



# Stargate School

## Governance Board Meeting

Published on June 10, 2025 at 3:58 PM MDT

Amended on June 11, 2025 at 6:16 PM MDT

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### Date and Time

Wednesday June 11, 2025 at 6:00 PM MDT

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### Agenda

	Purpose	Presenter
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#### I. Opening Items

- |    |                           |                  |
|----|---------------------------|------------------|
| A. | Call the Meeting to Order | Lindsey Paquette |
| B. | Roll Call                 | Lindsey Paquette |

C. Reading of Stargate Mission

Stargate School will provide a differentiated program designed specifically to meet the needs of identified intellectually gifted learners in order to challenge each student's academic abilities, support their unique emotional needs, promote individual character development and encourage a life-long love of learning.

- |    |                                |         |                   |
|----|--------------------------------|---------|-------------------|
| D. | Recognitions and Appreciations | Discuss | All Board Members |
| E. | Board News and Events          | Discuss | All Board Members |

#### II. Approve Consent Agenda Items

	Purpose	Presenter
<b>A.</b> Approve Consent Agenda	Vote	Lindsey Paquette
1) Agenda for June 11, 2025 Governance Board Meeting		
2) Minutes for Governance Board Meeting held May 14, 2025		
<b>B.</b> Minutes for Governance Board Meeting held May 14, 2025	Approve Minutes	

### III. School Operations

<b>A.</b> Bond Financing Update	FYI	Finance Team
<b>B.</b> Finance Report	FYI	Finance Team
Final 2025-2026 Budget		
Budget Appropriation Resolution		
Supplemental Appropriation Resolution		
Continuation of Hinkle & Co as auditors		
Assignment of Bank Authorizing Representative and Official Custodian		
<b>C.</b> Executive Director of Academics Report	FYI	Robin Greene
<a href="#">Proposed Admissions Policy</a> and <a href="#">Admissions Policy Summary of Changes</a> - Kelli Stuart		

### IV. Public Comment

Public Comments Reminder: The board meeting is structured to allow the Governance Board to conduct its business in a timely manner. Comments may not be immediately addressed but may be considered as future agenda items. Anyone wishing to speak must sign-in before the public comment portion of the meeting. Comments are limited to 3 minutes each, and total time allotted for all public comments will not exceed 45 minutes. Those wishing to speak that do not get the opportunity to do so can submit their comments to [governance@stargateschool.org](mailto:governance@stargateschool.org) or may attend the next board meeting to do so. Please note that time may not be donated to others and comments are expected to maintain professional courtesy, civility, and respect.

<b>A.</b> Public Comment	FYI
<b>B.</b> Public Comment Response	FYI

	Purpose	Presenter
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**V. Committee Reports**

<b>A.</b>	Written Committee Reports	FYI	
<b>B.</b>	Election Committee Report Board Election Debrief	FYI	Danielle Fox

**VI. Action Items**

<b>A.</b>	Bond Construction Financing	Vote	Samantha Howorko
<b>B.</b>	Final Budget	Vote	Samantha Howorko
<b>C.</b>	Budget Appropriation Resolution	Vote	Samantha Howorko
<b>D.</b>	Supplemental Appropriation Resolution	Vote	Samantha Howorko
<b>E.</b>	Approval of External Audit Firm	Vote	Samantha Howorko
<b>F.</b>	Assignment of Bank Authorizing Representative and Official Custodian Specify name and title	Vote	Samantha Howorko
<b>G.</b>	FAC Request	Vote	Samantha Howorko
<b>H.</b>	Admissions Policy	Vote	Lindsey Paquette
<b>I.</b>	Executive Director Contract	Vote	S Howorko and K Lindgren

**VII. Discussion Items**

<b>A.</b>	Community Engagement Update	Discuss	L Griffin & B Paul
<b>B.</b>	Charter Contract Deliverables <a href="#">District Deliverables 2024-2025</a>	FYI	Lindsey Paquette
<b>C.</b>	Strategic Plan Tracking <a href="#">Strategic Objectives Tracking</a>	FYI	L Paquette and L Griffin

**VIII. Future Planning**

Purpose	Presenter
Discuss	Lindsey Paquette
Discuss	Lindsey Paquette
Discuss	

- A. Next Board Meeting Agenda and Board Packet
- B. Next Admin Sync Meeting
- C. Upcoming Events

IX. Closing Items

- A. Adjourn Meeting

Vote	Lindsey Paquette
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# Coversheet

## Minutes for Governance Board Meeting held May 14, 2025

<b>Section:</b>	II. Approve Consent Agenda Items
<b>Item:</b>	B. Minutes for Governance Board Meeting held May 14, 2025
<b>Purpose:</b>	Approve Minutes
<b>Submitted by:</b>	
<b>Related Material:</b>	Minutes for Governance Board Meeting on May 14, 2025

DRAFT



## Stargate School

### Minutes

#### Governance Board Meeting

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##### **Date and Time**

Wednesday May 14, 2025 at 6:00 PM

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##### **Directors Present**

B. Paul, K. Lindgren, L. Challa (remote), L. Griffin, L. Hosfelt, L. Paquette, M. Faulkner, S. Howorko

##### **Directors Absent**

*None*

##### **Guests Present**

1 Community Member (remote), Finance Committee Member (remote), M. Anderson, R. Greene, Recruiting Committee Chair (remote), SAC Member

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#### **I. Opening Items**

##### **A. Call the Meeting to Order**

L. Paquette called a meeting of the board of directors of Stargate School to order on Wednesday May 14, 2025 at 6:05 PM.

##### **B. Roll Call**

##### **C. Reading of Stargate Mission**

##### **D.**

## **Recognitions and Appreciations**

Lisa H. - All Board, members, Dr. Greene and Maggie Anderson for all their work in support of the Board and the school.

Karla - Dr. Greene for always providing the information needed and for her support.

Samantha -Richard Raehel for his effort in putting together school-provided chromebook plans.

High school staff members for tracking post-graduation plans.

Meryl - Parents who are volunteering in last month of school.

Lisa G - Class of 2025 for being exceptional group of kids and parents

Staff members who have been around for the entire time with 2025 class - including

Noelia Klingman - and for their strong influence on the students.

Election Committee for all the time put into this election cycle.

Bibi - Danielle Fox for her exceptional efforts with Recruiting, working through vacation, organizing the Candidate Forum, and spending so many hours getting ready for the election.

Therese Morin and HyunSoon Song for helping with Candidate Forum.

Lumakar - Graduating students for their example. Teachers for their hard work during finals. The new chemistry teacher for their hard work and support of students. Election Committee and all volunteers getting ready for elections.

Lindsey - Election Committee and Recruiting Committee for their work on this election cycle. Teachers who are prepping kids for finals and coming up with creative ways for kids to prepare for finals. The elementary staff for a successful dismissal during the storm.

The CRC for all the meals and treats provided during staff appreciation week.

Lisa Hosfelt for her years of service on SAC and the Board.

Community member - Dr. Greene and the elementary admin and staff for quickly pivoting elementary dismissal plans during a storm and calmly guiding elementary students safely to parents.

## **E. Board News and Events**

Lindsey - elementary music program, 8th grade presentations, 2nd grade field trip

Lisa - Couture send off, 4th grade wax museum, Volunteer Appreciation, Candidate Forum

Karla - Volunteer Appreciation

Meryl - secondary choir performances

Lisa - Mamma Mia, art show, choir concert, Coffee Chat, both Community U sessions, Election Committee meetings, Candidate Forum, soccer games, volleyball games, track meet, senior walk, senior awards, Adams 12 American Indian graduation event

Bibi - high school new student night, elementary new student night, Candidate Forum, Volunteer Appreciation

Lumakar - Candidate Forum

## **II. Approve Consent Agenda Items**

**A. Approve Consent Agenda**

L. Paquette made a motion to approve the consent agenda.

S. Howorko seconded the motion.

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

**B. Minutes for Governance Board Meeting held April 9, 2025**

L. Paquette made a motion to approve the minutes from Governance Board Meeting on 04-09-25.

S. Howorko seconded the motion.

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

**III. School Operations**

**A. Executive Director of Academics Report**

Dr. Greene presented her monthly report (attached).

**B. Finance Report**

Representative from D.A. Davidson presented an overview of the bond financing situation (attached).

In the case that the district does not appropriate bond money until 2028, Stargate will need to seek \$19 million in financing to proceed with construction plans. Davidson is seeking to arrange a long-term financing structure that can be paid off in 3 years and amortized over 40 years. The 40- year amortization ensures that in a worst-case scenario where the district does not appropriate the funds, the school would be able to pay the financing over the long term. The first 3 years would be interest only. The proposal was sent to several banks. If banks do not respond to the RFP, the financing can be pursued through the bond market.

Ms. Whitney reviewed the financial documents (attached).

PPR is up about \$300 per student. Staff will receive 2.5% salary increase for next year.

Staff bonuses will be given at the same levels as last year.

Budget will be finalized and approved at the June meeting.

Mrs. Mischke reviewed the financial KPIs (attached). She also shared the 2023 990 forms.

**IV. Public Comment**

**A. Public Comment**

no public comment

**B. Public Comment Response**

**V. Committee Reports**

**A. Written Committee Reports**

See attached Election Committee report

**B. SAC: 3/31/25 KPI Report**

Lucas Banta presented the quarterly KPI report (attached).

**C. Recruiting Committee Report**

Danielle Fox presented the Recruiting Committee report (attached).

**VI. Action Items**

**A. Healthy School Meals for All Program**

S. Howorko made a motion to discontinue participation in Healthy Meals for All in the 2025-2026 school year.

L. Paquette seconded the motion.

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

**B. Bond Financing**

No vote needed at this time.

