment of the related Bonds, and (ii) the Master Trustee shall receive an Opinion of Bond Counsel substantially to the effect that such amendment, modification or termination will not, in and of itself, adversely affect any exclusion of interest on the Related Bonds that are Tax-Exempt Bonds from gross income for purposes of federal income taxation; or

(c) it has received a written representation from the Obligated Group Representative to the effect that such amendment or modification will not materially and

adversely affect the interests of the Holders of the Related Bonds; provided that, if an Event of Default described in paragraph (a) or (b) of Section 4.01 has occurred and is continuing, the Master Trustee rather than the Company shall make a determination that such an amendment or modification will not materially and adversely affect the interest of the Holders of the Related Bonds (provided that, in making such determination, the Master Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel).

Section 3.07. Rates and Charges; Debt Coverage; Required Covenants; Notification of Selection of Independent Consultant under Lease.

(a) Each Member covenants and agrees to fix, charge and collect, or cause to be fixed, charged and collected, rental rates, fees and charges for the use of its Facilities and for the services or loans furnished or to be furnished by the Members so that the Debt Service Coverage Ratio of the Obligated Group as a whole at the end of each Fiscal Year is not less than 1.00:1.00. If the Debt Service Coverage Ratio of the Obligated Group falls below 1.00:1.00, it shall constitute an Event of Default hereunder.

(b) Each Member further covenants and agrees that each related Lease and School Loan Agreement shall contain the provisions set forth in Appendix B hereto.

(c) The Master Trustee shall be provided with a copy of each related Lease.

(d) Each Member covenants to direct the Obligated Group Representative to notify each Related Bond Trustee and the Master Trustee of such selection and to direct such Related Bond Trustee to promptly notify the holders of any Related Bonds of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five Business Days after receipt of notice of the selection of an Independent Consultant, notify the Holders of all Obligations of such selection. Such notice shall be sent by generally acceptable electronic means (which may include notice delivered to the securities depository for such Related Bonds for forwarding to the beneficial owners of such Related Bonds) and shall state that the holder of the outstanding Related Bonds will be deemed to have consented to the selection of the Independent Consultant named in such notice unless such holder submits an objection in writing (in a manner acceptable to the Related Bond Trustee) to the Related Bond Trustee within 15 days of the date that the notice is sent to the holder. No later than two Business Days after the end of the 15-day objection period, each Related Bond Trustee shall notify the Master Trustee and the Obligated Group Representative of the number of objections. If holders of 66.6% or more in aggregate principal amount of the outstanding Related Bonds have been deemed to have consented to the selection of the Independent Consultant, the applicable Member, as lessor, shall cause Lessee to engage the Independent Consultant within three Business Days. If holders of more than 33.4% in aggregate principal amount of the outstanding Related Bonds have objected in writing to the Independent Consultant selected in the manner and within the time set forth above, Lessee shall select another Independent Consultant under the related Lease, and such selection shall be immediate and final. The applicable Member, as lessor under the related Lease, shall cause a notice of selection of Independent Consultant by Lessee to be filed with EMMA.

(e) Upon the occurrence of an event of default under any Lease, any Member party to such related Lease shall not exercise the remedy of termination of such Lease without the consent of a majority of the Holders of Obligations outstanding hereunder.

Section 3.08. Sale, Lease or Other Disposition of Property. Each Member covenants and agrees that it shall not, in any Fiscal Year, sell, lease (but only a lease that results in the disposition of the Property) or otherwise dispose of any Property, the Book Value of which would cause the aggregate Book Value of Property so transferred in such year to exceed 5% of the Book Value of the Property of the Members (excluding any asset restricted as to use for a particular purpose inconsistent with its use for the payment of principal of, prepayment premium, and interest on Indebtedness or the payment of operating expenses), except for dispositions of assets:

- (a) In the ordinary course of Business;
- (b) Any lease (including the Leases) that does not result in the disposition of the Property;
- (c) In connection with a true sale and leaseback under the Code;
- (d) If prior to the sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate stating that such Property has, or within the next succeeding twenty-four (24) calendar months is reasonably expected to become, inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease, removal or other disposition thereof will not impair the operations of the Members;
- (e) To any Person provided that such Property is transferred for fair market value and the net proceeds of such sale or other disposition are applied either (i) to the purchase of replacement Property of substantially similar function and substantially equivalent value (provided that such replacement Property is made part of the security for the Obligations issued hereunder) or (ii) to the payment of redemption price of Related Bonds in a principal amount set forth in the Related Bond Indenture. Before any transfer of Property described in this subsection (e), the Obligated Group Representative shall furnish to the Master Trustee (A) an Officer's Certificate stating that no Event of Default has occurred and is continuing and stating the amount of the net proceeds, if any, of such sale or other disposition, and (accompanied by the report of an Independent Consultant or an Accountant or an Officer's Certificate as appropriate) to the effect that (taking into account the disposition of the Property released) the requirements of Subsection (a)(ii) of Section 3.05 will be satisfied with respect to the incurrence of one dollar (\$1) of additional Long-Term Indebtedness, and (B) an independent appraisal (which shall be conducted by an independent appraiser) of the Property so sold or disposed of, showing such Property is to be sold or disposed of at a price equal to its fair market value; or
- (f) to another Member.

In addition to the foregoing limitations, the Members may not sell, lease or otherwise dispose of any Property subject to the Mortgages (the "Mortgaged Property") unless the Master Trustee shall be furnished with an Officer's Certificate to the effect that (1) the security of the

Mortgage and the ability of the trustee thereunder to foreclose upon the remaining adjoining Mortgaged Property will not be impaired as a result of the disposition of such Property, and (2) the appropriate Member shall have conveyed to the trustee under such Mortgage such rights-of-way, easements and other rights in land as are required for ingress to and egress from the remaining Mortgaged Property, for the utilization of the facilities located thereon and for utilities required to serve such facilities.

Section 3.09. Consolidation, Merger, Sale or Conveyance. Each Member covenants and agrees that it will not merge or consolidate with any other corporation, entity, or limited liability company not a Member or sell or convey all or substantially all of its assets to any Person not a Member unless:

(a) After giving effect to the merger, consolidation, sale or conveyance, the successor or surviving corporation or limited liability company (hereinafter, the “Surviving Corporation”) will be the Member, or, if not, the Surviving Corporation shall be a corporation or limited liability company organized and existing under the laws of the United States of America or a State thereof and such Surviving Corporation shall become a Member pursuant to Section 3.11 and shall expressly assume in writing the due and punctual payment of all Required Payments of the disappearing corporation hereunder, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Master Indenture and all Obligations issued hereunder by the execution of a Related Supplement, delivered to the Master Trustee by such Surviving Corporation;

(b) The Master Trustee shall have received (i) an Independent Consultant’s report that the forecasted debt service coverage ratios of the Surviving Corporation, calculated in the same manner as the Debt Service Coverage Ratio, for the two Fiscal Years immediately succeeding the proposed date of such merger, consolidation, sale or conveyance is expected to be not less than the forecasted Debt Service Coverage Ratio for such periods had the consolidation or merger not occurred; or (ii) an Independent Consultant’s or Accountant’s report, or an Officer’s Certificate, as appropriate, to the effect that the condition described in Subsection 3.05(a)(i) or (ii) hereof would be met for the incurrence of one dollar of additional Long-Term Indebtedness;

(c) The Master Trustee shall have received a report of an Accountant to the effect that the combined net assets of the Members, including the net assets of such Surviving Corporation, calculated as of the end of the most recent Fiscal Year for which Obligated Group Financial Statements are available, will not be less than ninety percent (90%) of the combined net assets of the Members at the end of the most recent Fiscal Year for which Obligated Group Financial Statements are available;

(d) The Master Trustee shall have received an Opinion of Bond Counsel to the effect that such merger, consolidation, sale or other transfer will not, in and of itself, result in interest on any Related Bond that purports to be a Tax-Exempt Bond becoming includable in gross income for purposes of federal income taxation;

(e) To the extent the original Member delivered to the Master Trustee a Mortgage encumbering its Property, Plant and Equipment, the Master Trustee shall have received a duly executed and delivered Mortgage encumbering the same Property, Plant and Equipment from the Surviving Corporation, for the benefit of the Master Trustee, subject only to Permitted Liens; and

(f) Nothing in this Master Indenture shall prohibit a change of corporate membership of any Member.

Section 3.10. Preparation and Filing of Financial Statements, Reports and Other Information.

(a) Each Member covenants and agrees that it will keep adequate records and books of accounts in which complete and correct entries shall be made (said books shall be subject to the inspection of the Master Trustee during regular business hours after reasonable notice).

(b) The Obligated Group Representative covenants and agrees that it will furnish to the Master Trustee and any Related Bond Issuer that shall request the same in writing:

(i) As soon as practicable, but in no event more than six months after the last day of each Fiscal Year beginning with the Fiscal Year ending June 30, 2022, one or more financial statements which, in the aggregate, shall include all of the Members. Such financial statements:

(A) may consist of (1) consolidated or combined financial results including one or more subsidiaries of such Member(s) required to be consolidated or combined with such Member(s) under generally accepted accounting principles or (2) special purpose financial statements including only Members;

(B) shall be audited by a firm of independent certified public accountants approved by the Obligated Group Representative as having been prepared in accordance with generally accepted accounting principles (except, if applicable, for required consolidations);

(C) shall include a combined balance sheet, statement of operations and changes in net assets; and

(D) if more than one financial statement is delivered to the Master Trustee pursuant to this clause (i), each such financial statement shall contain, as "other financial information," a combining or consolidating schedule from which financial information solely relating to the Members may be derived.

(ii) Unless a single financial statement (including a single special purpose financial statement) is delivered pursuant to clause (i) above for the entire

Obligated Group, as soon as practicable, but in no event more than six months after the last day of each Fiscal Year beginning with the Fiscal Year ending June 30, 2022, an unaudited balance sheet, statement of operations and changes in net assets for such Fiscal Year for the Members (such balance sheet, statement of operations and changes in net assets being referred to in this Master Indenture as the “Obligated Group Financial Statements”), prepared by the Obligated Group Representative based on the accompanying unaudited combining or consolidating schedules delivered with the audited financial statements described in clause (i) above.

(iii) At the time of the delivery of the Obligated Group Financial Statements, a certificate of the chief financial officer of the Obligated Group Representative, stating that the Obligated Group Representative has made a review of the activities of the Members during the preceding Fiscal Year for the purpose of determining whether or not the Members have complied with all of the terms, provisions and conditions of this Master Indenture and that each Member has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Master Indenture on its part to be performed and none of such Members is in default in the performance or observance of any of the terms, covenants, provisions or conditions, or if any Member shall be in default, such certificate shall specify all such defaults and the nature thereof. The Master Trustee shall have no duty regarding such information other than to retain any such information that it receives.

