



EXPLORATORY TERM SHEET

Preliminary, subject to change. This Term Sheet (Term Sheet) has been prepared for convenience of discussion and reference purposes only. This Term Sheet is not an exhaustive description of the terms and conditions that RBC Capital Markets, LLC (RBCCM or the Underwriter) may reasonably require and RBCCM reserves the right, in its sole discretion, to modify or supplement terms considered reasonable and customary for transactions of this nature. This Term Sheet is not a commitment to underwrite bonds or a commitment to extend credit, make a loan or otherwise fund the bonds or project. Any transaction that results from this Term Sheet is subject to credit, legal, risk and business approvals. Any commitment will only occur upon the negotiation of mutually agreeable terms and the completion of customary documentation and opinions. In the event of a conflict between this Term Sheet and transaction documents, the latter shall govern.

\$12,000,000*
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023A&B

We have based the below terms and covenant levels based on market standards but these are generally negotiated during the marketing period and finalized at pricing which is currently expected the week of March 9, 2023.

See offering document for additional details and definitions.

Par Amount:	Approximately \$12,000,000*
Use of Proceeds:	<ol style="list-style-type: none">i. Refinance existing debt related to the costs of the acquisition and construction to (A) Eisner Middle Campus, (B) Head Office Facility, (C) Dalzell High Campus and (D) Burlington Campusii. Finance certain capital improvements to the Facilitiesiii. Fund a debt service reserve fund with respect to the Series 2023 Bondsiv. Pay certain expenses incurred in connection with the issuance of the Series 2023 Bonds (collectively, the "Project")
Financing Structure:	Long-term, fixed-rate Charter School Revenue Bonds
Bond Rating	BB+ estimated
Tax Status:	Tax-exempt and taxable
Maturity:	30-34 years
Security:	Pledge of Gross Revenues Assignment of Leases Deeds of Trust Debt Service Reserve Fund to be funded by CSFA grant funds Repair and Replacement Fund
Covenants:	Debt Service Coverage Ratio Test*: 1.10x Consolidated Payment Obligations Coverage Days Cash on Hand Requirement*: 45 days Additional Bonds Test*: <ol style="list-style-type: none">i. 1.10x Consolidated Payment Obligations Coverage for most recently audited fiscal year; andii. 1.20x Consolidated Payment Obligations Coverage including proposed additional debt in the year following the completion of the Construction Project
Estimated Timing:	Public bond sale expected week of 3/9 Financing closing expected on 4/3

Method of Sale:	Public bond sale
Investor Qualifications:	Qualified Institutional Buyers or Accredited Investors
Debt Service Payments:	Principal will be payable annually on each July 1 Interest will be payable semiannually on each January 1 and July 1
Base Rent Payments:	Borrower will be obligated to pay monthly debt service payments in an amount equal to (1/6th) of the interest and (1/12th) of the principal coming due on the bonds on the next interest or principal payment date
Denominations:	Minimum denominations of \$250,000 and any integral multiple of \$5,000 in excess thereof
Financing Team Summary:	Borrower's Counsel - Musick, Peeler & Garrett LLP Bond Counsel - Kutak Rock LLP Municipal Advisor/Dissemination Agent - Campanile Group, Inc. Underwriter's Counsel - Orrick, Herrington & Sutcliffe LLP

Disclaimer for Underwriter:

RBC Capital Markets, LLC (RBCCM), seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as an underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer and/or the obligor. The underwriter has financial and other interests that differ from those of the issuer and/or the obligor. RBCCM is not recommending an action to you as the municipal entity or obligated person. RBCCM is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication. RBCCM is acting for its own interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.