**C. 2025-2026 Budget**

S. Howorko made a motion to approve staff bonus for 2024-2025 school year as discussed.

K. Lindgren seconded the motion.

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

**D. 2023 Form 990s**

S. Howorko made a motion to approve 2023 990 forms for Stargate School and Foundation as discussed.

K. Lindgren seconded the motion.

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

**E. Updated Financial Policies and Procedures (including full text of Board Policies 2.4 and 2.6)**

S. Howorko made a motion to approve the Financial Policies and Procedures as presented.

L. Paquette seconded the motion.

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

**F. 1.22 Governance Workspace Management Policy - Second Reading**

L. Hosfelt made a motion to approve Policy 1.22 Governance Workspace Management Policy 2nd Reading as presented.

S. Howorko seconded the motion.

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

**G. Board On Track Contract Renewal**

L. Paquette made a motion to approve the one-year contract with BoardOnTrack for \$4,995.

K. Lindgren seconded the motion.

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

**VII. Discussion Items**

**A. Board Self-Evaluation Results**

Discussed results and plans for areas of improvement.

**B. Strategic Plan Tracking**

Discussed takeaways from this year, including limiting scope of initiatives in future years.

**C. League of Charter Schools Legislative Update - FYI only**

See attachment

**D. Board transition plan pending outcome of Bylaws changes**

If Section 5.3 of the Proposed Amendments to the Bylaws passes, new members will start in June. Existing members will attend in June to conduct actions, then new members will be sworn in at the end of the meeting.

**VIII. Future Planning**

**A. Next Board Meeting Agenda and Board Packet**

Dr. Greene's evaluation will be June 11.

**B. Next Admin Sync Meeting**

Lindsay and Lumakar will meet with Dr. Greene.

### **C. Upcoming Events**

Graduation

## **IX. 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 9:13 PM.

Respectfully Submitted,  
L. Hosfelt

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### **Documents used during the meeting**

- EDA Report May 2025.docx
- 2023 - 990 Return Stargate Foundation.pdf
- 2023 - 990 Return Stargate Charter School.pdf
- Board Expenses FY2025.xlsx
- Stargate School Fee Summary 2024-25.pdf
- Board Consolidated Detail w KPI's 2025.04.pdf
- Financials 2025.04 (1).pdf
- Stargate Charter Academy\_DADCO Presentation\_FINAL.pptx
- Election Committee Report to Board\_5.14.25.docx
- May Board Report.pdf
- BoardonTrack communication.pdf
- 2024-2025 Board Evaluation 1-pg CDE Format.xlsx
- 2025 Legislative Wrap-Up.pdf

# Coversheet

## Bond Financing Update

**Section:** III. School Operations  
**Item:** A. Bond Financing Update  
**Purpose:** FYI  
**Submitted by:**

**Related Material:**

CECFA Stargate Series 2025 Foundation Resolution, 1.docx  
CECFA Stargate Series 2025 Amended and Restated Deed of Trust Assignment of Rents Security Agreement and Fixture Filing, 1.docx  
CECFA Stargate Series 2025 Charter School Resolution, 1.docx  
CECFA Stargate Series 2025 Amended and Restated Loan and Security Agreement, 2.docx  
CECFA Stargate Series 2025 Tax Certificate, 1.docx  
CECFA Stargate Series 2025 Amended and Restated Indenture of Trust, 2.docx  
CECFA Stargate Series 2025 Amended and Restated Lease Agreement, 1.docx  
CECFA Stargate Series 2025 Bond Purchase Agreement (BPA), 2.doc  
CECFA STARGATE 2025 PRELIMINARY OFFICIAL STATEMENT, 3.docx



## RESOLUTION OF STARGATE FOUNDATION

### AUTHORIZATION OF PLAN OF FINANCE

**WHEREAS**, Stargate Foundation, a Colorado nonprofit corporation (the “**Foundation**”) is duly organized and validly existing under and pursuant to the laws of the State of Colorado with requisite corporate power to own and operate educational and administrative facilities and to carry on its business as presently being conducted; and

**WHEREAS**, the Foundation proposes to have the Colorado Educational and Cultural Facilities Authority (the “**Authority**”) issue its Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Series 2025A, and its Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2025B, in a total aggregate principal amount not to exceed \$25,000,000 (collectively, the “**Series 2025 Bonds**”), for the purposes of (a) financing the design, construction, renovation, expansion and equipping of various improvements to the educational facility located 14530 Washington St. Thornton, Colorado 80023 (the “**Facility**”); (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying costs associated with the issuance of the Series 2025 Bonds (collectively, the “**Series 2025 Project**”); and

**WHEREAS**, the Authority has previously issued its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A in the original aggregate principal amount of \$40,585,000 and its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2018B in the original aggregate principal amount of \$195,000 (collectively, the “**Series 2018 Bonds**”) pursuant to the Indenture of Trust dated as of July 1, 2018 (the “**Original Indenture**”) by and between the Authority and Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), solely in its capacity as trustee thereunder (the “**Trustee**”) to fund such loan; and

**WHEREAS**, the Authority proposes to issue the Series 2025 Bonds, on a parity basis to the Series 2018 Bonds, pursuant to an Amended and Restated Indenture of Trust (the “**Indenture**”), by and between the Authority and the Trustee, which amends and restates the Original Indenture, and to loan the proceeds therefrom to the Foundation pursuant to an Amended and Restated Loan and Security Agreement (the “**Loan Agreement**”), by and between the Authority and the Foundation, which amends and restates the Loan and Security Agreement dated as of July 1, 2018 by and between the Authority and the Foundation for the purpose of financing the Series 2025 Project; and

**WHEREAS**, the Facility is expected to be leased to Stargate Charter School (the “**Charter School**”), a Colorado nonprofit corporation and a charter school created by Adams 12 Five Star Schools, Colorado, pursuant to the terms and provisions of an Amended and Restated Lease Agreement (the “**Lease**”), by and between the Foundation and the Charter School, which amends and restates the Lease Agreement dated as of July 1, 2018 by and between the Foundation and the Charter School; and

**WHEREAS**, it is deemed to be in the best interest of the Foundation to (i) have the Authority issue the Series 2025 Bonds and finance the Series 2025 Project and (ii) lease the Facility to the Charter School pursuant to the Lease; and

**WHEREAS**, the Series 2025 Bonds will be offered for sale by D.A. Davidson & Co. (the “**Underwriter**”), pursuant to a Preliminary Official Statement (the “**Preliminary Official Statement**”) and a final Official Statement (the “**Official Statement**”) describing the Authority, the Foundation, the Charter School, the Series 2025 Project, and the terms of the Series 2025 Bonds; and

**WHEREAS**, there have been presented to this meeting proposed forms of the Indenture; the Loan Agreement; the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, on the Facility (the “**Deed of Trust**”) executed by the Foundation, encumbering the Facility, subject to Permitted Encumbrances; the Lease; the Tax Certificate (the “**Tax Certificate**”), by and among the Authority, the Foundation, and the Charter School; the Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”), by and among the Charter School and Digital Assurance Certification, LLC, as dissemination agent thereunder; the Bond Purchase Agreement (the “**Bond Purchase Agreement**”), by and among the Underwriter, the Charter School, the Foundation and the Authority; the Preliminary Official Statement and the Official Statement, which will be substantially in the form of the Preliminary Official Statement; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF STARGATE FOUNDATION, AS FOLLOWS:

1. That the financing of the Series 2025 Project by the issuance of the Series 2025 Bonds by the Authority and the Loan from the Authority to the Foundation is hereby authorized. Any of the officers of the Foundation and members of its Board of Directors are hereby authorized, empowered and directed to execute any instruments and take any actions required to implement said Series 2025 Project. The Series 2025 Bonds shall be issued as fully registered bonds in a combined aggregate principal amount not to exceed \$25,000,000. The interest rate on the Series 2025 Bonds shall be a fixed rate and shall not exceed a maximum true interest cost of 7.0%, excluding any rate increases set forth in the Indenture imposed following an event of default or determination of taxability thereunder. The final maturity of the Series 2025 Bonds shall not exceed forty years from the date of issuance. The Series 2025 Bonds shall be subject to optional redemption no later than five years with a redemption premium not to exceed 3%. The Series 2025 Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement. The Board of Directors of the Foundation hereby delegates to the President, Vice President, Treasurer, Secretary or any Director of the Foundation, the authority to make the final determinations relating to the Series 2025 Bonds.

2. The Board of Directors of the Foundation hereby delegates to the President, Vice President, Treasurer, Secretary or any Director of the Foundation the authority to make the final determination to cause the Series 2025 Bonds to be insured and execute any certificates or commitments required in connection therewith.

3. That the financing of the Series 2025 Project by the issuance of the Series 2025 Bonds by the Authority and the Loan from the Authority to the Foundation is hereby authorized.

4. That the substantially final forms of the Loan Agreement, the Lease, the Deed of Trust, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Tax Certificate, and the Continuing Disclosure Agreement (collectively, the “**Foundation Documents**”), submitted to this meeting be and are hereby approved, ratified and confirmed, and the President, Vice-President, Treasurer, Secretary or Assistant Secretary of the Foundation are hereby authorized, empowered and directed to execute the Foundation Documents, in the name and on behalf of the Foundation and, thereupon cause the same to be attested by any other officer (President, Vice-President, Treasurer, Secretary or Assistant Secretary) of the Foundation; that such documents are to be in substantially the forms now before or described at this meeting and hereby approved, with such changes therein as shall be approved by the officers of the Foundation or other representative of its Board of Directors executing the same, their execution thereof to constitute conclusive evidence of the Foundation’s approval of the Foundation Documents and any and all changes or revisions therein from the forms now before or described at this meeting; and that from and after the execution and delivery of the Foundation Documents, the officers, and such agents and employees designated by such officers of the Foundation or other representative of its Board of Directors are hereby authorized, empowered and directed to do all such acts and things and to execute, attest, acknowledge and deliver the Foundation Documents as may be necessary to carry out and comply with the provisions of the Foundation Documents as executed, including but not limited to any and all other documents necessary or desirable in connection therewith.

5. That the forms of the Preliminary Official Statement and the Official Statement to be distributed to prospective purchasers of the Series 2025 Bonds containing descriptions of the financing arrangements and the activities of the Foundation presented to this meeting are hereby approved and such distribution and use of the Preliminary Official Statement and the Official Statement are hereby approved, subject to further changes approved by the President, Vice President, Treasurer, Secretary, or any Director of the Foundation.