Section 3.11. Membership in Obligated Group. Additional Members may be added to the Obligated Group from time to time provided that prior to such addition the Master Trustee receives:

(a) a copy of a resolution of the Governing Body of the proposed new Member which authorizes the execution and delivery of a Related Supplement and compliance with the terms of this Master Indenture;

(b) a Related Supplement executed by the Obligated Group Representative, the new Member and the Master Trustee pursuant to which the proposed new Member (i) agrees to become a Member, (ii) agrees to be bound by the terms and restrictions imposed by this Master Indenture and the Obligations, and (iii) irrevocably appoints the Obligated Group Representative as its agent and attorney-in-fact and grants to the Obligated Group Representative full power to execute Related Supplements authorizing the issuance of Obligations and to execute and deliver Obligations;

(c) an Opinion of Counsel addressed to the Master Trustee to the effect that (i) the proposed new Member has taken all necessary action to become a Member, and upon execution of the Related Supplement, such proposed new Member will be bound by the terms of this Master Indenture and (ii) the addition of such Member will not cause this Master Indenture or any Obligations to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or, that any such registration, if required, has occurred);

(d) an Independent Consultant's or Accountant's report, or an Officer's Certificate, as appropriate, to the effect that the condition described in Subsection 3.05(a)(i) and (ii) hereof would be met for the incurrence of one dollar of additional Long-Term Indebtedness immediately following the addition of such new Member;

(e) an Opinion of Bond Counsel to the effect that the addition of such Member will not result in the inclusion of interest on any Related Bonds that purports to be a Tax-Exempt Bond in gross income for purposes of federal income taxation, nor cause this Master Indenture nor the Obligations issued under this Master Indenture to be subject to registration under the Securities Act of 1933, as amended or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred);

(f) an Officer's Certificate to the effect that no Member, immediately after the addition of such new Member, would be in default in the performance or observance of any covenant or condition of this Master Indenture;

(g) unless expressly set forth in a Related Supplement, a duly executed and delivered Mortgage encumbering all Property, Plant and Equipment of such new Member, subject only to Permitted Liens; and

(h) any other document, agreement, certificate, waiver or other instrument from such parties, as the Master Trustee reasonably requests.

Any certification or calculation made in accordance with this Section 3.11 may take into account the effect of the withdrawal of another Member or Members from the Obligated Group in connection with the addition of a Member to the Obligated Group contemplated herein.

Section 3.12. Withdrawal from Obligated Group. Any Member may withdraw from the Obligated Group, and be released from further liability or obligation under the provisions of this Master Indenture, provided that prior to such withdrawal the Master Trustee receives:

(a) an Officer's Certificate to the effect that, immediately following withdrawal of such Member, no Member would be in default in the performance or observance of any covenant or condition of this Master Indenture;

(b) an Opinion of Bond Counsel to the effect that the withdrawal of such Member is in compliance with the conditions contained in this Section 3.12, and such withdrawal will not result in the inclusion of interest on any Related Bonds that purports to be a Tax-Exempt Bond in gross income for purposes of federal income taxation, nor cause this Master Indenture nor the Obligations issued under this Master Indenture to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred); and

(c) either:

(i) an Officer's Certificate to the effect that either (1) no Related Bonds will remain outstanding following such withdrawal, or (2) the Related Bonds remaining outstanding following such withdrawal have been assigned a rating by

at least one rating agency and the withdrawal of such Member will not cause a downgrade or withdrawal of such rating; or

(ii) an Independent Consultant's report stating that:

(A) (1) the forecasted Consolidated Payment Obligations Coverage Ratio for the two consecutive Fiscal Years immediately following such withdrawal, taking such withdrawal into account, is projected to be at least 1.25:1.00 in each Fiscal Year or would be greater than it would otherwise have been absent such withdrawal;

(2) the Consolidated Payment Obligations Coverage Ratio for the Fiscal Year immediately preceding such withdrawal is calculated to be at least 1.10:1.00 in such Fiscal Year, or would have been greater than it would otherwise have been, absent such withdrawal; and

(3) such withdrawal will not lower the Consolidated Payment Obligations Coverage Ratio for the most recent Fiscal Year for which Obligated Group Financial Statements are available by more than twenty percent (20%); or

(B) the forecasted Debt Service Coverage Ratio for the two consecutive Fiscal Years immediately following such withdrawal, taking such withdrawal into account, is projected to be not less than 1.00:1.00 in each Fiscal Year or would be greater than it would otherwise have been absent such withdrawal.

Any certification or calculation made in accordance with this Section 3.12 may take into account the effect of the addition of another Member or Members to the Obligated Group in connection with the withdrawal of a Member from the Obligated Group contemplated herein.

Upon compliance with the conditions contained in this Section 3.12, the Master Trustee shall execute any documents reasonably requested by the withdrawing Member to evidence the termination of such Member's obligations hereunder (including without limitation termination of the pledge of such Member's Gross Revenues) under any Related Supplements and under all Obligations (including without limitation reconveyance of the Mortgage encumbering such Member's Property, Plant and Equipment for the benefit of the Master Trustee).

Section 3.13. Gross Revenue Fund.

(a) Unless otherwise provided in a Related Supplement or if such Related Bonds are payable in full from funds that are subject to the Intercept, each Member covenants and agrees that, so long as any of the Obligations remain Outstanding, all of the Gross Revenues of the Obligated Group shall be deposited as soon as practicable upon receipt in a fund designated as the "Gross Revenue Fund" which the Members shall establish and maintain, subject to the provisions of subsection (b) of this Section, in one or more accounts at such banking institution or institutions as the Members shall from time

to time designate in writing to the Master Trustee for such purpose (the “Depository Bank(s)”). The Gross Revenue Fund shall contain the Charter School Rent Payment Account, the Ground Rent Account, the Related Bonds Account, the Additional Payments Account, and such other accounts or subaccounts as the Master Trustee finds necessary or desirable.

(b) Amounts in the Gross Revenue Fund may be used and withdrawn by any Member at any time for any lawful purpose, except as hereinafter provided. In the event that any Member is delinquent for more than one Business Day in the payment of any Required Payment with respect to any Obligation issued pursuant to a Related Supplement, the Master Trustee, upon notice from the Obligated Group Representative or actual knowledge of such delinquency, shall notify the Obligated Group Representative and the Depository Bank(s) of such delinquency, and, the Obligated Group Representative or the appropriate Member shall cause the Depository Bank(s) to enter into a control agreement in order to transfer the Gross Revenue Fund to the name and credit of the Master Trustee. The Gross Revenue Fund shall continue to be held in the name and to the credit of the Master Trustee until six months after the amounts on deposit in said fund are sufficient to pay in full, or have been used to pay in full, all Required Payments in default and all other Events of Default known to the Master Trustee shall have been made good or cured to the satisfaction of the Master Trustee or provision deemed by the Master Trustee to be adequate shall have been made therefor, whereupon the Gross Revenue Fund (except for the Gross Revenues required to make such payments or cure such defaults) shall be returned to the name and credit of the appropriate Members. During any period that the Gross Revenue Fund is held in the name and to the credit of the Master Trustee, the Master Trustee shall use and withdraw amounts in said Fund from time to time (i) first, to pay Ground Rent directly to each respective lessor under each Ground Lease when and as due in the amount designated in a written request of the lessor(s) (unless such Ground Rent is expressly subordinated by the terms of the applicable Ground Lease to the payment or any amounts due under the Related Supplement), (ii) second, to make Required Payments as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments ratably without any discrimination or preference, (iii) third, to such other payments in the order which the Master Trustee, in its discretion, shall determine to be in the best interests of the Holders of Obligations without discrimination or preference, and (iv) fourth, to pay Ground Rent directly to each respective lessor under each Ground Lease when and as due in the amount designed by a written request of the lessor(s) (if such Ground Rent is expressly subordinated by the terms of the applicable Ground Lease to the payment of the Required Payments). During any period that the Gross Revenue Fund is held in the name and to the credit of the Master Trustee, the Members shall not be entitled to use or withdraw any of the Gross Revenues of the Obligated Group unless and to the extent that the Master Trustee at its sole discretion so directs for the payment of current or past due operating expenses of the Members; provided, however, that the Members shall be entitled to use or withdraw any amounts in the Gross Revenue Fund which do not constitute Gross Revenues of the Obligated Group. Each Member agrees to execute and deliver all instruments as may be required to implement this Section. Each Member further agrees that a failure to comply with the terms of this Section shall cause irreparable harm to the Holders and shall entitle the Master Trustee, with or

without notice, to take immediate action to compel the specific performance of the obligations of the Members as provided in this Section.

(c) Immediately upon receipt of Gross Revenues pursuant to a Lease or School Loan Agreement, the Master Trustee shall pay or deposit from the amounts on deposit in the Gross Revenue Fund from amounts received pursuant to such Lease or School Loan Agreement the following amounts in the order indicated:

(i) The amount representing Rent of each of the Obligated Group Schools (in accordance with the Rent schedule which shall be attached to the related Supplemental Master Indenture executed in connection with the Related Bonds) shall be transferred into the Charter School Rent Payment Account within the Gross Revenue Fund, and the Master Trustee shall then immediately withdraw and pay, deposit or transfer the following amounts in the order indicated from such account:

A. *First:* To the Ground Rent Account, if applicable, the aggregate amount of Ground Rent, if any, becoming due and payable during the next succeeding payment period in respect of all Ground Leases as designated on the Ground Lease payment schedule furnished to the Master Trustee (each such schedule shall be attached to the applicable Related Supplement), until the balance in said account is at least equal to such aggregate amount (unless such Ground Rent is expressly subordinated by the terms of the applicable Ground Lease to payments due under the Related Supplement).

B. *Second:* To the Related Bonds Account, the amount necessary to pay all Required Payments on the next date upon which such payments become due; provided, however, that such amounts shall exclude any Required Payments received directly by a Related Bond Trustee pursuant to an Intercept.

C. *Third:* To the Additional Payments Account, the amount necessary to pay all Additional Payments pursuant to any Related Loan Agreement on the next date upon which such payments become due; provided, however, that such amounts shall exclude any Required Payments received directly by a Related Bond Trustee pursuant to an Intercept.

D. *Fourth:* To the Ground Rent Account, if applicable, the aggregate amount of Ground Rent, if any, becoming due and payable during the next succeeding payment period in respect of all Ground Leases as designated on the Ground Lease payment schedule furnished to the Master Trustee (each such schedule shall be attached to the applicable Related Supplement), until the balance in said account is at least equal to such aggregate amount (if such Ground Rent is expressly subordinated by the terms of the

applicable Ground Lease to payments due under the Related Supplement).

E. *Fifth:* Any money remaining following such transfers shall be transferred and released to the Member that is the Landlord or Lender under the related Lease or School Loan Agreement, as applicable, to which such remaining money is allocable.

(ii) The balance of Gross Revenues received by the Master Trustee pursuant to a Lease or School Loan Agreement and not transferred into the Charter School Rent Payment Account pursuant to Section 3.13(c)(i) shall immediately, and in any event not later than one Business Day following receipt thereof, be transferred to or upon the order of Lessee.

(d) The Master Trustee shall apply the monies deposited in the foregoing accounts of the Gross Revenue Fund as follows:

(i) Amounts deposited to the Ground Rent Account shall be paid directly to each respective lessor under each Ground Lease to pay Ground Rent when and as due in the amount designated in a written request of the Lessor(s).

(ii) Amounts deposited in the Related Bonds Account shall be paid directly to each Related Bond Trustee to pay amounts due and payable under each Related Bonds Indenture.

(iii) Amounts deposited in the Additional Payments Account shall be paid directly to the respective payees of Additional Payments pursuant to (and as defined in) each Related Loan Agreement.

