

## 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 Bonds<sup>1</sup> 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.

---

<sup>1</sup> 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.

<b>Table 1</b>					
<b>School</b>	<b>First Year of Operation</b>	<b>Grades Served (2022-23)</b>	<b>Enrollment (2022-23)</b>	<b>Enrollment Capacity</b>	<b>Charter Expiration</b>
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.

<b>Table 2</b>					
<b>Name</b>	<b>Title</b>	<b>Profession</b>	<b>Employer</b>	<b>Year Joined</b>	<b>Term Ends</b>
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>			
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Teachers									
Teacher Aides									
Support Staff									
Administration									
<b>Total</b>									
<u>The Middle School</u>									
	<u>Historical</u>				<u>Current</u>	<u>Projected</u>			
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Teachers									
Teacher Aides									
Support Staff									
Administration									
<b>Total</b>									
<u>The High School</u>									
	<u>Historical</u>				<u>Current</u>	<u>Projected</u>			
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27



Teachers
Teacher Aides
Support Staff
Administration
<b>Total</b>

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.

<u>Table 7</u>			
	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.

<u>Table 8</u>			
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.

<u>Table 9</u>			
	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 <sup>2</sup>	670,700	615,500	568,500

[Remainder of page intentionally left blank]

---

<sup>2</sup> 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.<sup>3</sup>

<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]

<sup>3</sup> 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.<sup>4</sup>

Table 13			
The County			
Company	Industry	Company	Industry
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	Schools-Universities &	Six Flags	Amusement & Theme Parks
NRTHRDG	Colleges Academic		
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.

<sup>4</sup> 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 <sup>5</sup>	California School Dashboard		CAASPP <sup>6</sup>	
			Enrollment (2021-22)	Socio- economically Disadvantaged	English Language Learners	ELA (2021-22)	Math (2021-22)
<b>Burlington Elementary</b>	<b>TK-8</b>	<b>Charter</b>	<b>579</b>	<b>99.7%</b>	<b>52.0%</b>	<b>42.4%</b>	<b>31.3%</b>
<b>The Middle School</b>	<b>6-8</b>	<b>Charter</b>	<b>251</b>	<b>96.6</b>	<b>46.4</b>	<b>33.4</b>	<b>17.7</b>
<b>The High School</b>	<b>9-12</b>	<b>Charter</b>	<b>508</b>	<b>90.4</b>	<b>19.7</b>	<b>59.6</b>	<b>20.2</b>
<b>Competitors</b>							
				%	%	%	%

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.

[Remainder of page intentionally left blank]

<sup>5</sup> California Department of Education, CALPADS unduplicated pupil count file, as of April 22, 2022.

<sup>6</sup> 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.

<b>Table 14</b>				
<b><u>Burlington Elementary</u></b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
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%
<b><u>The Middle School</u></b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
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%
<b><u>The High School</u></b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
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%

[Remainder of page intentionally left blank]

***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.

<b>Table 15</b>									
<b><u>Burlington Elementary</u></b>									
<b>Grades</b>	<b>Historical</b>				<b>Current</b>	<b>Projected</b>			
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
<b>TK/K</b>	72	64	78	86					
<b>1</b>	72	63	63	62					
<b>2</b>	72	63	64	63					
<b>3</b>	72	65	62	63					
<b>4</b>	74	63	65	61					
<b>5</b>	77	61	62	64					
<b>6</b>	90	61	60	60					
<b>7</b>	89	60	61	59					
<b>8</b>	90	61	62	61					
<b>Total</b>	708	561	577	579					
<b><u>The Middle School</u></b>									
<b>Grades</b>	<b>Historical</b>				<b>Current</b>	<b>Projected</b>			
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
<b>6</b>	93	82	82	76					
<b>7</b>	92	94	93	82					
<b>8</b>	93	91	91	93					
<b>Total</b>	278	267	266	251					
<b><u>The High School</u></b>									
<b>Grades</b>	<b>Historical</b>				<b>Current</b>	<b>Projected</b>			
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
<b>9</b>	117	125	123	125					
<b>10</b>	115	120	127	122					
<b>11</b>	116	115	105	119					
<b>12</b>	112	105	116	142					
<b>Total</b>	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.

<b><u>Table 16</u></b>					
<b><u>Burlington Elementary</u></b>					
<b>Grades</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>TK/K</b>					
<b>1</b>					
<b>2</b>					
<b>3</b>					
<b>4</b>					
<b>5</b>					
<b>6</b>					
<b>7</b>					
<b>8</b>					
<b>Total</b>					
<b><u>The Middle School</u></b>					
<b>Grades</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>6</b>					
<b>7</b>					
<b>8</b>					
<b>Total</b>					
<b><u>The High School</u></b>					
<b>Grades</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>

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
<b>Burlington Elementary</b>	%	%	%	%	%
<b>The Middle School</b>					
<b>The High School</b>					

**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
<b>Burlington Elementary</b>	%	%	%	88.03%	93.48%
<b>The Middle School</b>				84.57	91.89
<b>The High School</b>				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.]*

[Remainder of page intentionally left blank]