6. The Foundation may elect to have the Series 2025 Bonds insured by the bond insurance policy, subject to the terms of the commitment to be provided by the bond insurer in connection with the bond insurance policy (the “**Commitment**”) therefor being acceptable to the officer of the Foundation executing the same as set forth in this Section 6. The Board hereby authorizes any officer of the Foundation to execute the Commitment, if the terms contained therein are acceptable to the executing officer of the Foundation. The officers of the Foundation are also hereby authorized and directed to take all actions necessary to cause the bond insurer to issue the bond insurance policy in accordance with the Commitment, including without limitation, payment of the premium due in connection therewith, entering into any authorizing agreement and undertaking any obligations not inconsistent herewith necessary to cause the issuance of the bond insurance policy, if so elected. The Foundation Documents may be further completed, corrected, or revised as deemed necessary and approved by any officer of the Foundation executing the same in order to carry out the purposes of this Resolution, including to incorporate provisions required by the bond insurer in connection with the bond insurance policy.

7. That any officer of the Foundation or other representative of its Board of Directors or any of them are hereby appointed and authorized to execute all certificates and other closing documents which may be necessary in connection with the issuance of the Series 2025 Bonds, and any other closing agreements reasonably required in connection therewith, and all such actions and doings of said persons which are in conformity with the purposes and intent of this resolution hereby are in all respects ratified, approved and confirmed. Such agreements, certificates and documents shall include, but not be limited to, such agreements, certificates and documents as may be required for the Foundation to obtain the standard forms of title insurance policies required pursuant to the terms of the Agreement.

8. That all other acts and doings of the officers, agents and employees of the Foundation or of its Board of Directors, including but not limited to the execution of other agreements, certificates and documents, which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Series 2025 Bonds, and in furtherance of the financing of the Series 2025 Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

9. That any officer of the Foundation or other representative of its Board of Directors or any of them are hereby authorized to take all actions necessary in connection with the Series 2025 Project and all such actions and doings of said persons which are in conformity with the purposes and intent of this resolution hereby are in all respects ratified, approved and confirmed.

10. No funds for payment of the Series 2025 Project from sources other than the Series 2025 Bonds are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Foundation pursuant to its budget or financial policies.

11. That all prior acts and doings of the officers, agents and employees or the Board of Directors of the Foundation which are in conformity with the purposes and intent of this resolution and in furtherance of the execution and performance of the documents described herein and the issuance and sale of the Series 2025 Bonds and in furtherance of the financing of the Series 2025 Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

12. That if any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

13. That all bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

14. This resolution shall be in full force and effect upon its passage and approval.

Adopted this 11<sup>th</sup> day of June, 2025.

STARGATE FOUNDATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary

[Signature Page to Foundation Resolution]

CASEY PARROT LLC  
DRAFT 06/05/2025

**DEED OF TRUST,  
ASSIGNMENT OF RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING**

**Dated as of June 1, 2025**

**STARGATE FOUNDATION  
("Grantor")**

**to**

**THE PUBLIC TRUSTEE IN AND FOR THE COUNTY OF ADAMS, COLORADO**

**for the benefit of**

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION (fka ZB, NATIONAL  
ASSOCIATION DBA ZIONS BANK)**

**("Beneficiary")**

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NOTICE: THIS INSTRUMENT COVERS REAL PROPERTY AND PERSONAL PROPERTY AND FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN AND IS TO BE FILED FOR RECORD IN THE RECORDS WHERE DEEDS OF TRUST ON REAL ESTATE ARE RECORDED. IN ADDITION, THIS INSTRUMENT SHOULD BE APPROPRIATELY INDEXED NOT ONLY AS A DEED OF TRUST, BUT ALSO AS A FINANCING STATEMENT COVERING PERSONAL PROPERTY AND GOODS THAT ARE TO BECOME FIXTURES (EXCEPT AS EXPRESSLY EXCLUDED HEREIN) ON THE REAL PROPERTY DESCRIBED HEREIN. THE MAILING ADDRESS OF THE GRANTOR (DEBTOR) AND BENEFICIARY (SECURED PARTY) ARE SET FORTH IN THIS INSTRUMENT.

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Prepared by and after recording, return to:

Casey Parrot LLC  
Attn: Hester M Parrot, Esq.  
2205 W 136th Avenue, Suite 106-226  
Broomfield, Colorado 80023

**DEED OF TRUST,  
ASSIGNMENT OF RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “*Deed of Trust*”) is given as of June 1, 2025, by the Grantor named below to the Trustee named below, for the use and benefit of the Beneficiary named below.

**ARTICLE 1  
PARTIES. PROPERTY AND DEFINITIONS**

Capitalized terms used in this Deed of Trust shall have the meanings given such terms where parenthetically defined or as set forth in this Article 1 and if not defined herein, shall have the meanings set forth in the Amended and Restated Loan and Security Agreement, dated as of June 1, 2025, by and between the Colorado Educational and Cultural Facilities Authority (the “*Authority*”) and Grantor named below (the “*Loan Agreement*”). The following terms and references shall have the meanings indicated:

1.1. **Grantor:** Stargate Foundation, a Colorado nonprofit corporation, whose notice address is 14530 Washington Street, Thornton, Colorado 80023, and whose Colorado organizational identification number is 20021198130, and whose tax identification number is 81-0571736, together with any future owner of the Premises or any part thereof or interest therein.

1.2. **Beneficiary:** Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), whose notice address is 1001 17th Street; Suite 850, Denver, Colorado 80202, Attention: Corporate Trust Department, together with any future trustee for the Bonds in accordance with the Indenture.

1.3. **Trustee:** The Public Trustee in and for the County of Adams, State of Colorado.

1.4. **Evidence of Debt:** Grantor’s Secured Obligations (defined below) under the Loan Agreement dated as of even date herewith, in the original principal amount of \_\_\_\_\_ THOUSAND DOLLARS AND NO CENTS (\$[\_\_\_\_\_]00). All terms and provisions of the Secured Obligations (defined below) under the Loan Agreement are incorporated by this reference in this Deed of Trust.

1.5. **Premises:** The Premises shall mean all of Grantor’s right, title and interest in and to real property located in the County of Adams, State of Colorado more particularly described on Exhibit A attached hereto, subject to the Permitted Encumbrances listed in Exhibit B attached hereto, which are hereby accepted in accordance with subsection (1) of the defined term “*Permitted Encumbrance*” contained in the Loan Agreement, each of which Exhibits is and incorporated herein by this reference, (the “*Real Property*”), together with the following:

1.5.1 All buildings, structures, and improvements now or hereafter located thereon, as well as all rights-of-way, easements, and other appurtenances thereto;



1.5.2 All plans, permits, contracts and entitlements in or relative to the Real Property;

0.0.3 All machinery, apparatus, equipment, fittings, and fixtures (whether actually or constructively attached, and including all trade, domestic, and ornamental fixtures) now or hereafter located in, upon, or under the Real Property or improvements on the Real Property and used or usable in connection with any present or future operation thereof, including, but not limited to, all heating, air-conditioning, freezing, lighting, laundry, incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating, and communications apparatus, boilers, water heaters, ranges, furnaces and burners, appliances, vacuum cleaning systems, elevators, escalators, shades, awnings, screens, storm doors and windows, stoves, refrigerators, attached cabinets, partitions, ducts and compressors, rugs and carpets, draperies, and all additions thereto and replacements therefor and excluding any personal property or fixtures owned by any tenant leasing the Real Property;

0.0.4 All of Grantor's right, title, and interest in any award or payment, including interest thereon, resulting from the exercise of any right of eminent domain or any other public or private taking of, injury to, or decrease in the value of, any of such property and any proceeds of property insurance;

0.0.5 All other or greater rights and interests of every nature in the Real Property and in the possession or use thereof and income therefrom, whether now owned or subsequently acquired by Grantor;

1.5.6 All other personal property, interests and intangibles pledged to Beneficiary by Grantor under the Loan Agreement; and

1.5.7 All proceeds of any of the foregoing, which term "proceeds" shall have the meaning given to it under the Colorado Uniform Commercial Code and shall additionally include whatever is received upon the use, lease, sale, exchange, transfer, collection or other utilization or any disposition or conversion of any of the foregoing, voluntary or involuntary, whether cash or non-cash, including proceeds of issuance, rental or lease payments, accounts, chattel paper, instruments, documents, contracts, rights, general intangibles, equipment and inventory.

0.1 **Chattels:** All goods, fixtures, building and other materials, supplies, and other tangible personal property of every nature now owned or hereafter acquired by Grantor and used, intended for use, or usable in the construction and development of the Premises, Chattels and Intangible Property, together with all accessions thereto, replacements and substitutions therefor, and proceeds thereof.

0.7 **Intangible Personality:** All accounts and all plans, specifications, licenses, permits, and other general intangibles (whether now owned or hereafter acquired, and including proceeds thereof) relating to or arising from Grantor's ownership, use, operation, leasing, or sale of all or any part of the Premises, Chattels and Intangible Personality.



**0.8 Loan Documents:** The Loan Agreement, the Lease, the Indenture, the Bonds issued under and pursuant to the Indenture, this Deed of Trust, any financing statements executed or otherwise authorized in connection herewith, and each other document executed or delivered by Grantor as security for the Secured Obligations under the Loan Agreement or in connection with the transactions under the Loan Agreement when such transactions have been completed and the Bonds to be issued under the Indenture have been executed and delivered. The term “Loan Documents” also includes all supplements, amendments, modifications, extensions, renewals, and replacements of each document referred to above.

**0.9 Secured Obligations:** All present and future obligations of Grantor to Beneficiary evidenced by or contained in the Loan Agreement, whether stated in the form of promises, covenants, representations, warranties, conditions, or prohibitions or in any other form. If this Deed of Trust is foreclosed, either through the Trustee or through the courts, to the extent permitted by law, the Secured Obligations shall include an amount equal to any prepayment fee or premium which would be payable under the terms of the Secured Obligations due and owing under the Loan Agreement as if the Secured Obligations were prepaid in full on the date of the foreclosure sale, and together with all costs of collection and enforcement and any damages resulting from any such default.