Section 3.14. Inspection of Books.

(a) The Governmental Issuer, the Master Trustee, and the Related Bond Trustee shall have the right, but not obligation, upon reasonable notice, during business hours, to examine and audit any and all of the Member's records or accounts pertaining to the Obligation, the Required Payment, the Gross Revenues, the Related Bond Indenture, the Related Supplement and this Master Indenture.

(b) Upon written notice to the Obligated Group Representative delivered at least five Business Days in advance of an inquiry, the Members shall make its management personnel available for periodic inquiries from the Governmental Issuer; provided that the Members shall not be obligated to incur any material out-of-pocket costs in connection with such meetings or inquiries.

Section 3.15. Reports and Information. At the request of the Governmental Issuer, the Master Trustee, the Related Bond Trustee, their agents, employees or attorneys, the Members shall furnish to the Governmental Issuer, the Master Trustee and the Related Bond Trustee, such information as may be reasonably requested in writing from time to time relative to compliance

by the Members with the provisions of this Master Indenture, including, without limitation, financial statements.

Section 3.16. Notice. Upon obtaining knowledge of an event of default under any Member Document, the Obligated Group Representative hereby agrees to provide to the Governmental Issuer, the Master Trustee and the Related Bond Trustee notice of such Event of Default (such notice to include a description of the nature of such event and what steps are being taken to remedy such Event of Default).

Section 3.17. Tax Covenants.

(a) It is the intention of the Governmental Issuer and each Member that interest on any Tax-Exempt Bonds shall be and remain excluded from the gross income of the owners thereof for federal income tax purposes, and to that end the covenants and agreements of the Members in this Section and in the Tax Regulatory Agreement are for the benefit of the Related Bond Trustee on behalf of and for each and every owner of Tax-Exempt Bonds.

(b) Each Member covenants and agrees that it will not use or permit the use of any of the funds provided by the Governmental Issuer under the loan agreement relating to the Tax-Exempt Bonds or any other funds of the Members, directly or indirectly, or direct the Related Bond Trustee to invest any funds held by it under the Related Bond Indenture, in such manner as would, or enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the Tax-Exempt Bonds that would, or take or omit to take any other action that would cause any Tax-Exempt Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and applicable regulations promulgated from time to time thereunder.

(c) In the event that at any time the Obligated Group Representative is of the opinion or becomes otherwise aware that for purposes of this section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Related Bond Trustee under the Related Bond Indenture, the Obligated Group Representative shall determine the limitations and so instruct the Related Bond Trustee in writing and cause the Related Bond Trustee to comply with those limitations under the Related Bond Indenture. The Obligated Group Representative will take such action or actions as may be reasonably necessary in the opinion of Bond Counsel, or of which it otherwise becomes aware, to comply fully with Section 148 of the Code.

(d) The Members shall not, pursuant to an arrangement, formal or informal, purchase Related Bonds in an amount related to the amount of the related loan, except as otherwise permitted under the Related Bond Indenture.

(e) In order to maintain the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners thereof for federal income purposes, the Obligated Group Representative hereby agrees that it shall, concurrently with or before the execution and delivery of any Tax-Exempt Bonds, execute and deliver the Tax Regulatory

Agreement, and shall comply with every term of the Tax Regulatory Agreement. The Obligated Group Representative covenants with the Governmental Issuer, for and on behalf of the Owners of any Tax-Exempt Bonds from time to time outstanding, that so long as any Tax-Exempt Bonds remain outstanding under the Related Bond Indenture, moneys on deposit in any fund, or account in connection with the Tax-Exempt Bonds, whether or not such moneys were derived from the proceeds of the sale of the Tax-Exempt Bonds or from any other sources, and moneys pledged directly or indirectly to the payment or for the securing of the Tax-Exempt Bonds, will not be used by or for the Obligated Group Representative in a manner that will cause the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Obligated Group Representative expressly recognizes that, to the extent required by Section 148 of the Code, “proceeds” of the Tax-Exempt Bonds (including investment proceeds and “replacement” proceeds) may be required to be invested at a yield not exceeding the yield on the Tax-Exempt Bonds in order to comply with this Section. In furtherance of the covenant in this Section, the Obligated Group Representative agrees that it will not direct any investments or reinvestments that would contravene either the investment representations made by the Governmental Issuer in the Tax Regulatory Agreement or any investment directions provided by the Governmental Issuer and deemed reasonably necessary in the opinion of Bond Counsel to preserve the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes.

Section 3.18. Continuing Disclosure. The Obligated Group Representative hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement related to the Obligated Group Representative. Notwithstanding any other provision of this Master Indenture or the Related Indenture, failure of the Obligated Group Representative or the Dissemination Agent to comply with the Continuing Disclosure Agreement related to the Obligated Group Representative shall not be considered an Event of Default hereunder or under the Related Indenture.

Section 3.19. Additional Covenants. Each Member of the Obligated Group hereby covenants with respect to their combined operations:

- (a) To maintain books and records separate from any other unrelated Person;
- (b) To maintain its accounts separate from any other unrelated Person;
- (c) Not to commingle assets with those of any other unrelated entity;
- (d) To conduct its own business in its own name;
- (e) To pay its own liabilities out of its own funds;
- (f) To observe all corporate formalities;
- (g) To maintain an arm’s-length relationship with its Affiliates;
- (h) To pay the salaries of its own employees and maintain a sufficient number of employees in light of its contemplated business operations;

- (i) Not to guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others, except to the extent permitted hereunder;
- (j) Not to acquire obligations or securities of its partners, members, or shareholders;
- (k) To allocate fairly and reasonably any overhead for shared office space;
- (l) To use separate stationery, invoices, and checks;
- (m) Except as otherwise expressly permitted hereunder, not to pledge its assets for the benefit of any other entity or make any loans or advances to any entity;
- (n) To hold itself out as a separate entity;
- (o) To correct any known misunderstanding regarding its separate identity; and
- (p) To maintain adequate capital in light of its contemplated business operations.

Section 3.20. Covenant of the Obligated Group Representative. The Obligated Group Representative covenants and agrees that it will not create, assume or suffer to exist any Lien upon (a) any membership interest of the Obligated Group Representative in any Member, or (b) any rents, money, property or account of any Member, except to the extent permitted hereunder.

Section 3.21. Approval of Consultants.

(a) If at any time the Members of the Obligated Group are required to engage an Independent Consultant hereunder, such Independent Consultant shall be engaged in the manner set forth in this Section 3.21.

(b) Upon selecting an Independent Consultant as required under the provisions of this Master Indenture, the Obligated Group Representative will notify the Master Trustee of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Obligations Outstanding under this Master Indenture of such selection. Such notice (which shall be provided by the Obligated Group Representative) shall (i) include the name of the Independent Consultant and a brief description of the Independent Consultant, (ii) state the reason that the Independent Consultant is being engaged including a description of the covenant(s) of this Master Indenture that require the Independent Consultant to be engaged, and (iii) state that the Holder of the Obligation will be deemed to have consented to the selection of the Independent Consultant named in such notice unless such Holder submits an objection to the selected Independent Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group of the number of objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding

Obligations have been deemed to have consented to the selection of the Independent Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Independent Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Obligations Outstanding have objected to the Independent Consultant selected, the Obligated Group Representative shall select another Independent Consultant which may be engaged upon compliance with the procedures of this Section 3.21.

(c) When the Master Trustee notifies the Holders of Obligations of such selection, the Master Trustee will also request any Related Bond Trustee to send a notice containing the information required by subparagraph (b) above to the owners of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of an Obligation securing such Related Bonds, consent or object to the selection of the Independent Consultant in accordance with the response of the owners of such Related Bonds. If 66.6% or more in aggregate principal amount of the owners of the Related Bonds have been deemed to have consented to the selection of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Independent Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the owners of the Related Bonds outstanding have objected to the Independent Consultant selected, the Obligated Group Representative shall select another Independent Consultant which may be engaged upon compliance with the procedures of this Section 3.21.

The 15-day notice period described in (b) above may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the owners of the Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of an Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of this Section 3.21.

ARTICLE IV

DEFAULTS

Section 4.01. Events of Default. Event of Default, as used herein, means any of the following events:

(a) Failure on the part of the Obligated Group to make due and punctual payment of any Required Payment on an Obligation.

(b) Failure on the part of the Obligated Group to observe and perform any covenant or agreement under the Master Indenture including covenants or agreements contained in any Related Supplement or Obligation (other than failure by the Obligated Group to pay Required Payment on an Obligation, as referred to in Section 4.01(a) above) for a period of 60 days after the date on which written notice of such failure specifying such default and requiring the same to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee or to the Obligated Group Representative and the Master Trustee by the Holders of at least half in aggregate Principal Amount of

Outstanding Obligations except that, in each case, if such failure can be remedied but not within such 60 day period, such failure shall not become an Event of Default for so long as the Obligated Group Representative shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time established by the Master Trustee.

(c) Any Member shall default in the payment of Indebtedness for borrowed moneys (other than Non-recourse Indebtedness or an Obligation) with an aggregate principal amount exceeding 5% of the Total Revenues of the Members, whether such Indebtedness now exists or shall hereafter be created, and such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to such Member, except that, in each case, (i) if such failure can be remedied but not within such 60-day period, such failure shall not become an Event of Default for so long as such Member shall diligently proceed to remedy the same in accordance and subject to any directions or limitations of time established by the Master Trustee and (ii) if any member in good faith commences proceedings to contest the existence or payment of such Indebtedness, such default shall not become an Event of Default.

(d) (i) A court having jurisdiction shall enter a decree or order for relief in respect of any Member in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of any Member or for any substantial part of the property of any Member, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days and (ii) such Member does not withdraw from the Obligated Group in accordance with Section 3.12 hereof within 90 days of the original decree or order for relief.

(e) (i) Any Member shall commence a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of any Member or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of the foregoing and (ii) such Member does not withdraw from the Obligated Group in accordance with Section 3.12 hereof within 90 days of the commencement of such case.

(f) An Event of Default (as defined in any Related Bond Indenture) shall exist under any Related Bond Indenture and any applicable notice and/or cure period shall have expired.

(g) An Event of Default (as defined in any Related Bond Indenture) shall occur under any security instrument provided to the Master Trustee from, on behalf, or for the

benefit, of any Member of the Obligated Group (including, if applicable, the expiration of any grace period provided therein).

Section 4.02. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence and during the continuation of an Event of Default hereunder, the Master Trustee may and, upon (i) the written request of the Holders of at least half in aggregate Principal Amount of Outstanding Obligations or of any Holder if an Event of Default under Section 4.01(a) hereof has occurred or (ii) the acceleration of any Obligation pursuant to the terms of the Related Supplement under which such Obligation was issued, shall, by notice to the Members, declare all Outstanding Obligations immediately due and payable, whereupon such Obligations shall become and be immediately due and payable, anything in the Obligations or herein to the contrary notwithstanding; provided, however, that if the terms of any Related Supplement give a Person the right to consent to acceleration of the Obligations issued pursuant to such Related Supplement, the Obligations issued pursuant to such Related Supplement may not be accelerated by the Master Trustee unless such consent is properly obtained pursuant to the terms of such Related Supplement. In such event, there shall be due and payable on the Obligations an amount equal to the aggregate Principal Amount of all such Obligations, plus all interest accrued thereon.

