

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