## **ARTICLE 1**

### **GRANTING CLAUSE**

**2.1 Grant to Trustee.** As security for the Secured Obligations, Grantor hereby grants, bargains, encumbers, assigns and mortgages to Trustee, with power of sale, all of its estate, right, title and interest in, to and under the Premises, Chattels and Intangible Personalty, in trust for the use and benefit of Beneficiary, subject to all provisions of this Deed of Trust and the Loan Agreement, and further subject, to the Permitted Encumbrances.

## **ARTICLE 3**

### **GRANTOR’S TITLE AND AUTHORITY**

**1.1 Warranty of Title.** Grantor represents and warrants to Beneficiary that (a) it is the owner of title to the Premises, Chattels and Intangible Personalty; (b) that the Premises, Chattels and Intangible Property are subject only to the matters of record and other Permitted Encumbrances; and (c) that no interest in the Premises, Chattels and Intangible Personalty has been leased or conveyed to any third party other than the Permitted Encumbrances. The warranties contained in this section shall survive foreclosure of this Deed of Trust, and shall inure to the benefit of and be enforceable by any person who may acquire title to the Premises, Chattels and Intangible Property pursuant to any such foreclosure.

**1.2 Waiver of Homestead and Other Exemptions; Commercial Obligation.** Grantor hereby waives all rights to any homestead or other exemption regarding the Premises to which Grantor would otherwise be entitled under any present or future constitutional, statutory, or other provision of State of Colorado or other applicable state or federal law. Grantor confirms and agrees that the Secured Obligations represent a commercial lending relationship and not a consumer loan.

1.3 **Due Authorization.** Each individual who executes this Deed of Trust on behalf of Grantor represents and warrants to Beneficiary that such execution has been duly authorized by all necessary corporate action on the part of Grantor.

3.4 **Priority Lien.** This Deed of Trust shall be prior to any and all leases of the Premises. Any and all leases, including the Lease, shall be expressly subordinated to the lien of this Deed of Trust.

## **ARTICLE 2**

### **GRANTOR'S AFFIRMATIVE COVENANTS**

2.1 **Payment of Secured Obligations under the Loan Agreement; Future Advances.** Grantor will pay all principal, interest, and other Secured Obligations payable under the Loan Agreement, on the date when each such payment is due, without notice or demand. This Deed of Trust also secures all future advances allowed pursuant to Section 38-39-106, C.R.S. For the purpose of this Deed of Trust, the maximum principal amount secured hereby (whether based on obligatory or optional advances), shall be \$[ ] (120% of the par amount of Bonds).

4.2 **Maturity Date.** If not earlier paid in full, the Secured Obligations under the Loan Agreement shall be paid in full on or before [December 1, 2048] (the "*Maturity Date*").

2.3 **Performance of Other Obligations.** Grantor will promptly and strictly perform and comply with all other covenants, conditions, and prohibitions required of Grantor by the terms of the Loan Documents.

2.4 **Other Encumbrances.** Grantor will promptly and strictly perform and comply with all covenants, conditions, and prohibitions required of Grantor in connection with any other encumbrance affecting the Premises, the Chattels, or the Intangible Personalty, or any part thereof, regardless of whether such other encumbrance is superior or subordinate to the lien hereof, if the failure to perform the same shall materially adversely affect the lien of this Deed of Trust or Grantor's ability to perform the Secured Obligations. Grantor covenants and agrees to provide Beneficiary with written notice of any default or breach, whether or not such matters are timely cured, of any covenants, conditions or prohibitions required in any of the foregoing encumbrances including copies of any notices of such defaults or breaches received by Grantor in connection therewith.

#### **2.5 Payment of Taxes.**

2.5.1 **Property Taxes.** Grantor will pay or cause to be paid, before delinquency, all taxes and assessments, general or special, which may be levied or imposed at any time against the Premises (if any) as required under the Loan Agreement.

2.5.2 **Intangible Taxes.** If by reason of any statutory or constitutional amendment or judicial decision adopted or rendered after the date hereof, any tax, assessment, or similar charge is imposed against the Beneficiary as a result of this Deed of Trust, or against any interest of Beneficiary in any real or personal property encumbered hereby, Grantor will pay such tax, assessment, or other charge before

delinquency and will indemnify Beneficiary against all loss, expense, or diminution of income in connection therewith. In the event Grantor is unable to do so, either for economic reasons or because the legal provision or decision creating such tax, assessment, or charge forbids Grantor from doing so, then the Secured Obligations will, at Beneficiary's option, become due and payable in full upon thirty (30) days' notice to Grantor.

## **2.6 Maintenance of Insurance.**

**2.6.1 Coverages Required, Application of Proceeds.** Insurance requirements and the application of any proceeds therefrom shall be governed by the terms of the Loan Agreement.

**2.6.2 Successor's Rights.** Any person who acquires title to the Premises or the Chattels upon foreclosure hereunder will succeed to all of Grantor's rights under all policies of insurance maintained pursuant to this section, to the extent that such policies provide coverage to such successor and are otherwise assignable.

**2.7 Maintenance and Repair of Premises and Chattels.** Grantor will cause the Premises and the Chattels to be maintained in good condition and repair.

**2.8 Mechanics' Liens.** Except for Permitted Encumbrances or as permitted under the Loan Documents, Grantor will keep the Premises free and clear of all liens and claims of liens by contractors, subcontractors, mechanics, laborers, materialmen, and other such persons directed to perform services or provide materials by Grantor.

**2.9 Defense of Actions.** Grantor will defend, at Grantor's expense, any action, proceeding or claim which affects any property encumbered hereby or any interest of Beneficiary in such property or in the Secured Obligations, and will indemnify and hold Beneficiary harmless from all loss, damage, cost, or expense, including reasonable attorneys' fees, which Beneficiary may incur in connection therewith.

**2.10 Expenses of Enforcement.** Grantor will pay all actual and reasonable costs and expenses, including reasonable attorneys' fees, which Beneficiary may incur in connection with any effort or action (whether or not litigation or foreclosure is involved) to enforce or defend Beneficiary's rights and remedies under any of the Loan Documents including, but not limited to, all reasonable attorneys' fees and other expenses incurred by Beneficiary in securing title to or possession of, and realizing upon, any security for the Secured Obligations.

**2.11 Assembly of Chattels.** Upon the occurrence of any Event of Default hereunder, Grantor will, at Beneficiary's request, assemble the Chattels and make them available to Beneficiary at any place designated by Beneficiary which is reasonably convenient to both parties.

**2.12 Further Assurances; Estoppel Certificates.** Grantor will, at its sole cost and expense, do, execute, acknowledge and deliver to Beneficiary upon demand, all and every such further acts, documents and assurances which Beneficiary may reasonably request to confirm or perfect the liens and security interests created or intended to be created hereby, or to confirm or

perfect any evidence of the Secured Obligations, including, without limitation, financing statements and other security instruments. Beneficiary is hereby expressly authorized to file any and all financing statements deemed necessary by Beneficiary to perfect the security interests granted to Beneficiary hereunder. Grantor will also, within fifteen (15) Business Days (as defined in the Indenture) after any request by Beneficiary, deliver to Beneficiary a signed and acknowledged statement certifying to Beneficiary, or to any proposed transferee of the Secured Obligations, (a) the payment of principal, interest, and other sums made by Grantor on the Secured Obligations under the Loan Agreement; and (b) whether Grantor claims to have any defenses with respect to the Secured Obligations and, if so, the nature of such offsets or defenses. Grantor's failure to provide such a statement within such fifteen (15) day period will result in Grantor's being conclusively bound by any representation which Beneficiary may make as to those matters so long as that representation is consistent with Beneficiary's records of this transaction.

**4.13 Correction of Errors.** Grantor, upon request of Beneficiary, shall promptly correct any defect, error or omission that may be discovered in the content of this Deed of Trust or in the execution or acknowledgment hereof. In addition, Grantor shall do such further acts as may be necessary or that Beneficiary may reasonably request to carry out more effectively the purposes of this Deed of Trust, to subject any property intended to be encumbered hereby to the lien and security interest hereof, and to perfect and maintain the lien and security interest hereof.

### **ARTICLE 3**

#### **GRANTOR'S NEGATIVE COVENANTS**

**3.1 Waste and Alterations.** Grantor will not commit or permit any waste with respect to the Premises or the Chattels. Grantor shall conduct only those uses permitted on the Premises as allowed by Applicable Laws (defined below) or Permitted Encumbrances. Grantor shall not cause or permit any improvements that may be constructed upon the Premises including, but not limited to, any building, structure, parking lot, driveway, landscape scheme, or other ground improvement, to be removed or demolished except as provided in the Loan Documents.

**3.2 Zoning and Private Covenants.** Grantor will not initiate, join in, or consent to any change in any zoning ordinance or classification, any change in any approved zoning plan or in any "zone lot" or "zone lots" (or similar zoning unit or units) presently comprising the Real Property, any transfer of development rights, any change in any private restrictive covenant, or any change in any other public or private restriction limiting or defining the uses which may be made of the Real Property or any part thereof except as provided in the Loan Documents. If under applicable zoning provisions the use of all or any part of the Real Property is or becomes a nonconforming use, Grantor will not cause or permit such use to be discontinued or abandoned without the express written consent of Beneficiary.

**3.3 Interference with Lease.** Grantor will not, without the prior written consent of Beneficiary other than the Permitted Encumbrances (a) collect rent from all or any part of the Premises for more than two months in advance; (b) assign the rents from the Premises or any part thereof other than to Beneficiary; (c) consent to the cancellation or surrender of all or any part of the Lease, except that Grantor may in good faith and with the consent of Beneficiary

terminate any such Lease for nonpayment of rent or other material breach by the tenant thereunder; or (d) in any other manner impair the value of the Premises or the security of this Deed of Trust.

**3.4 Transfer of Premises.** Grantor will not transfer, either voluntarily or involuntarily, the Premises or any part thereof or interest therein, except as provided in the Loan Documents.

**3.5 Further Encumbrance of Premises.** Grantor will neither create nor permit any encumbrance other than the Permitted Encumbrances, either voluntarily or involuntarily, against the Premises or any part thereof or interest therein, except as provided in the Loan Documents.