(b) At any time after the principal of the Obligations shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, if (i) the Obligated Group has paid or caused to be paid or deposited with the Master Trustee moneys sufficient to pay all matured installments of interest and interest on installments of principal and interest and principal or redemption prices and other payments then due (other than the principal or other payments then due only because of such declaration) on all Outstanding Obligations, (ii) the Obligated Group has paid or caused to be paid or deposited with the Master Trustee moneys sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Master Trustee and any paying agents, (iii) all other amounts then payable by the Obligated Group hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Master Trustee, and (iv) every Event of Default (other than a default in the payment of the principal or other payments of such Obligations then due only because of such declaration) shall have been remedied, then the Master Trustee may annul such declaration and its consequences with respect to any Obligations or portions thereof not then due by their terms. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 4.03. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Master Trustee may, and upon the request of (A) the Holders of at least half in aggregate Principal Amount of the Obligations Outstanding, (B) any Holder which, pursuant to a Related Supplement, is given the right to require the Master Trustee to institute actions pursuant to this Section 4.03(a), or (C) any Holder if an Event of Default under Section 4.01(a) hereof has occurred, shall upon the indemnification of the Master Trustee to its satisfaction

therefor, proceed forthwith to protect and enforce its rights and the rights of the Holders hereunder by such suits, actions or proceedings as the Master Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- (i) Enforcement of the right of the Holders to collect and enforce the payment of amounts due or becoming due under the Obligations;
- (ii) Suit upon all or any part of the Obligations;
- (iii) Civil action to require any Person holding moneys, documents or other property pledged to secure payment of amounts due or to become due on the Obligations to account as if it were the trustee of an express trust for the Holders of Obligations;
- (iv) Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Obligations;
- (v) Exercise any and all remedies under the Mortgages; and
- (vi) Enforcement of any other right or remedy of the Holders conferred by law or hereby.

(b) Regardless of the occurrence of an Event of Default, the Master Trustee, if requested in writing by the Holders of at least half in aggregate Principal Amount of the Obligations then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders, provided that such request and the action to be taken by the Master Trustee are not in conflict with any applicable law or the provisions hereof and, in the sole judgment of the Master Trustee, not unduly prejudicial to the interest of the Holders of Obligations not making such request, it being understood that (subject to Section 5.01) the Master Trustee shall have no duty or obligation to determine whether or not such action or forbearance may be unduly prejudicial to such Holders.

Section 4.04. Application of Revenues and Other Moneys After Default. During the continuance of an Event of Default all moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Master Trustee with respect thereto, including fees, expenses and advances of its attorneys, agents and advisors and after payment of all other amounts owed to the Master Trustee hereunder, shall be applied as follows:

- (a) Unless the principal of all Outstanding Obligations shall have become or have been declared due and payable:

First: To the payment to the Persons entitled thereto of all installments of interest or the interest portion related to payments then due on the Obligations in

the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference;

Second: To the payment to the Persons entitled thereto of the unpaid principal installments or the principal portion related to payments of any Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal installments due on such date, to the Persons entitled thereto, without any discrimination or preference;

(b) If the principal of all Outstanding Obligations shall have become or have been declared due and payable, to the payment of the principal and interest and payments then due and unpaid upon the Obligations without preference or priority, or of any installment over any other installment, or of any Obligation over any other Obligation, ratably, according to the amounts due, to the Persons entitled thereto without any discrimination or preference.

(c) If the principal of all Outstanding Obligations shall have been declared due and payable, and if such declaration shall thereafter be rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all Outstanding Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Master Trustee shall give such notices as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Obligation until such Obligation and all unmatured coupons, if any, appertaining to such Obligation shall be presented to the Master Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Obligations and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the Members, their successors, or as a court of competent jurisdiction may direct.

Section 4.05. Remedies Not Exclusive. Subject to the limitations in Section 3.01, no remedy by the terms hereof conferred upon or reserved to the Master Trustee or the Holders is

intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute on or after the date hereof.

Section 4.06. Remedies Vested in the Master Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Master Trustee may be brought in its name as the Master Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Obligations. Subject to the provisions of Section 4.04 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Obligations.

Section 4.07. Master Trustee to Represent Holders. The Master Trustee is hereby irrevocably appointed (and the successive respective Holders of the Obligations, by taking and holding the same, shall be conclusively deemed to have so appointed the Master Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Obligations for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Obligations, this Master Indenture, and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Master Trustee to represent the Holders, the Master Trustee in its discretion may, and upon the written direction of the Holders of at least half in aggregate Principal Amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Master Trustee or in such Holders under this Master Indenture, or any other law; and upon instituting such proceeding, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the assets pledged under this Master Indenture, pending such proceedings. All rights of action under this Master Indenture or the Obligations or otherwise may be prosecuted and enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Master Trustee shall be brought in the name of the Master Trustee for the benefit and protection of all the Holders of such Obligations, subject to the provisions of this Master Indenture.

Section 4.08. Holders' Control of Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything herein to the contrary, the Holders of at least a majority in aggregate Principal Amount of Obligations then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Master Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions hereof or for the appointment of a receiver or any other proceedings hereunder, provided that such direction is not in conflict with any applicable law or the provisions hereof (including indemnity to the Master Trustee as provided herein) and, in the sole judgment of the Master Trustee, is not unduly prejudicial to the interest of Holders not joining in such direction (it being understood that (subject to Section 5.01) the Master Trustee shall have no duty

or obligation to determine whether or not such action or forbearance may be unduly prejudicial to such Holders) and provided further that nothing in this Section shall impair the right of the Master Trustee in its discretion to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Holders.

Section 4.09. Termination of Proceedings. In case any proceeding taken by the Master Trustee on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Master Trustee or to the Holders, then the Members, the Master Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Master Trustee and the Holders shall continue as if no such proceeding had been taken.

Section 4.10. Waiver of Event of Default.

(a) No delay or omission of the Master Trustee or of any Holder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Master Trustee and the Holders of the Obligations, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Master Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) Notwithstanding anything contained herein to the contrary, the Master Trustee, upon the written request of the Holders of at least a majority of the aggregate Principal Amount of Obligations then Outstanding, shall waive any Event of Default hereunder and its consequences; provided, however, that, except under the circumstances set forth in subsection (b) of Section 4.02 hereof, a default in the payment of the principal of, premium, if any, or interest on or other payment with respect to any Obligation, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Obligations at the time Outstanding.

(d) In case of any waiver by the Master Trustee of an Event of Default hereunder, the Members, the Master Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 4.11. Appointment of Receiver. Upon the occurrence of any Event of Default unless the same shall have been waived as herein provided, the Master Trustee shall be entitled as a matter of right if it shall so elect, (a) forthwith and without declaring the Obligations to be due and payable, (b) after declaring the same to be due and payable, or (c) upon the commencement of an action to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Master Trustee or the Holders, to the

appointment of a receiver or receivers of any or all of the Property of the Members with such powers as the court making such appointment shall confer. Each Member, respectively, hereby consents and agrees, and will if requested by the Master Trustee, consent and agree at the time of application by the Master Trustee for appointment of a receiver, to the appointment of such receiver and that such receiver may be given the right, power and authority, to the extent the same may lawfully be given, to take possession of and operate and deal with such Property and the revenues, profits and proceeds therefrom, with like effect as the Member could do so, and to borrow money and issue evidences of indebtedness as such receiver.

Section 4.12. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of a law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this instrument or the provisions hereof invalid or unenforceable under the provisions of any applicable law.

Section 4.13. Notice of Default. The Master Trustee shall, within 10 days after the Master Trustee has actual knowledge or has received written notice of the occurrence of an Event of Default, mail to all Holders (as the names and addresses of such Holders appear upon the books of the Master Trustee), notice of such Event of Default known to the Master Trustee, unless such Event of Default shall have been cured before the giving of such notice (the term “Event of Default” for the purposes of this Section being hereby defined to be the events specified in subsections (a)-(g) of Section 4.01, not including any periods of grace provided for in subsections (b), (c) and (d) respectively, and irrespective of the giving of written notice specified in subsection (b) of Section 4.01); and provided that, except in the case of default in the payment of the principal of or premium, if any, or interest or other payments on any of the Obligations and the Events of Default specified in subsections (d) and (e) of Section 4.01, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trustee committee of directors or Responsible Officers of the Master Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of Obligations.

ARTICLE V

THE MASTER TRUSTEE

Section 5.01. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default:

(i) The Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture, and no implied covenant or obligation shall be read into this Master Indenture against the Master Trustee; and

(ii) In the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon Certificates or opinions furnished to the Master

Trustee and conforming to the requirements of this Master Indenture; but in the case of any such Certificates or opinions which by any provision hereof are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Master Indenture.

(b) In case an Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a prudent corporate indenture trustee would exercise or use under similar circumstances as trustee under a trust indenture.

(c) No provision of this Master Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(ii) the Master Trustee shall not be liable for any error of judgment made in good faith by a chair or vice-chair of the board of directors, the chair or vice-chair of the executive committee of the board of directors, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Master Trustee customarily performing functions similar to those performed by any of the above designated officers or with respect to a particular matter, or any other officer to whom such matter is referred because of his knowledge or any familiarity with the particular subject, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(iii) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority (or other percentage provided for herein) in Principal Amount of the Outstanding Obligations relating to, or in exercising, the timing, method and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Indenture; and

(iv) no provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

(d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 5.02. Certain Rights of Master Trustee. Subject to Section 5.01:

(a) The Master Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of any Member mentioned herein shall be sufficiently evidenced by an Officer's Certificate and any action of the Governing Body may be sufficiently evidenced by a copy of a resolution certified by the secretary or an assistant secretary of the Member to have been duly adopted by the Governing Body and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

(c) Whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate.

(d) The Master Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Holders pursuant to this Master Indenture, unless such Holders shall have offered to the Master Trustee security or indemnity acceptable to the Master Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or document, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Obligated Group Representative or any Member, personally or by agent or attorney.

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) The Master Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized within the discretion or rights or powers conferred upon it by this Master Indenture.

(i) Anything to the contrary notwithstanding, the Master Trustee shall not be required to exercise any remedies with respect to the Mortgages unless the Master Trustee is satisfied that the Master Trustee will not be subject to any liability under any local, state or federal environmental laws or regulations of any kind whatsoever or from any circumstances present at the Property related to such Mortgages, relating to the presence, use, management, disposal of, or contamination by any environmentally hazardous materials or substances of any kind whatsoever.

(j) The immunities extended to the Master Trustee also extend to its directors, officers, employees and agents.

(k) The permissive right of the Master Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(l) The Master Trustee shall be under no responsibility to approve, evaluate or determine the independence of any consultant (including, any Independent Consultant or Insurance Consultant), expert or other skilled person selected by the Obligated Group Representative, any Member or the Lessee for any of the purposes expressed in this Master Indenture or in any Member Document, Related Bond Indenture, Related Loan Agreement or other agreement. The Master Trustee has no duty or obligation to review any report or recommendations of any Independent Consultant retained by the Obligated Group Representative, any Member or the Lessee or to monitor compliance with or implementation of any such report or recommendations.

(m) The Master Trustee shall be under no obligation to effect, maintain, renew or review any policies of insurance carried or required to be carried pursuant to Section 3.03 hereof, nor shall the Master Trustee have any obligation or duty to inquire as to the sufficiency of any such policies or the qualifications of the company same, or to report, make or file claims or proof of loss for any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made.

(n) The Master Trustee shall accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Master Indenture sent by Electronic Means. As used in this paragraph, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Master Trustee), or another method or system specified by the Master Trustee as available for use in connection with its services hereunder. Each Member agrees that the Master Trustee cannot determine the identity of the actual sender of such instructions and that the Master Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Representative have been sent by such Authorized Representative. Each Member shall be responsible for

ensuring that only their Authorized Representatives transmit such instructions to the Master Trustee, and each Member and their Authorized Representatives are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Master Trustee, if any. Each Member agrees (i) to assume all risks arising out of the use of such Electronic Means to submit instructions and direction to the Master Trustee, including without limitation the risk of the Master Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Master Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Means; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Master Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 5.03. Right to Deal in Obligations and Related Bonds. The Master Trustee may in good faith buy, sell or hold and deal in any Obligations and Related Bonds with like effect as if it were not such Master Trustee and may commence or join in any action which a Holder or holder of a Related Bond is entitled to take with like effect as if the Master Trustee were not the Master Trustee.

Section 5.04. Removal and Resignation of the Master Trustee. The Master Trustee may be removed at any time by an instrument or instruments in writing signed by the Holders of not less than a majority of the Principal Amount of Obligations then Outstanding or, provided an Event of Default has not occurred and is then continuing, the Obligated Group Representative. The Master Trustee may at any time resign by giving written notice of such resignation to the Obligated Group Representative and by giving the Holders of all Obligations then Outstanding notice of such resignation by mail at the addresses shown on the registration books maintained by the Master Trustee. No such resignation or removal shall become effective unless and until a successor Master Trustee has been appointed and has assumed the trusts created hereby. Written notice of removal shall be given to the Members and to each Holder of an Obligation then Outstanding at the address then reflected on the books of the Master Trustee and such resignation or removal shall then take effect upon the appointment and qualification of a successor Master Trustee. A successor Master Trustee may be appointed at the direction of the Holders of not less than a majority in aggregate Principal Amount of Obligations Outstanding, or, if the Master Trustee has resigned or has been removed by the Obligated Group Representative, by the Obligated Group Representative. In the event a successor Master Trustee has not been appointed and qualified within 45 days of the date notice of resignation is given, the Master Trustee, any Member or any Holder may apply to any court of competent jurisdiction for the appointment of an interim successor Master Trustee to act until such time as a permanent successor is appointed as above provided.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Master Trustee shall be a trust company or bank having the powers of a trust company as to trusts or authorized to exercise trust powers, qualified to do and doing trust business in one or more states of the United States of America and having (or in the case of a corporation or trust company included in a bank holding company system, the related

bank holding company shall have) an officially reported combined capital, surplus, undivided profits and reserves aggregating at least \$50,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Every successor Master Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to each member of the Obligated Group an instrument in writing, accepting such appointment hereunder, and thereupon such successor Master Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of such predecessor. The predecessor Master Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Master Trustee. The predecessor Master Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Master Trustee.

Each successor Master Trustee, not later than 10 days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Holder of an Obligation.

Section 5.05. Compensation and Reimbursement. Each Member, respectively, agrees:

(a) To pay the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust).

(b) Except as otherwise expressly provided herein, to reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith.

(c) To indemnify the Master Trustee for, and to hold it harmless from and against, any loss, liability or expense incurred without successful allegations of negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust or its duties hereunder, including the costs and expenses of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

Subject to the provisions of Section 4.04 hereof, as security for the performance of Members under this Section, the Master Trustee shall have a lien prior to the Obligations upon all property and funds held or collected by the Master Trustee as such, except funds held in trust for the payment of principal of or interest or premiums on the Obligations.

When the Master Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 4.01(d) or (e) hereof, the expenses (including reasonable fees and expenses of its counsel) and the compensation for the services in

connection therewith are intended to constitute expense of administration under any applicable bankruptcy law.

(d) Notwithstanding the cancellation or payment of all Obligations and the satisfaction and discharge of this Master Indenture, all provisions in this Master Indenture concerning the indemnity of the Master Trustee and the payment of its fees and expenses shall survive and remain in full force and effect.

Section 5.06. Recitals and Representations. The recitals, statements and representations contained herein, or in any Obligation (excluding the Master Trustee's authentication on the Obligations) shall be taken and construed as made by and on the part of the members of the Obligated Group, and not by the Master Trustee, and the Master Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

The Master Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof or of the Obligations or the validity or sufficiency of insurance to be provided. The Master Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the legality, validity or sufficiency of such document. The Master Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys that shall be released or withdrawn in accordance with the provisions hereof. The Master Trustee shall have no duty of inquiry with respect to any default or Events of Default described herein without actual knowledge of or receipt by the Master Trustee of written notice of a default or an Event of Default from a member of the Obligated Group or any Holder.

The Master Trustee shall not be obligated to verify any calculations made by third parties, including without limitation, the calculations to be made by the Independent Consultant hereunder.

Section 5.07. Separate or Co-Master Trustee. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction, the Master Trustee shall have power to appoint, and, upon the request of the Holders of at least half in aggregate Principal Amount of Outstanding Obligations, shall appoint, one or more Persons approved by the Master Trustee either to act as co-trustee or co-trustees, jointly with the Master Trustee, or to act as separate trustee or separate trustees, and to vest in such Persons or Persons, in such capacity, such rights, powers, duties, trusts or obligations as the Master Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(a) The Obligations shall be authenticated and delivered solely by the Master Trustee.

(b) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Master Trustee, or by the Master Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed the Master

Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(c) Any request in writing by the Master Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(d) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Master Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(e) The Master Trustee at any time, by any instrument in writing, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section. Upon the request of the Master Trustee, the members of the Obligated Group shall join with the Master Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.

(f) No trustee or any paying agent hereunder shall be personally liable by reason of any act or omission of any other trustee or paying agent hereunder, nor will the act or omission of any trustee or paying agent hereunder be imputed to any other trustee or paying agent.

(g) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Master Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(h) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Master Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment jointly with the Master Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms hereof. Every such acceptance shall be filed with the Master Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Master Trustee its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Master Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 5.08. Merger or Consolidation. Any company into which the Master Trustee may be merged or converted or with which it may be consolidated or any company resulting from any

merger, conversion or consolidation to which it shall be a party or any company to which the Master Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 5.04, shall be the successor to such Master Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

ARTICLE VI

SUPPLEMENTS AND AMENDMENTS

Section 6.01. Supplements Not Requiring Consent of Holders. The Obligated Group Representative, acting for itself and as agent for each Member, and the Master Trustee may, without the consent of any of the Holders, enter into one or more Related Supplements for one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission herein;
- (b) To correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder and which shall not materially and adversely affect the interests of the Holders;
- (c) To grant or confer ratably upon all of the Holders any additional rights, remedies, powers or authority, or to add to the covenants of and restrictions on the Members;
- (d) To qualify this Master Indenture under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect;
- (e) To create and provide for the issuance of an Obligation or Series of Obligations as permitted hereunder;
- (f) To obligate a successor to any Member as provided in Section 3.09;
- (g) To add a new Member as provided in Section 3.11; or
- (h) To remove a Member as provided in Section 3.12.

Section 6.02. Supplements Requiring Consent of Holders.

- (a) Other than Related Supplements referred to in Section 6.01 hereof, the Obligated Group Representative, acting for itself and as agent for each Member, and the Master Trustee may, with the consent of the Holders of not less than a majority in aggregate Principal Amount of the Obligations then Outstanding and anything contained herein to the contrary notwithstanding, enter into one or more Related Supplements as the Obligated Group Representative shall deem necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions

contained herein; provided, however, that nothing in this Section shall permit or be construed as permitting a Related Supplement which would:

(i) Extend the stated maturity of or time for paying interest on any Obligation or reduce the Principal Amount of or the redemption premium or rate of interest or method of calculating interest payable on any Obligation without the consent of the Holder of such Obligation;

(ii) Modify, alter, amend, add to or rescind any of the terms or provisions contained in Article IV hereof so as to affect the right of the Holders of any Obligations in default as to payment to compel the Master Trustee to declare the principal of all Obligations to be due and payable, without the consent of the Holders of all Obligations then Outstanding; or

(iii) Reduce the aggregate Principal Amount of Obligations then Outstanding the consent of the Holders of which is required to authorize such Related Supplement without the consent of the Holders of all Obligations then Outstanding.

(b) If at any time the Obligated Group Representative shall request the Master Trustee to enter into a Related Supplement pursuant to this Section, which request is accompanied by a copy of the resolution or other action of its Governing Body certified by its secretary or if it has no secretary, its comparable officer, and the proposed Related Supplement and if the Master Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate Principal Amount or number of Obligations specified in subsection (a) for the Related Supplement in question which instrument or instruments shall refer to the proposed Related Supplement and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof as on file with the Master Trustee, thereupon, but not otherwise, the Master Trustee may execute such Related Supplement in substantially such form, without liability or responsibility to any Holder of any Obligation, whether or not such Holder shall have consented thereto.

(c) Any such consent shall be binding upon the Holder of the Obligation giving such consent and upon any subsequent Holder of such Obligation and of any Obligation issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Obligation giving such consent or by a subsequent Holder thereof by filing with the Master Trustee, prior to the execution by the Master Trustee of such Related Supplement, such revocation and, if such Obligation or Obligations are transferable by delivery, proof that such Obligations are held by the signer of such revocation. At any time after the Holders of the required Principal Amount or number of Obligations shall have filed their consents to the Related Supplement, the Master Trustee shall make and file with the Obligated Group Representative a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(d) If the Holders of the required Principal Amount or number of the Outstanding Obligations shall have consented to and approved the execution of such Related Supplement as herein provided, no Holder of any Obligation shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Obligated Group Representative from executing the same or from taking any action pursuant to the provisions thereof.

Section 6.03. Execution and Effect of Supplements.

(a) In executing any Related Supplement permitted by this Article, the Master Trustee shall receive and shall be entitled to rely upon an Opinion of Counsel stating that the execution of such Related Supplement is authorized or permitted hereby. The Master Trustee may but shall not be obligated to enter into any such Related Supplement which materially and adversely affects the Master Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Related Supplement in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplement shall form a part hereof for all purposes and every Holder of an Obligation theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Obligation authenticated and delivered after the execution and delivery of any Related Supplement in accordance with this Article may, and, if required by the Obligated Group Representative or the Master Trustee shall, bear a notation in form approved by the Master Trustee as to any matter provided for in such Related Supplement. If the Obligated Group Representative or the Master Trustee shall so determine, new Obligations so modified as to conform in the opinion of the Master Trustee and the Governing Body of the Obligated Group Representative to any such Related Supplement may be prepared and executed by the Obligated Group Representative and authenticated and delivered by the Master Trustee in exchange for and upon surrender of Obligations then Outstanding.