**3.6 Transfer or Removal of Chattels.** Grantor will not sell, transfer or remove from the Premises all or any part of the Chattels, unless the items sold, transferred, or removed are simultaneously replaced with similar items of equal or greater value.

**3.7 Improper Use of Premises or Chattels.** Grantor will not use the Premises or the Chattels for any purpose or in any manner which violates any applicable law, ordinance, or other governmental requirement (collectively, “*Applicable Laws*”), the requirements or conditions of any insurance policy, or any private covenant that is a Permitted Encumbrance.

## **ARTICLE 4**

### **EVENTS OF DEFAULT**

**4.1** Each of the following events will constitute an Event of Default under this Deed of Trust and under each of the other Loan Documents:

**4.1.1 Failure to Pay Secured Obligations under the Loan Agreement.** Grantor’s failure to make any payment of any of the Secured Obligations when such payment is due under the terms of the Loan Agreement, and such failure is not cured within any grace or cure period provided therein;

**4.1.2 Violation of Other Covenants.** Grantor’s failure to perform or observe any other covenant, condition, restriction or prohibition contained in any of the Loan Documents or in any of the documents evidencing and securing the Permitted Encumbrances for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to Grantor by Beneficiary; provided, with respect to any such failure covered by this Section 6.1.2, no Event of Default shall be deemed to be continuing so long as a course of action adequate in the judgment of Beneficiary to remedy such failure shall have been commenced within such thirty (30) day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby; and provided further, however, that if any such Loan Document provides for a grace or cure period for the performance of the defaulted obligation, Beneficiary shall not be required to provide additional notice and opportunity to cure under this Section 6.1.2;

4.1.3 Misrepresentation or Breach of Warranty. Beneficiary's determination that any statement or warranty contained in any of the Loan Documents is untrue or misleading in any material respect;

4.1.4 Unpermitted Transfer or Encumbrance. Grantor's transfer or further encumbrance of the Premises in violation of sections 5.4 and 5.5;

4.1.5 Assertion of Priority. The assertion (except by the owner of a Permitted Encumbrance) of any claim of priority over this Deed of Trust, by title, lien, or otherwise, unless Grantor within thirty (30) days after such assertion either causes the assertion to be withdrawn or provides Beneficiary with such security as Beneficiary may require to protect Beneficiary against all loss, damage, or expense, including attorneys' fees, which Beneficiary may incur in the event such assertion is upheld;

4.1.6 Dissolution, Insolvency, or Bankruptcy. The dissolution, termination, or liquidation of Grantor or of any other person or entity directly or indirectly liable for the Secured Obligations, or the making by any such person of any assignment for the benefit of creditors, or the appointment of a receiver, liquidator, or trustee of the property of any such person, or the filing of any petition for the bankruptcy, reorganization, or arrangement of any such person pursuant to the federal Bankruptcy Code or any similar state or federal statute, or the adjudication of any such person as bankrupt or insolvent; or

6.1.7 Default Under Any Other Encumbrance or Obligation under the Loan Documents. Grantor's breach or default under any other covenant, condition, restriction, obligation or encumbrance affecting the Property, which breach or default adversely affects the Real Property or the ability of Grantor to pay the Secured Obligations, other than a default specified in Section 6.1.2 above, that is not cured within a reasonable time but in no event longer than 60 days after Grantor learns of such default or breach.

4.2 **Grace Periods for Certain Defaults.** In the event of any default under this Deed of Trust which does not involve failure to pay a sum of money when due, failure to maintain any required insurance, any prohibited transfer or further encumbrance of the Premises, or any waste or alterations of the Premises as limited hereunder, Beneficiary will not accelerate the maturity of the Secured Obligations if such failure is being cured in the manner and under the time frame set forth in the Loan Agreement. If a Determination of Taxability occurs under the Indenture, Beneficiary shall accelerate the maturity of the Secured Obligations and there shall be no cure period for such event.

## **ARTICLE 5**

### **BENEFICIARY'S REMEDIES**

Subject to the cure rights set forth herein, upon the occurrence of any Event of Default hereunder, Beneficiary may exercise any remedy available at law or in equity including, but not limited to, those listed below and those listed in the other Loan Documents, in such sequence or combination as Beneficiary may determine in Beneficiary's sole discretion:

5.1 **Performance of Defaulted Obligations.** If Grantor fails to perform any of its covenants and agreements herein or in the Secured Obligations under the Loan Agreement or any



Loan Documents, and such failure is not remedied prior to the expiration of any grace and cure period provided in the document at issue, Beneficiary may, but shall not be obligated to, make any payment or perform any other obligation required by Grantor in any form and manner deemed expedient. Grantor hereby irrevocably appoints Beneficiary as the true and lawful attorney-in-fact for Grantor to make any such payment and perform any such obligation in the name of Grantor. All payments made and expenses (including reasonable attorneys' fees) incurred by Beneficiary in this connection, together with interest thereon at the "Default Rate," from the date paid or incurred until repaid, will be part of the Secured Obligations and will be immediately due and payable by Grantor to Beneficiary. In lieu of advancing Beneficiary's own funds for such purposes, Beneficiary may use any funds of Grantor which may be in Beneficiary's possession including, but not limited to, insurance or condemnation proceeds and amounts deposited for taxes, insurance premiums or other purposes.

**5.2 Specific Performance and Injunctive Relief.** Notwithstanding the availability of legal remedies, Beneficiary will be entitled to obtain specific performance, mandatory or prohibitory injunctive relief, or other equitable relief requiring Grantor to cure or refrain from repeating any default.

**5.3 Suit for Monetary Relief.** With or without accelerating the maturity of the Secured Obligations, Beneficiary may sue from time to time for any payment due under any of the Loan Documents, or for money damages resulting from Grantor's default under any of the Loan Documents.

**5.4 Possession of Premises.** Beneficiary may enter and take possession of the Premises, in accordance with State of Colorado law, may employ a managing agent for the Premises, may continue any and all construction of the Premises in accordance with any approved plans and specifications therefor, and may lease or rent all or any part of the Premises, either in Beneficiary's name or in the name of Grantor, and may collect the rents, issues, and profits of the Premises. Any revenues collected by Beneficiary under this Section will be applied first toward payment of all expenses (including reasonable attorneys' fees) incurred by Beneficiary, together with interest thereon at the Default Rate from the date incurred until repaid, and the balance, if any, will be applied against the Secured Obligations.

**5.5 Enforcement of Security Interests.** Beneficiary may exercise all rights of a secured party under the State of Colorado Uniform Commercial Code with respect to the Goods, Chattels and the Intangible Personalty including, but not limited to, taking possession of, holding, and selling the Chattels and enforcing or otherwise realizing upon any accounts and general intangibles. Any requirement for reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made, will be satisfied by Beneficiary's giving of such notice to Grantor at least ten (10) days prior to the time of any public sale or the time after which any private sale or other intended disposition is to be made.

**5.6 Foreclosure Against Premises.** Subject to the cure rights contained in the Loan Agreement and this Deed of Trust or another applicable Loan Document, upon an Event of Default by Grantor, at Beneficiary's option, all of the sums secured by this Deed of Trust shall be immediately due and payable ("*Acceleration*"). To exercise this option, Beneficiary may

invoke the power of sale and any other remedies permitted by law. Beneficiary shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Deed of Trust, including, but not limited to, reasonable attorney's fees and all Trustee's fees. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of such election in accordance with the laws then in effect in the State of Colorado. Trustee shall give such notice to Grantor of Grantor's cure rights as is then provided by Colorado law. Trustee shall record a copy of such notice as required by Colorado law. Trustee shall advertise the time and place of the sale of the Premises in a newspaper of general circulation in each county in which the Premises is situated, and shall mail copies of such notice of sale to Grantor and other persons, all as may be now or in the future prescribed by Colorado law. After the lapse of such time as may be required by law, Trustee, without demand on Grantor, shall sell the Premises at public auction to the highest bidder for cash at the time and at the place then authorized by law as may be specified in the notice of sale, in one or more parcels as Beneficiary may think best and in such order as Trustee may determine. Unless otherwise required under Colorado law, under the Indenture or under the Loan Agreement, Trustee shall apply the proceeds of the sale in the following order: (a) to all costs of sale as set forth in the Colorado statutes governing foreclosures in the State of Colorado; (b) reasonable costs for Beneficiary's attorney's fees and costs of title evidence; (c) to reduce or discharge the Secured Obligations in such order as Beneficiary may elect; and (d) the excess, if any, to the person or persons legally entitled thereto. Upon abandonment of the Premises or upon the order of a court of competent jurisdiction, Beneficiary or the holder of the Trustee's certificate of purchase shall be entitled to a receiver for the Premises after Acceleration, and shall also be so entitled during the time covered by foreclosure proceedings and the period of redemption, if any, in accordance with Section 7.7 below. Nothing in this section dealing with foreclosure procedures or specifying particular actions to be taken by Beneficiary or by Trustee or any similar officer shall be deemed to contradict or add to the requirements and procedures now or hereafter specified by State of Colorado law, and any such inconsistency shall be resolved in favor of State of Colorado law applicable at the time of foreclosure.

**5.7 Appointment of Receiver.** Beneficiary shall be entitled, as a matter of absolute right and without regard to the value of any security for the Secured Obligations or the solvency of any person liable therefor, and on an *ex parte* basis, without notice, to the appointment of a receiver for the Premises upon application to any court of competent jurisdiction. Such receiver and his agents shall be empowered (a) to take possession of the Premises and any businesses conducted by Grantor or any other person thereon and any business assets used in connection therewith; (b) to exclude Grantor and Grantor's agents, servants and employees from the Premises, or, at the option of the receiver, in lieu of such exclusion, to collect a fair market rental from any such persons occupying any part of the Premises; (c) to lease or re-lease the Premises and to collect the rents, issues, profits and income therefrom and to enforce the Lease (or terminate the Lease or take any other allowed remedies under the Lease if the Lease is then in default); (d) to complete any construction which may be in progress; (e) to do such maintenance and make such repairs and alterations as the receiver deems necessary; (f) to use all stores of materials, supplies and maintenance equipment on the Premises and replace such items at the expense of the receivership estate; (g) to pay all taxes and assessments against the Real Property and the Chattels, all premiums for insurance thereon, all utility and other operating expenses, and all sums due under any prior or subsequent encumbrance; (h) to borrow from Beneficiary, if applicable, funds as may reasonably be necessary to the effective exercise of the receiver's



powers, on such terms as may be agreed upon by the receiver and Beneficiary; and (i) generally to do anything which Grantor could legally do if Grantor were in possession of the Premises. All expenses incurred by the receiver or his agents, including obligations to repay funds borrowed by the receiver, shall constitute a part of the Secured Obligations. Such receiver shall be entitled to enter upon, take possession of and manage the Premises and to collect the rents of the Premises, including those past due. Any revenues collected by the receiver shall be applied first to the expenses of the receivership, including reasonable attorneys' fees incurred by the receiver and by Beneficiary, together with interest thereon at the default rate allowed under the Loan Agreement from the date incurred until repaid, next to the payment of the costs of preservation and management of the Premises, and then the balance shall be applied toward the Secured Obligations or in such other manner as the court may direct. Beneficiary and the receiver shall be liable to account only for those rents actually received. Unless sooner terminated with the express consent of Beneficiary, any such receivership will continue until the Secured Obligations have been discharged in full, or until title to the Premises has passed after foreclosure sale and all applicable periods of redemption have expired, or until a court of competent jurisdiction orders the receiver discharged.

## **ARTICLE 6**

### **MISCELLANEOUS PROVISIONS**

**6.1 Assignment of Rents.** This Deed of Trust is intended to constitute a present, absolute and irrevocable assignment of any rents now or hereafter accruing, and Grantor, without limiting the generality of the Granting Clause set forth in Section 2.1 hereof, specifically hereby presently, absolutely and irrevocably assigns all of the rents now or hereafter accruing to Beneficiary. The aforesaid assignment shall be effective immediately upon the execution of this Deed of Trust and is not conditioned upon the occurrence of any Event of Default hereunder or any other contingency or event, provided, however, that Beneficiary hereby grants to Grantor the right and license to collect and receive the rents as they become due, and, except as otherwise provided herein, not in advance, so long as no Event of Default exists hereunder. Immediately upon the occurrence of any such Event of Default, the foregoing right and license shall be automatically terminated and be of no further force or effect. Nothing contained in this section or elsewhere in this Deed of Trust shall be construed to make Beneficiary a mortgagee in possession unless and until Beneficiary actually takes possession of the Premises, nor to obligate Beneficiary to take any action or incur any expense or discharge any duty or liability under or in respect of any leases or other agreements relating to the Premises or any part thereof.

**6.2 Security Agreement.** This Deed of Trust constitutes a security agreement under the applicable provisions of the Colorado Uniform Commercial Code, as the same may be amended from time to time, with respect to the Goods, Chattels, the Intangible Personalty and such other of the Premises which is personal property or otherwise governed by the Colorado Uniform Commercial Code. In addition to the right and remedies granted to Beneficiary by other applicable law or by this Deed of Trust, Beneficiary shall have all of the rights and remedies with respect to the Chattels, the Intangible Personalty, and such other personal property as are granted to a secured party under the Colorado Uniform Commercial Code, including, without limitation, taking possession of, holding and selling the Goods, Chattels, the Intangible Personalty and such other personal property. After an Event of Default and upon Beneficiary's request, Grantor shall promptly and at its expense assemble the Goods, Chattels, the Intangible

Personalty and such other personal property and make the same available to Beneficiary at a convenient place acceptable to Beneficiary. Grantor shall pay to Beneficiary on demand, with interest at the Default Rate, any and all expenses, including reasonable attorneys' fees, incurred by Beneficiary in protecting its interest in the Goods, Chattels, the Intangible Personalty and such other personal property and in enforcing its rights with respect thereto. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Goods, Chattels, the Intangible Personalty, and such other personal property sent to Grantor in accordance with the provisions hereof at least ten (10) days prior to such action shall constitute reasonable notice to Grantor. The proceeds of any such sale or disposition, or any part thereof, may be applied by Beneficiary to the Secured Obligations in accordance with the terms of the Loan Agreement.

**6.3 Time of the Essence.** Time is of the essence with respect to all provisions of the Loan Documents.

**6.4 Joint and Several Obligations.** If Grantor is more than one person or entity, then all persons or entities comprising Grantor are jointly and severally liable for all of the Secured Obligations.

**6.5 Rights and Remedies Cumulative.** Beneficiary's rights and remedies under each of the Loan Documents are cumulative of the rights and remedies available to Beneficiary under each of the other Loan Documents and those otherwise available to Beneficiary at law or in equity; provided that there shall be but one full and complete satisfaction of the Evidence of Debt secured hereby. No act of Beneficiary shall be construed as an election to proceed under any particular provision of any Loan Document to the exclusion of any other provision in the same or any other Loan Document, or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Beneficiary.

**6.6 No Implied Waivers.** Beneficiary shall not be deemed to have waived any provision of any Loan Document unless such waiver is in writing and is signed by Beneficiary. Without limiting the generality of the preceding sentence, neither Beneficiary's acceptance of any payment with knowledge of a default by Grantor, nor any failure by Beneficiary to exercise any remedy following a default by Grantor, shall be deemed a waiver of such default, and no waiver by Beneficiary of any particular default on the part of Grantor shall be deemed a waiver of any other default or of any similar default in the future.

**6.7 Dealings with Successor Owners.** If the Premises or any interest in the Premises are transferred to any person other than Grantor, whether voluntarily or involuntarily and whether or not Beneficiary has consented to such transfer, then Beneficiary may deal with such successor owner in all matters relating to the Secured Obligations, and no such dealings, including, but not limited to, any change in the terms of the Secured Obligations, will be deemed to discharge or impair the obligations of Grantor to Beneficiary under the Loan Documents.

**6.8 No Third Party Rights.** No person shall be a third-party beneficiary of any provision of any of the Loan Documents. All provisions of the Loan Documents favoring Beneficiary are intended solely for the benefit of Beneficiary, in its capacity as trustee for the Secured Obligations, or as otherwise provided in the other Loan Documents.

Anything contained herein to the contrary notwithstanding, as of the date hereof, the Authority has conveyed to Beneficiary, in its capacity as trustee for the Bonds, for the benefit of the registered owners of the Bonds, certain of its rights and interests under this Deed of Trust, the Loan Agreement and the other Loan Documents pursuant to the Indenture. The Grantor hereby acknowledges the aforementioned conveyance and shall treat the trustee for the Bonds as the Beneficiary hereunder.

**6.9 Preservation of Liability and Priority.** Without affecting the liability of Grantor or of any other person (except a person expressly released in writing) for payment and performance of all of the Secured Obligations, and without affecting the rights of Beneficiary with respect to any security not expressly released in writing, and without impairing in any way the priority of this Deed of Trust over the interests of any person acquired or first evidenced by recording subsequent to the recording hereof, Beneficiary may, either before or after the maturity of the Secured Obligations under the Loan Agreement, and without notice or consent: (a) release any person liable for payment or performance of all or any part of the Secured Obligations; (b) make any agreement altering the terms of payment or performance of all or any of the Secured Obligations; (c) exercise or refrain from exercising, or waive, any right or remedy which Beneficiary may have under any of the Loan Documents; (d) accept additional security of any kind for any of the Secured Obligations; or (e) release or otherwise deal with any real or personal property securing the Secured Obligations. Any person acquiring or recording evidence of any interest of any nature in the Premises, the Chattels, or the Intangible Personalty shall be deemed, by acquiring such interest or recording any evidence thereof, to have agreed and consented to any or all such actions by Beneficiary.

**6.10 Waiver of Jury Trial.** GRANTOR AND BENEFICIARY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BASED ON THIS DEED OF TRUST, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS DEED OF TRUST, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR GRANTOR AND BENEFICIARY TO ENTER INTO THE LOAN TRANSACTION EVIDENCED BY THE SECURED OBLIGATIONS UNDER THE LOAN AGREEMENT.

**6.11 Notices and Agency.** Any notice required or permitted to be given by Grantor or Beneficiary under any of the Loan Documents must be in writing and will be deemed given upon personal delivery or on the second Business Day after the mailing thereof, by registered or certified United States mail, postage prepaid, to the appropriate party at its address shown on the first page of this Deed of Trust or on the date of delivery by any courier service. Either party may change such party's address for notices by giving notice to the other party in accordance with this section, but no such change of address will be effective as against any person without actual knowledge thereof.

**6.12 No Merger of Estates.** Unless expressly provided otherwise, in the event that ownership of this Deed of Trust and title to the fee estate in the Premises encumbered hereby shall become vested in the same person or entity, this Deed of Trust shall not merge in said title

but shall continue to be and remain a valid and subsisting lien and/or trust deed on said estates in the Premises for the amount secured hereby.

**6.13 Release Upon Payment in Full.** Upon payment and performance in full of all of the Secured Obligations, Beneficiary shall execute and deliver to Grantor such documents as may be required to release this Deed of Trust of record.

**6.14 Partial Release.** Upon release of a portion of the Premises pursuant to Section 8.15 of the Loan Agreement from the lien thereof and the refunding of a portion of the Secured Obligations, Beneficiary shall execute and deliver to Grantor such documents (prepared by and at the expense of Grantor) as may be required to partially release this Deed of Trust of record.

**6.15 Severability.** Wherever possible, each provision of the Loan Documents shall be interpreted so as to be effective and valid under State of Colorado law. If any provision of any Loan Document is, for any reason and to any extent, invalid or unenforceable, then neither the remainder of the Loan Document in which such provision appears, nor any other Loan Document, nor the application of the provision to other persons or in other circumstances, shall be affected by such invalidity or unenforceability.