(d) The Master Trustee shall give notice, by first class mail, to the Holders of all Obligations then Outstanding of the execution and delivery of any Related Supplement (other than a Related Supplement entered into for the purposes described in clause (e) of Section 6.01 hereof), setting forth the effective date of such Related Supplement and a summary prepared by or on behalf of the Obligated Group Representative of the terms thereof (or, in lieu of such a summary, by attaching the form of such Related Supplement to such notice).

Section 6.04. Amendment of Related Supplements. Any Related Supplement may provide that the provisions thereof may be amended without the consent of or notice to any of the Holders or pursuant to such terms and conditions as may be specified in such Related Supplement. If a Related Supplement does not contain provisions relating to the amendment thereof, amendment of such Related Supplement shall be governed by the provisions of Section 6.01 and Section 6.02 hereof.

ARTICLE VII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 7.01. Satisfaction and Discharge of Indenture. If (i) the Members shall deliver to the Master Trustee for cancellation all Obligations theretofore authenticated (other than any Obligations which shall have been mutilated, destroyed, lost or stolen and which shall have been replaced or paid as provided in any Related Supplement) and not theretofore cancelled, or (ii) upon payment of all Obligations not theretofore cancelled or delivered to the Master Trustee for cancellation, or (iii) (unless otherwise provided for an Obligation in the Related Supplement pursuant to which such Obligation was issued) the Members or any thereof shall deposit with the Master Trustee as trust funds cash or Government Obligations or both, sufficient to pay at maturity or upon redemption all Obligations not theretofore cancelled or delivered to the Master Trustee for cancellation, including without limitation principal and interest due or to become due to such date of maturity or redemption date, as the case may be, and if in any case the Members or any thereof shall also pay or cause to be paid all other sums payable hereunder by the Members or any thereof, then this Master Indenture shall cease to be of further effect, and the Master Trustee, on demand of the Members or any thereof and at the cost and expense of the Members or any thereof, shall execute proper instruments acknowledging satisfaction of and discharging this Master Indenture. The Members shall cause a report to be prepared by a firm nationally recognized for providing verification services regarding the sufficiency of funds for such discharge and satisfaction, upon which report the Master Trustee may rely. Each Member, respectively, hereby agrees to reimburse the Master Trustee for any costs or expenses theretofore and thereafter reasonably and properly incurred by the Master Trustee in connection with this Master Indenture or such Obligations.

Section 7.02. Payment of Obligations After Discharge of Lien. Notwithstanding the discharge of the lien hereof as in this Article provided, the Master Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Obligations and the registration, transfer, exchange and replacement of Obligations as provided in any Related Supplement. Nevertheless, any moneys held by the Master Trustee or any paying agent for the payment of the principal of, premium, if any or interest on any Obligation remaining unclaimed for two years after the principal of all Obligations has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided herein, shall then be paid to the Members and the Holders of any Obligations or coupons not theretofore presented for payment shall thereafter be entitled to look only to the members of the Obligated Group for payment thereof as unsecured creditors and all liability of the Master Trustee or any paying agent with respect to such moneys shall thereupon cease.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Obligations issued hereunder is intended or shall be construed to give to any Person other than each Member, the Master Trustee, and the Holders of the Obligations, any legal or equitable right,

remedy or claim under or in respect to this Master Indenture or any covenants, conditions and provisions herein contained; this Master Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties mentioned in this Section.

Section 8.02. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Obligations issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 8.03. Holidays. Except to the extent a Related Supplement or an Obligation provides otherwise:

(a) Subject to subsection (b), when any action is provided herein to be done on a day or within a time period named, and the day or the last day of the period falls on a day on which banking institutions in the jurisdiction where the Principal Corporate Trust Office is located are authorized by law to remain closed, the action may be done on the next ensuing day not a day on which banking institutions in such jurisdiction are authorized by law to remain closed with effect as though done on the day or within the time period named.

(b) When the date on which principal of or interest or premium on any Obligation is due and payable is a day on which banking institutions at the place of payment are authorized by law to remain closed, payment may be made on the next ensuing day on which banking institutions at such place are not authorized by law to remain closed with effect as though payment were made on the due date, and, if such payment is made, no interest shall accrue from and after such due date.

Section 8.04. Governing Law. This Master Indenture shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California, excluding conflict of laws rules to the extent such rules would apply the law of another jurisdiction. This Master Indenture shall be enforceable in the State, and any action arising out of this Master Indenture shall be filed and maintained in Sacramento County Superior Court, Sacramento County, California.

Section 8.05. Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 8.06. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Obligations issued hereunder or for any claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future officer, director, member, employee or agent of any Member which is a corporation, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Obligations hereunder.

Section 8.07. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon each Member, the Master Trustee and their respective successors and assigns subject to the limitations contained herein.

Section 8.08. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this Master Indenture may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Master Indenture using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this Master Indenture using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Master Indenture in a usable format. All notices, approvals, consents, requests and any communications to the Master Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Master Trustee). Electronic signatures believed by the Master Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Obligated Group Representative or any Member chooses to use electronic signatures to sign documents delivered to the Master Trustee, such party agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Master Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Master Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Master Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 8.09. Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed effective when delivered and sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to any Member, addressed to such Member at:

Grupo Nuevo Los Angeles
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

(ii) If to the Master Trustee, addressed to it at the Principal Corporate Trust Office; or

(iii) If to the registered Holder of an Obligation, addressed to such Holder at the address shown on the books of the Master Trustee kept pursuant hereto.

(b) Any Member or the Master Trustee may from time to time by notice in writing to the others and to the Holders of the Obligations designate a different address or addresses for notice hereunder.

IN WITNESS WHEREOF, the Initial Members and the Company, as the initial Obligated Group Representative, have caused these presents to be signed in their respective names and to evidence its acceptance of the trusts and agreements hereby created U.S. Bank Trust Company, National Association has caused these presents to be signed in its name and on its behalf by one of its duly authorized officers, all as of the day and year first above written.

GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation, as
Obligated Group Representative

By: _____
[Name, Title]

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,** as Master Trustee

By: _____
Authorized Officer

[Signature Page to Master Indenture of Trust – Camino Nuevo Charter Academy – Obligated Group 2023]

APPENDIX A

INITIAL MEMBER(S)

Fifteenth and Ardmore LLC, a California limited liability company

3500 West Temple LLC, a California limited liability company

[3545 West Temple LLC, a California limited liability company]

GNLA 697 S Burlington LLC, a California limited liability company

APPENDIX B

RELATED LEASE AND SCHOOL LOAN AGREEMENT PROVISIONS

Each Member further covenants and agrees that each related Lease and School Loan Agreement shall contain the following provisions, in substantially the following form.

(1) [Include only in each Lease] Extraordinary Monthly Rent. In the event that the Lessee under such Lease receives a notice (an “Extraordinary Monthly Rent Notice”) from either the lessor under such lease (the “Lessor”) or the Related Bond Trustee stating the Related Bond Trustee has not received the payment of Rent with respect to a Related Project on or before that date that such required payment is due, then such Lessee shall pay the Extraordinary Monthly Rent to the Related Bond Trustee, but only from and to the extent of Gross School Revenues attributable to the Lessee’s operation of any Obligated Group School in the Facilities and legally available for such purpose, within three business days after such Lessee’s receipt of the Extraordinary Monthly Rent Notice. The Lessor shall covenant in such Lease to immediately provide the Lessee with a copy of any Extraordinary Monthly Rent Notice received by Lessor pursuant to the terms of the Master Indenture.

“Extraordinary Monthly Rent” means the amount set forth in such Extraordinary Monthly Rent Notice, which shall be the Lessee’s Proportionate Share of the Extraordinary Monthly Rent.

“Proportionate Share” means the amount required to be paid by Lessee to ensure that all of the required Rent and School Loan Repayments with respect to all of the Related Projects have been timely made, said amount to be determined from time to time for each Obligated Group School in proportion to its respective share of Gross School Revenues attributable to the operation of such Obligated Group School. There is no assurance that the amount of Extraordinary Monthly Rent will be sufficient to cover any Rent not paid by any other Related Project (as defined in the Master Indenture).

The definition of “Rent” set forth under the related Lease shall include, as one component, the “Extraordinary Monthly Rent.”

(2) [Include only in each School Loan Agreement] Limited Guaranty Covenant. Lessee shall enter into a limited guaranty or other similar instrument in favor of the Master Trustee in an amount not to exceed the loan amount.

(3) Liquidity Covenant. Lessee shall calculate Consolidated Days Cash on Hand for the Obligated Group Schools as of the last day of each Fiscal Year, commencing with the later of the (i) Fiscal Year ending June 30, [2023] and (ii) immediately succeeding Fiscal Year commencing after the effective date of such Lease, based upon its audited financial statements for such Fiscal Year and file such reports with Master Trustee. For each calculation date, the Obligated Group Schools will maintain Consolidated Days Cash on Hand as of the last day of each Fiscal Year equal to or greater than 45 days.

“Cash and Cash Equivalents” means the sum of cash, cash equivalents, liquid investments, and unrestricted marketable securities (valued at the lower cost of market value) of the Obligated Group Schools.

“Consolidated Days Cash on Hand” means (i) the sum of Cash and Cash Equivalents of the Obligated Group Schools, as shown on Lessees’ audited financial statements for each Fiscal Year, and any State payments accrued to such Fiscal Year and scheduled to be received within two months following the end of such Fiscal Year (“Cash on Hand”); divided by (ii) the Average Daily Expenses for Obligated Group Schools (as calculated for the most recent Fiscal Year ending before such date).

“Average Daily Expenses for Obligated Group Schools” means (A) cash requirements during such Fiscal Year related to or payable from revenues attributable to the Obligated Group Schools (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of the Obligated Group Schools in the aggregate (i) all Operating Expenses for such Fiscal Year for the Obligated Group Schools, (ii) subordinated Support Office Management Fees, and (iii) the sum of the Base Rent and School Loan Repayments payable under the Leases and School Loan Agreements, respectively for all Obligated Group Schools between any Lessee and any Member of the Obligated Group, as Lessor, for that year, divided by (B) 365.

Lessee will provide a certificate to the Lessor and Master Trustee at the time of delivery of its annual audited financial statements for each Fiscal Year indicating whether Lessee, on behalf of the Obligated Group Schools, has met the requirement set forth above. If the certificate indicates that such cash balance requirement has not been met, Lessee covenants to retain an Independent Consultant at the expense of Lessee, on behalf of the Obligated Group Schools, within 45 days, to make recommendations to increase such balances in the then-current Fiscal Year to the required level or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant on behalf of the Obligated Group Schools more often than once during any 24 month period.

In the event the Obligated Group Schools fail to have such an amount on deposit, it will not be a default or Event of Default under the Lease.