**6.6 Entire Agreement.** The Loan Documents set forth all the covenants, promises, agreements, representations, conditions, statements and understandings between Grantor and Beneficiary, and there are no representations, either oral or written between the parties other than those in this Deed of Trust and the Loan Documents, without limiting the foregoing, Grantor, hereby specifically waives any claims, rights, or defenses based on any warranties, representations or guarantees, whatever their form, made at any time, by any party, negligently made or otherwise, except those warranties, representations or guarantees contained in the Loan Documents. This Deed of Trust shall not be amended or modified except in a writing signed by both parties. Failure to exercise any right in one or more instance shall not be construed as a waiver of the right to strict performance or as an amendment to or modification of this Deed of Trust.

**8.17 No Partnership or Joint Venture.** Nothing contained herein nor the acts of the parties hereto, shall be construed to create a partnership or joint venture between Grantor and Beneficiary. The relationship between Grantor and Beneficiary is the relationship of “debtor” and “creditor.”

**8.18 Indemnification.** Grantor shall defend, indemnify and hold harmless Beneficiary, any successors to Beneficiary’s interest in the Premises, any purchaser of the Premises upon foreclosure, and all shareholders, directors, officers, employees and agents of all of the foregoing and their heirs, personal representatives, successors and assigns from and against all claims, costs, expenses, actions, suits, proceedings, losses, damages and liabilities of any kind whatsoever, including but not limited to all amounts paid in settlement of, and all costs and expenses (including reasonable attorneys’ fees) incurred in defending or settling, any actual or threatened claim, action, suit or proceeding, directly or indirectly arising out of or relating to the Secured Obligations, this Deed of Trust, or the Premises, including but not limited to (i) any violation of or claim of violation of the Americans with Disabilities Act with respect to the Premises; (ii) any violation of applicable environmental laws, rules, regulations, and court or

administrative orders; or (iii) any breach of any of the warranties, representations and covenants contained herein. This indemnity provision shall continue in full force and effect and shall survive the payment and performance of the Secured Obligations, the release of record of the lien of this Deed of Trust, any foreclosure (or deed in lieu of foreclosure) of this Deed of Trust, the exercise by Beneficiary of any other remedy under this Deed of Trust or any other document or instrument evidencing or securing the Secured Obligations, and any suit, proceeding or judgment against Grantor by Beneficiary hereon.

8.19 **Inspection.** Beneficiary shall have the right to inspect the Premises at all reasonable times, upon reasonable prior notice to Grantor and any tenant: except in an event of emergency, in which case no prior notice shall be required.

8.20 **Beneficiary.** Any provision governing the rights, immunities and protections of the Trustee under the Indenture is incorporated by reference into this Deed of Trust and shall be applied to the Beneficiary as though fully set forth herein. In the event any provision of this Deed of Trust requires the approval, consent, or action by the Beneficiary, the Beneficiary must undertake to grant or deny such approval or consent, or perform such action, only subject to and as directed by the terms of the Indenture, and may, in the Beneficiary's sole discretion, require direction of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding prior to undertaking any such approval, consent, or action.

[SIGNATURE PAGE TO FOLLOW]

Signed and delivered as of the date first referenced above.

GRANTOR:

STARGATE FOUNDATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary

STATE OF COLORADO )  
 )ss.  
COUNTY OF ADAMS )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2025, by \_\_\_\_\_, President and \_\_\_\_\_, Secretary of Stargate Foundation, a Colorado nonprofit corporation.

Witness my hand and official seal.

(SEAL)

Notary Public for the State of Colorado

[Signature page to Deed of Trust – Stargate Charter School]

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF ENCUMBERED PROPERTY**

The legal description of the Land is as follows:

Tracts A, E and F,  
STARGATE CHARTER SCHOOL SUBDIVISION,  
according to the plat recorded April 9, 2015 as Reception No. 20150000025331  
County of Adams, State of Colorado.

## **EXHIBIT B**

### **PERMITTED EXCEPTIONS**

1. [[Taxes for the year 2018, a lien but not yet due and payable.
2. Oil and Gas Lease recorded January 13, 1982 in Book 2615 at Page 575.  
NOTE: Affidavit of Lease Extension or Production recorded March 21, 1984 in Book 2851 at page 737.  
NOTE: Ratification of Oil and Gas Lease recorded December 2, 1987 in Book 3394 at Page 508.  
NOTE: Request for Notification of Surface Development recorded October 15, 2007 at Reception No. 2007000097421.  
NOTE: The Company makes no representation as to the present ownership of any such interests.  
There may be leases, grants, exceptions or reservations of interests that are not listed.
3. Grant of Easement recorded February 23, 1987 in Book 3277 at Page 155.  
NOTE: Amendment to Grant of Easement recorded January 23, 1997 in Book 4924 at Page 795.
4. Ordinance No. 1994, Approving the Annexation into the City of Thornton recorded July 27, 1990 in Book 3695 at Page 575.  
NOTE: Annexation Map to the City of Thornton, Colorado, recorded July 27, 1990 at Reception No. B956014.
5. Zoning Hearing Decision-Case No. 12-93-C Public Service Company of Colorado, recorded September 2, 1993 in Book 4142 at Page 355.
6. Amendment to Certificate of Organization for the E-470 Public Highway Authority, recorded December 19, 1995 in Book 4646 at Page 979.
7. Agreement to the City of Thornton, recorded July 3, 2000 in Book 6177 at Page 156.
8. Perpetual Easement recorded August 15, 2012 at Reception No. 2012000060285.
9. Perpetual Drainage Easement recorded August 15, 2012 at Reception No. 2012000060286.
10. First Amendment to Agreement for Pipeline Relocation recorded November 21, 2013 at Reception No. 2013000099212.
11. Deed of Perpetual Slope Easement recorded April 9, 2014 at Reception No. 2014000021312.
12. Covenants contained in Warranty Deed recorded February 6, 1952 in Book 435 at Page 400.



13. The following matters disclosed by ALTA/ACSM Land Title Survey, dated November 5, 2014, prepared by Intermill Land Surveying, Inc., under Job No. P-01-4717, to wit:
  - a) Big Dry Creek traversing in the Eastern portion of the property,
  - b) Ditch located in Zone X of the property,
  - c) Frame barn in right of way for 146th per Book 3695 at Page 575,
  - d) Fence along the Western boundary lies within the property conveyed to the City of Thornton in deed recorded at Reception No. 2012000060284.
14. All matters shown on the plat of Stargate Charter School Subdivision recorded April 9, 2015 as Reception No. 2015000025331.
15. Developer's Agreement recorded April 24, 2015 as Reception No. 2015000029790.
16. Easement to Public Service Company of Colorado recorded December 3, 2015 as Reception No. 2015000101155.
17. Quitclaim from Public Service Company of Colorado recorded October 11, 2017 as Reception No. 2017000088922 amending the easement recorded December 3, 2015 as Reception No. 2015000101155.
18. Quitclaim Deed from Public Service Company of Colorado recorded October 25, 2017 as Reception No. 2017000093715 amending the easement recorded December 3, 2015 as Reception No. 2015000101155.
19. First Amendment to Developer's Agreement recorded April 27, 2016 as Reception No. 2016000032109.
20. Second Amendment to Developer's Agreement recorded November 8, 2016 as Reception No. 2016000095929.]]

## RESOLUTION OF THE BOARD OF DIRECTORS STARGATE CHARTER SCHOOL

### AUTHORIZATION OF PLAN OF FINANCE

**WHEREAS**, Stargate Charter School (the “**Charter School**”), is a Colorado nonprofit corporation and a charter school created by Adams 12 Five Star Schools, Colorado (the “**District**”), pursuant to Sections 22-30.5-101, et seq., Colorado Revised Statutes (“**C.R.S.**”), as amended, and the terms and provisions of the Charter School Contract (the “**Charter**”), between the District and the Charter School with requisite corporate power to own and operate educational and administrative facilities and to carry on its business as presently being conducted; and

**WHEREAS**, the Stargate Foundation, a Colorado nonprofit corporation (the “**Foundation**”), proposes to have the Colorado Educational and Cultural Facilities Authority (the “**Authority**”) issue its Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Series 2025A, and its Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2025B, in a total aggregate principal amount not to exceed \$25,000,000 (collectively, the “**Series 2025 Bonds**”), for the purposes of (a) financing the design, construction, renovation, expansion and equipping of various improvements to the educational facility located 14530 Washington St. Thornton, Colorado 80023 (the “**Facility**”); (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying costs associated with the issuance of the Series 2025 Bonds (collectively, the “**Series 2025 Project**”); and

**WHEREAS**, the Authority has previously issued its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A in the original aggregate principal amount of \$40,585,000 and its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2018B in the original aggregate principal amount of \$195,000 (collectively, the “**Series 2018 Bonds**”) pursuant to the Indenture of Trust dated as of July 1, 2018 (the “**Original Indenture**”) by and between the Authority and Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), solely in its capacity as trustee thereunder (the “**Trustee**”) to fund such loan; and

**WHEREAS**, the Authority proposes to issue the Series 2025 Bonds, on a parity basis to the Series 2018 Bonds, pursuant to an Amended and Restated Indenture of Trust (the “**Indenture**”), by and between the Authority and the Trustee, which amends and restates the Original Indenture, and to loan the proceeds therefrom to the Foundation pursuant to an Amended and Restated Loan and Security Agreement (the “**Loan Agreement**”), by and between the Authority and the Foundation, which amends and restates the Loan and Security Agreement dated as of July 1, 2018 by and between the Authority and the Foundation for the purpose of financing the Series 2025 Project; and

**WHEREAS**, the Facility is expected to be leased to the Charter School pursuant to the terms and provisions of an Amended and Restated Lease Agreement (the “**Lease**”), by and between the Foundation and the Charter School, which amends and restates the Lease Agreement dated as of July 1, 2018 by and between the Foundation and the Charter School; and

**WHEREAS**, it is deemed to be in the best interest of the Charter School to have the Authority issue the Series 2025 Bonds and finance the Series 2025 Project and to lease the Facility from the Foundation pursuant to the Lease; and

**WHEREAS**, it may be financially advantageous to the Charter School to insure the Series 2025 Bonds and the Charter School desires the opportunity to make financial decisions regarding the purchase of insurance on the Series 2025 Bonds; and