(4) Consolidated Payment Obligation Coverage Covenant. Lessee covenants and agrees to calculate for each Fiscal Year its Consolidated Payment Obligation Coverage Ratio based on its audited financial statements for such Fiscal Year, and to provide a copy of such calculation for such period to the Lessor and the Master Trustee annually commencing with the later of the (i) Fiscal Year ending [June 30, 2023] and (ii) Fiscal Year ending June 30 of the Fiscal Year in which the Lease is executed. Lessee also covenants to maintain its Net Operating School Revenue so that the Consolidated Payment Obligation Coverage Ratio at the end of each Fiscal Year is not less than 1.10 to 1.00; provided that, except as provided below, Lessee’s failure to achieve the required Consolidated Payment Obligation Coverage Ratio will not constitute an Event of Default under any Lease or School Loan Agreement if Lessee promptly engages an Independent Consultant to prepare a report, to be delivered to Lessee, Landlord and Master Trustee within 45 days of engagement, with recommendations for meeting the required Consolidated Payment Obligation Coverage Ratio, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. Lessee, on behalf of the Obligated Group Schools, agrees to implement the recommendations of the Independent

Consultant, to the extent permitted by law. Lessee will not be obligated to retain such an Independent Consultant more often than once during any 24 month period. Notwithstanding the foregoing, Lessee's failure to achieve a Payment Coverage Ratio of 1.00 to 1.00 will constitute an Event of Default under the Lease.

"Expenses" shall mean all costs and expenses of the ownership, operation, maintenance, repair or replacement, and insurance of the Facility, as determined by standard accounting practices, including, by way of illustration only, and not by way of limitation, to the extent they apply to the Facility, the aggregate of the "Maintenance Expenses" and the "General Expenses" set forth below:

(a) "Maintenance Expenses" means all costs of maintaining and repairing the Facility, the parking area, athletic fields and other portions of the Facility, deferred maintenance, installing or extending service systems and other built-in equipment, and improving the Facility, including without limitation all of the following:

(i) All maintenance, replacement and repair costs of air conditioning, heating and ventilation equipment and systems, elevators (if any), landscaping, service areas, parking lots, athletic fields, building exteriors (including painting), signs and directories, repairing and replacing roofs, walls, structural components of the Facility, and cost of compliance with applicable laws (including any required upgrades or retrofitting).

(ii) Supplies, materials, labor, equipment, and utilities used in or related to the repair and maintenance of the Facility and such common areas.

(iii) Capital improvements made to the Facility (whether funded in full or amortized with reasonable financing charges) which may be required by any government authority or which will improve the operating efficiency of the Facility.

(iv) If applicable, amounts payable under any Ground Lease that are similar in nature to the foregoing.

(b) "General Expenses" means all of the following, to the extent not included in Maintenance Expenses:

(i) Gross receipts taxes, whether assessed against Landlord or assessed against Lessee and collected by Landlord.

(ii) Water, sewage, and waste or refuse removal charges.

(iii) Gas, electricity, telephone and other utilities.

(iv) The cost of monthly or annual contracts for systems or services such as alarm systems, security systems, internet services, janitorial services or landscaping services.

(v) All janitorial, cleaning, landscaping, sweeping and repair services relating to the Facility.

(vi) The costs of signs and directories.

(vii) The cost of compliance with applicable laws.

(viii) Reasonable costs incurred by Landlord for operating expenses, including the day-to-day management (if any), including the cost of management personnel (if any), together with any of Landlord's administrative expenses such as state filings, preparation of tax returns or notices, and all taxes, charges, or fees in connection therewith to the extent related to the Facility.

(ix) Real Property Taxes (as defined in the Lease) and personal property taxes, if any.

(x) Amounts required to be paid as deductibles in connection with any insurance required under the Bond Documents.

(xi) Any other costs or expenses incurred by Landlord under the Lease.

(xii) If applicable, amounts payable under any Ground Lease that are the responsibility of the Landlord and not otherwise paid pursuant to any other provisions of this subsection.

“Gross School Revenues” means all revenue, income, receipts and money received by the Lessee or on behalf of Lessee from all lawfully available sources attributable to its operation of the applicable Obligated Group School and to any other charter school operated by Lessee in the properties subject to the Lease or related to the School Loan Agreement, including from any applicable district or county or from the State pursuant to the Charter School Law from any general purpose entitlement, revenue limit, or State educational funding sources; but excluding gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for Rent payments or operating expenses. Any other income, revenue, receipts, contributions or other monies received by Lessee not specifically described in the immediately preceding sentence shall not constitute Gross School Revenues.

“Management Agreement” means any agreement between the Lessee and a charter school, including charter schools operated or managed by the Lessee, pursuant to which the Lessee provides management services.

“Net Operating School Revenue” means Lessee's Gross School Revenues minus its Operating Expenses; provided, that no determination thereof will take into account: (a) any gain or loss resulting from either the early extinguishment or refinancing of Obligated Group School Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business; (b) gifts, grants, bequests, donations or contributions, and income therefrom, to the extent specifically permanently restricted by the donor or by law to a particular purpose inconsistent with their use for the payment of Operating Expenses; (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; (d) adjustments

to the value of assets or liabilities resulting from changes in generally accepted accounting principles; (e) unrealized gains or losses that do not result in the receipt or expenditure of cash; and (f) nonrecurring items which involve the receipt, expenditure or transfer of assets.

“Obligated Group School Indebtedness” means Indebtedness (as such term is defined in the Master Indenture) related to or payable from revenues of the applicable Obligated Group School and to any other charter school operated by Lessee at the Facility subject to the Lease or related to the School Loan Agreement.

“Operating Expenses” means except as provided below, all unrestricted expenses of the Lessee, attributable to operations of the applicable Obligated Group School and to any other charter school operated by the Lessee at the Facility, including maintenance, repair expenses, utility expenses, equipment lease and other rental expense (excluding the Base Rent, School Loan Repayments, and the Extraordinary Monthly Rent, if any, but including Expenses and Additional Rent), Ground Rent (unless such Ground Rent is expressly subordinated to the payment of amounts due under the Related Supplement), administrative and legal expenses, miscellaneous operating expenses, advertising and promotion costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Lessee, equipment leases and service contracts, taxes upon the operations of the Lessee not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles, all in such amounts as reasonably determined by the Lessors. “Operating Expenses” shall exclude, however, (i) all subordinated Support Office Management Fees, (ii) depreciation and amortization, (iii) one-time expenses, and (iv) any expenses which are treated as extraordinary in accordance with generally accepted accounting principles.

“Support Office Management Fees” means all support office management fees, if any, paid to Lessee in connection with management services provided and related to or payable from revenues attributable to the School and to any other charter school operated by Lessee on the property subject to the Lease. This fee shall be subordinate to the payment of Rent due under the Lease.

(5) Limitation on Liens on Gross School Revenues. Except as provided in the Lease or School Loan Agreement, Lessee covenants and agrees that it will not create, assume or suffer to exist any lien upon or pledge of the Gross School Revenues, except Permitted Liens (as defined in the Master Trust Indenture).

(6) Use of Public Moneys. Lessee covenants that it will not use any public money, assets, and funds for support of the public school system that it receives through apportionments from the State in a manner that conflicts with or constitutes on its part or on the part of the School a violation or breach of any California statute, rule or regulation governing the use of those moneys.

In addition, the Authority shall be a Third Party Beneficiary under the Lease with respect to this provision of the Lease.

(7) [Include only in each Lease and School Loan Agreement relating to a Related Project financed by CSFA] Use of Intercept Moneys. Lessee covenants that all funds subject to the Intercept shall only be transferred to a Related Bonds Trustee for Related Bonds issued by the California School Finance Authority.

(8) Subordination of Support Office Management Fees. If a School enters into a Management Agreement for the payment of Support Office Management Fees to Camino Nuevo Charter Academy or any supporting organization of Grupo Nuevo Los Angeles under Internal Revenue Code Section 509(a)(3), or any of their respective affiliates, with respect to the Schools, Lessee shall amend any such Management Agreement for the Schools such that, so long as Bonds remain outstanding: (i) the obligation of Lessee to pay Support Office Management Fees relating to the Schools shall be subordinate to its payment of operating expenses of the Schools, rent payments to Lessor under this Lease [and School Loan Repayments under this School Loan Agreement]; (ii) the obligation of Lessee to pay Support Office Management Fees relating to the Schools shall be suspended for any such time as the payment of Support Office Management Fees would cause Lessee to fail to meet any of the financial covenants contained in Sections 3.2 or 3.4 herein; and (iii) during any period of time when Support Office Management Fees remain unpaid, such fees shall accrue without interest. If Lessee has not engaged a separate manager with respect to the Schools, Lessee agrees that it shall not apply any Gross School Revenues to costs and expenses of management unless and until all Rent is fully paid and the Loan is not in default.

(9) Engagement of Independent Consultant. Whenever the Lease or a School Loan Agreement provides for the retention or engagement of an Independent Consultant by Lessee, such Independent Consultant will be engaged in the manner as set forth herein.

Upon the selection by Lessee of an Independent Consultant as required under the provisions of the Lease or School Loan Agreement, the Landlord will notify the Obligated Group Representative, who will notify the Master Trustee of such selection. The Master Trustee is required to, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Outstanding Related Bonds of such selection. Such notice (which shall be provided by the Obligated Group Representative) will (i) include the name of the Independent Consultant and a brief description of the Independent Consultant, (ii) state the reason that the Independent Consultant is being engaged including a description of the covenant(s) of the Lease that require the Independent Consultant to be engaged, and (iii) state that the Holder of the Outstanding Related Bonds will be deemed to have consented to the selection of the Independent Consultant named in such notice unless such Holder submits an objection to the selected Independent Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee is required to notify the Obligated Group Representative of the number of objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have been deemed to have consented to the selection of the Independent Consultant, the applicable Landlord is required to cause the Lessee to engage the Independent Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Outstanding Related Bonds have objected to the Independent Consultant selected, Lessee will select another Independent Consultant which may be engaged upon compliance with the procedures described herein.

(10) Pledge of Gross School Revenues. To secure the payment and performance of its obligations under the Lease or School Loan Agreement, Lessee hereby pledges to Lessor or Lender, as applicable, and grants Lessor or Lender, as applicable, a security interest in the Gross School Revenues. From time to time, Lessee may own or hold funds or other assets subject to a statutory, regulatory, grantor-imposed or donor-imposed restriction on use that prohibits the use of such funds or assets to satisfy the obligations of Lessee under the Lease or the School Loan Agreement and/or prohibits the encumbrance of such funds or assets to secure such obligations. The foregoing pledge and grant of security interest shall not encumber, attach to, or transfer, and the holder of any claims of Lessor under this Lease shall have no recourse under this Lease to, any funds or assets of Lessee to the extent that any transfer of such funds or assets to or for the benefit of such holder would violate any such restriction on the use of such funds or assets.

(11) Definitions. Any capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Master Trust Indenture.

APPENDIX C

INITIAL MORTGAGE(S)

1. DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING, dated as of [_____] 1, 2023, by Fifteenth and Ardmore LLC, a California limited liability company, as trustor, to Fidelity National Title Insurance Company, as trustee, for the benefit of the U.S. Bank Trust Company, National Association, a national banking association, as beneficiary.

2. DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING, dated as of [_____] 1, 2023, by 3500 West Temple LLC, a California limited liability company, as trustor, to Fidelity National Title Insurance Company, as trustee, for the benefit of the U.S. Bank Trust Company, National Association, a national banking association, as beneficiary.

3. DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING, dated as of [_____] 1, 2023, by [3545 West Temple LLC], a California limited liability company, as trustor, to Fidelity National Title Insurance Company, as trustee, for the benefit of the U.S. Bank Trust Company, National Association, a national banking association, as beneficiary.

4. DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING, dated as of [_____] 1, 2023, by GNLA 697 S Burlington LLC, a California limited liability company, as trustor, to Fidelity National Title Insurance Company, as trustee, for the benefit of the U.S. Bank Trust Company, National Association, a national banking association, as beneficiary.

APPENDIX D

EXCLUSIONS FROM INITIAL PROPERTY, PLANT & EQUIPMENT

[None]

ADDENDUM TO SEVENTH AMENDED AGREEMENT FOR LIMITED SERVICES

This ADDENDUM TO SEVENTH AMENDED AGREEMENT FOR LIMITED SERVICES dated as of [date], 2023, (“Agreement”) is entered into by and between PUEBLO NUEVO EDUCATION AND DEVELOPMENT GROUP, a California nonprofit public benefit corporation (“PN-EDG”), and CAMINO NUEVO CHARTER ACADEMY, a California banking corporation (“CNCA”).

RECITALS

A. PN-EDG and CNCA have entered into a Seventh Amended Agreement for Limited Services effective as of July 1, 2022, (as the same may be amended, amended and restated, or replaced, the “Limited Services Agreement”) pursuant to which PN-EDG has agreed to provide certain administrative services to CNCA as operator of various charter schools, including the charter schools known as Camino Nuevo Charter Academy, Camino Nuevo Elementary #3, and Camino Nuevo High School No. 2.

B. GNLA 3435 W Temple LLC, a California limited liability company (“Lessor”), and PN-EDG have entered into a [Lease Agreement] [series of Lease Agreements] dated as of [date], 2023, ([collectively,] the “Lease”) pursuant to which Lessor has leased certain real property commonly known as 3435 West Temple Street, Los Angeles, CA 90004 to PN-EDG for use in providing services to CNCA pursuant to the Limited Services Agreement.

C. The California School Finance Authority (“Lender”) is making loans (the “Loan”) to Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “Borrower”), pursuant to a Loan Agreement dated as of [March 1], 2023, (the “Loan Agreement”), by and between Lender and the Borrower and approved by Lessor. The Loan will be funded by the proceeds of Lender’s Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2023A and Charter School Revenue Bonds (Camino Nuevo Charter Academy) Series 2022B (Taxable) (collectively, the “Bonds”) to be issued pursuant to an Indenture (the “Indenture”) between Lender and U.S. Bank Trust Company, National Association, as Trustee (the “Bond Trustee”). In connection with the issuance of the Bonds, the Borrower, as the obligated group representative (the “Obligated Group Representative”), Lessor and other limited liability companies of which the Borrower is the sole member, as the initial members (“Initial Members”) of an obligated group (the “Obligated Group”), and U.S. Bank Trust Company, National Association, as master trustee (the “Master Trustee”), will enter into a Master Indenture of Trust dated as of March 1, 2023, (the “Master Indenture”) and a related Supplemental Master Indenture for Obligation No. 1 dated as of March 1, 2023, (the “Supplemental MTI No. 1”) and, pursuant to Supplemental MTI No. 1, the Obligated Group Representative will issue its Obligation No. 1 in the par amount of the Bonds in favor of the Master Trustee. The Loan Agreement, the Indenture, the Master Indenture, the Supplemental Master Indenture for Obligation No. 1, Obligation No. 1, and any related documents and instruments are collectively referred to herein as the “Bond Documents.”

D. Unless the context of its use clearly requires otherwise, each capitalized term that is ascribed a meaning in the Lease and that is used but not otherwise defined herein (including in the Schedules attached hereto) has the meaning ascribed to it in the Lease.

E. In the Lease, PN-EDG has agreed as follows:

In order to provide for secure and orderly payment of the Base Rent component of Rent and for the payment of the Bonds out of such Base Rent payments, on or before the Commencement Date, Lessee shall cause CNCA, as operator of the charter schools known as Camino Nuevo Charter Academy, Camino Nuevo Elementary #3, and Camino Nuevo High School No. 2 or such other charter schools as CNCA may operate at the premises at which such charter schools currently conduct their primary operations (each, individually, a "School" and, collectively, the "Schools") to deliver or cause to be delivered the Intercept Notice[s], substantially in the form set forth in Exhibit D attached hereto (collectively, the "Intercept Notice"), to the State Controller of the State of California (the "State Controller"). Amounts specified in the Intercept Notice for transfer to the Bond Trustee shall be limited to State Apportionments. Lessee shall cause CNCA to amend, supplement or restate the Intercept Notice and deliver such to the State Controller from time to time as necessary or appropriate to cause transfers to the Bond Trustee to pay any changed amount of Base Rent due under this Lease (including without limitation changes resulting from redemption or defeasance of Bonds prior to maturity) and to cure any delinquency in payment of such amounts, and to deliver such amended, supplemented, or restated Intercept Notice to the State Controller not later than the twentieth (20th) calendar day of the month immediately preceding the month with respect to which such payment is due. Lessee will cause CNCA to cooperate with the Bond Trustee in any manner the Bond Trustee may request in connection with amending, supplementing, or restating the Intercept Notice. If at any time, the Intercept Notice is amended, supplemented, or restated for any reason, Lessee shall promptly provide Lender and the Bond Trustee with a copy of such amended, supplemented, or restated Intercept Notice. The Intercept Notice may provide additional amounts payable to the Bond Trustee on account of Additional Rent, on account of rent owed under by CNCA to affiliates of Lessor under separate leases, or for other purposes set forth in the Indenture; provided, that CNCA shall not grant preference or any prior right of funding access or security in respect of the State Apportionment to any other payment indicated in the Intercept Notice or any other notice delivered pursuant to Section 17199.4 of the Education Code of the State of California. All deposits of moneys derived from payments by the State Controller pursuant to the Intercept Notice from time to time shall be made at the corporate trust office of the Bond Trustee set forth in the Intercept Notice. Lessee shall cause CNCA to timely amend, supplement, or restate the Intercept Notice to require transfers to such other location as shall be designated in writing by the Bond Trustee to Lessee. Amounts transferred to the Bond Trustee from State Apportionments otherwise payable to or for the benefit of a School that are transferred to the Bond Trustee on account of amounts payable under this Lease shall be credited to fees payable by or on behalf of such School to Lessee under the Seventh Amended Agreement for Limited Services Between Lessee and CNCA effective as of July 1, 2022, as the same may be amended, amended and restated, or replaced, Borrower and Lender have entered into a Business Loan Agreement dated as of December 15, 2022, (the "Loan Agreement") and related loan documents with respect a \$600,000.00 revolving line of credit provided by Lender to Borrower. Unless the context of its use clearly requires otherwise, each capitalized term that is defined in the Loan Agreement and that is used but not otherwise defined herein has the meaning given to such term in the Loan Agreement.

F. In the Lease, PN-EDG has agreed to cause CNCA to comply with various financial covenants (the “Financial Covenants”) as set forth in Section 3.1 to Exhibit C.

AGREEMENT

In consideration of the foregoing and the promises and agreements made herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, PN-EDG and CNCA (each, a “Party” and, collectively, the “Parties”) parties agree as follows:

1. Intercept. CNCA, as operator of the charter schools known as Camino Nuevo Charter Academy, Camino Nuevo Elementary #3, and Camino Nuevo High School No. 2 or such other charter schools as CNCA may operate at the premises at which such charter schools currently conduct their primary operations (each, individually, a “School” and, collectively, the “Schools”) shall deliver or cause to be delivered the Intercept Notice[s], substantially in the form set forth in Exhibit D attached to the Lease (collectively, the “Intercept Notice”), to the State Controller of the State of California (the “State Controller”). CNCA shall amend, supplement or restate the Intercept Notice and deliver such to the State Controller from time to time as necessary or appropriate to cause transfers to the Bond Trustee to pay any changed amount of Base Rent due under the Lease (including without limitation changes resulting from redemption or defeasance of Bonds prior to maturity) and to cure any delinquency in payment of such amounts, and to deliver such amended, supplemented, or restated Intercept Notice to the State Controller not later than the twentieth (20th) calendar day of the month immediately preceding the month with respect to which such payment is due. CNCA will cooperate with the Bond Trustee in any manner the Bond Trustee may request in connection with amending, supplementing, or restating the Intercept Notice. The Intercept Notice may provide additional amounts payable to the Bond Trustee on account of Additional Rent, on account of rent owed under by CNCA to affiliates of Lessor under separate leases, or for other purposes set forth in the Indenture; provided, that CNCA shall not grant preference or any prior right of funding access or security in respect of the State Apportionment to any other payment indicated in the Intercept Notice or any other notice delivered pursuant to Section 17199.4 of the Education Code of the State of California. CNCA shall timely amend, supplement, or restate the Intercept Notice to require transfers to such other location as shall be designated in writing by the Bond Trustee to PN-EDG.

2. Credit for Intercepted Amounts. Amounts transferred to the Bond Trustee from State Apportionments otherwise payable to or for the benefit of a School that are transferred to the Bond Trustee on account of amounts payable under the Lease shall be credited to fees payable by or on behalf of such School to Lessee under the Limited Services Agreement.

3. Compliance with Financial Covenants. CNCA assumes and agrees to perform all covenants of the “Lessee” set forth in subsections 3.1 through 3.9 (including all subsections thereto) of the Lease.

4. Subordination of Support Office Management Fees. So long as any Bonds remain outstanding: (i) except for amounts to be intercepted pursuant to the Intercept, the obligation of CNCA to pay compensation to PN-EDG under the Limited Services Agreement on account of services provided to the Schools shall be subordinate to CNCA’s payment of other operating expenses of the Schools, including rent payments due to affiliates of Lessor under separate leases;

(ii) except for amounts to be intercepted pursuant to the Intercept, the obligation of CNCA to pay such compensation relating to the Schools shall be suspended for any such time as the payment of such compensation would cause Lessee to fail to meet any of the financial covenants contained in Sections 3.2 or 3.4 of the Master Indenture; and (iii) during any period of time when such compensation remains unpaid, such unpaid compensation shall accrue without interest.

5. Successors and Assigns. This Agreement shall be binding on the parties hereto and their respective successors and assigns, provided that no Party may assign its rights or obligations under this Agreement without the prior written consent of the other parties.

6. Further Assurances. Each Party shall execute and deliver such other documents or instruments and take such other action as may be necessary or desirable to enable PN-EDG to perform its obligations under the Lease with respect to the Intercept and with respect to CNCA's compliance with the Financial Covenants.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which together shall constitute but one and the same instrument. This Agreement may be executed by the delivery of separately signed counterpart signature pages. A Party's delivery by electronic transmission of the Party's manually or electronically signed counterpart signature page to this Agreement shall be deemed as effective as the Party's physical delivery of a manually signed counterpart signature page.

8. Effectiveness. This Agreement shall be effective only when it has been executed by all Parties hereto.

9. Governing Law. This Agreement shall be construed in accordance with and governed by the constitution and the laws of the State of California (the "State") applicable to contracts made and to be performed in the State.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

PN-EDG:

PUEBLO NUEVO EDUCATION AND DEVELOPMENT GROUP,
a California nonprofit public benefit corporation

By: _____
Name:
Title:

CNCA:

CAMINO NUEVO CHARTER ACADEMY,
a California nonprofit public benefit corporation,
for itself and on behalf of the Schools

By: _____
Adriana Abich
Chief Executive Officer