**WHEREAS**, the Series 2025 Bonds will be offered for sale by D.A. Davidson & Co. (the “**Underwriter**”), pursuant to a Preliminary Official Statement (the “**Preliminary Official Statement**”) and a final Official Statement (the “**Official Statement**”) describing the Authority, the Foundation, the Charter School, the Series 2025 Project, and the terms of the Series 2025 Bonds; and

**WHEREAS**, there have been presented to this meeting proposed forms of the Indenture; the Loan Agreement; the Lease; the Tax Certificate (the “**Tax Certificate**”), by and among the Authority, the Foundation, and the Charter School; the Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”), by and among the Charter School and Digital Assurance Certification, LLC, as dissemination agent thereunder; the Bond Purchase Agreement (the “**Bond Purchase Agreement**”), by and among the Underwriter, the Charter School, the Foundation and the Authority; the Preliminary Official Statement and the Official Statement, which will be substantially in the form of the Preliminary Official Statement; and

**WHEREAS**, capitalized terms used but not defined in this resolution shall have the meanings assigned to them in the Loan Agreement, unless otherwise specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHARTER SCHOOL AS FOLLOWS:

1. That the financing of the Series 2025 Project by the issuance of the Series 2025 Bonds by the Authority and the Loan from the Authority to the Foundation is hereby authorized. Any of the officers of the Charter School and members of its Board of Directors (each a “**Director**”), including without limitation, the President, Vice President, Treasurer, Secretary or any Director of the Charter School are hereby appointed, authorized, empowered and directed to execute any instruments and take any actions required to implement said Series 2025 Project. The Series 2025 Bonds shall be issued as fully registered bonds in a combined aggregate principal amount not to exceed \$25,000,000. The interest rate on the Series 2025 Bonds shall be a fixed rate and shall not exceed a maximum true interest cost of 7.0%, excluding any rate increases set forth in the Indenture imposed following an event of default or determination of taxability thereunder. The final maturity of the Series 2025 Bonds shall not exceed forty years from the date of issuance. The Series 2025 Bonds shall be subject to optional redemption no later than 5 years with a redemption premium not to exceed 5%. The Series 2025 Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement. The Board of Directors of the Charter School hereby delegates to the President, Vice President, Treasurer, Secretary or any Director of the Charter School’s Board of Directors the authority to make the final determinations relating to the Series 2025 Bonds, as provided in the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the “**Supplemental Act**”), subject to the parameters set

forth above. The Charter School hereby elects to apply all of the provisions of the Supplemental Act to the Series 2025 Bonds.

2. The Board of Directors of the Charter School hereby delegates to the President, Vice President, Treasurer, Secretary or any Director of the Charter School the authority to make the final determination to cause the Series 2025 Bonds to be insured and execute any certificates or commitments required in connection therewith.

3. That the financing of the Series 2025 Project by the issuance of the Series 2025 Bonds by the Authority and the Loan from the Authority to the Foundation is hereby authorized.

4. That the substantially final forms of the Lease, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Tax Certificate, and the Continuing Disclosure Agreement (the Lease, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Tax Certificate and the Continuing Disclosure Agreement, are hereinafter collectively, the “**Charter School Documents**”) submitted to this meeting be and hereby are approved, ratified, and confirmed, and the President, Vice President, Treasurer, Secretary, or any Director on the Board of Directors of the Charter School are hereby appointed, authorized, empowered and directed to execute the Charter School Documents, in the name and on behalf of the Charter School and, thereupon cause the same to be attested by any other officer (Vice-President, Treasurer, Secretary or any Director) of the Charter School; that such documents are to be in substantially the forms now before or described at this meeting and hereby approved, with such changes therein as shall be approved the President, Vice President, Treasurer, Secretary, or any Director of the Charter School executing the same, the execution thereof to constitute conclusive evidence of the Charter School’s approval of the Charter School Documents and any and all changes or revisions therein from the forms now before or described at this meeting; and that from and after the execution and delivery of the Charter School Documents, the officers, and such agents and employees designated by such officers of the Charter School or its Board of Directors are hereby appointed, authorized, empowered and directed to do all such acts and things and to execute, attest, acknowledge, and deliver the Charter School Documents as may be necessary to carry out and comply with the provisions of the Charter School Documents as executed, including but not limited to any and all other documents necessary or desirable in connection therewith.

5. That the forms of the Preliminary Official Statement and the Official Statement to be distributed to prospective purchasers of the Series 2025 Bonds containing descriptions of the financing arrangements and the activities of the Charter School presented to this meeting are hereby approved and such distribution and use of the Preliminary Official Statement and the Official Statement are hereby approved, subject to further changes approved by the President, Vice President, Treasurer, Secretary, or any Director of the Charter School.

6. The Charter School may elect to have the Series 2025 Bonds insured by the bond insurance policy, subject to the terms of the commitment to be provided by the bond insurer in connection with the bond insurance policy (the “**Commitment**”) therefor being acceptable to the officer of the Charter School or Director executing the same as set forth in this Section 6. The Board hereby authorizes any officer of the Charter School or Director to execute the Commitment, if the terms contained therein are acceptable to the executing officer of the Charter School or

Director. The officers of the Charter School or any Director are also hereby authorized and directed to take all actions necessary to cause the bond insurer to issue the bond insurance policy in accordance with the Commitment, including without limitation, payment of the premium due in connection therewith, entering into any authorizing agreement and undertaking any obligations not inconsistent herewith necessary to cause the issuance of the bond insurance policy, if so elected. The Charter School Documents may be further completed, corrected, or revised as deemed necessary and approved by any officer of the Charter School or Director executing the same in order to carry out the purposes of this Resolution, including to incorporate provisions required by the bond insurer in connection with the bond insurance policy.

7. The Charter School agrees to cooperate in relation to all actions necessary pursuant to and in accordance with: (i) Section 22-30.5-406, C.R.S. in order to have the State Treasurer make debt service payments pursuant to the State Treasurer Intercept Program, (ii) Section 22-30.5-407, C.R.S. in order to utilize the Colorado Charter School Debt Service Reserve Fund Program, and (iii) Section 22-30.5-408, C.R.S. in order to utilize the Colorado Charter School Moral Obligation Program for the payment of the Series 2025 Bonds.

8. The Charter School hereby determines and declares that the annual Base Rents represent the fair value of the use of the Leased Property (as such capitalized terms are defined in the Lease), which annual amount is less than \$3,000,000. In making such determinations, the Charter School has given consideration to the current market value of the Leased Property, the cost of acquiring, constructing, or equipping property similar to the Leased Property and the uses and purposes for which the Leased Property is being and will be used.

9. That any officer of the Charter School, Director, or any of them are hereby appointed and authorized to execute all certificates and other closing documents which may be necessary in connection with the issuance of the Series 2025 Bonds, and any other closing agreements reasonably required in connection therewith, and all such actions and doings of said persons which are in conformity with the purposes and intent of this resolution hereby are in all respects ratified, approved, and confirmed.

10. That all other acts and doings of the officers, directors, agents, and employees of the Charter School or of its Board of Directors, including but not limited to the execution of other agreements, certificates, and documents, which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Series 2025 Bonds, and in furtherance of the financing of the Series 2025 Project, shall be and the same hereby are in all respects ratified, approved and confirmed. Such agreements, certificates, and documents shall include, but not be limited to, such agreements, certificates, and documents as may be required for the Charter School to obtain the standard form of title insurance policy required pursuant to the terms of the Lease.

11. That all prior acts and doings of the officers, directors agents, and employees of the Charter School or of its Board of Directors, which are in conformity with the purposes and intent of this resolution and in furtherance of the execution and performance of the documents described herein and the issuance and sale of the Series 2025 Bonds and in furtherance of the financing of the Series 2025 Project, shall be and the same hereby are in all respects ratified, approved, and confirmed.

12. That if any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

13. That all bylaws, orders, and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

14. This resolution shall be in full force and effect upon its passage and approval.

Adopted this 11<sup>th</sup> day of June, 2025.

STARGATE CHARTER SCHOOL

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary

[Signature Page to Charter School Resolution]

CASEY PARROT LLC  
DRAFT 06/05/2025

After Recording Please Return to:  
Casey Parrot LLC  
2205 W 136th Avenue, Suite 106-226  
Broomfield, Colorado 80023  
Attention: Hester M. Parrot, Esq.

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**AMENDED AND RESTATED  
LOAN AND SECURITY AGREEMENT**

**by and between**

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY**

**and**

**STARGATE FOUNDATION**

**\$40,585,000**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Refunding Revenue Bonds**  
**(Stargate Charter School Project)**  
**Series 2018A**

**\$195,000**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Refunding Revenue Bonds**  
**(Stargate Charter School Project) Federally**  
**Series 2018B Federally Taxable**

**and**

**\$(A-PAR)**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Revenue Bonds**  
**(Stargate Charter School Project)**  
**Series 2025A**

**\$(B-PAR)**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Revenue Bonds**  
**(Stargate Charter School Project) Federally**  
**Series 2025B Federally Taxable**

**Dated as of June 1, 2025**

**This Amended and Restated Loan and Security Agreement also is a security agreement with respect to certain accounts and is secured by a deed of trust lien on real estate. Certain rights of the Colorado Educational and Cultural Facilities Authority hereunder have been assigned to Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), Denver, Colorado, solely in its capacity as trustee (the “Trustee”) under an Amended and Restated Indenture of Trust, dated as of June 1, 2025, by and between the Colorado Educational and Cultural Facilities Authority and the Trustee.**

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## LOAN AND SECURITY AGREEMENT

**THIS AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**, dated as of June 1, 2025 (this “*Loan Agreement*”), is by and between the **COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY**, an independent public body politic and corporate constituting a public instrumentality (the “*Authority*”), and **STARGATE FOUNDATION**, a Colorado nonprofit corporation (the “*Foundation*”), and amends and restates the Loan and Security Agreement dated July 1, 2018, recorded with Clerk and Recorder of Adams County, Colorado on July 19, 2018 at reception number 2018000057900, by and between the Authority and the Foundation (the “*Original Loan Agreement*”).

### WITNESSETH:

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Loan Agreement, and if not defined below, they shall have the meaning used in the Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the “*Indenture*”), by and between the Authority and Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), as trustee thereunder (the “*Trustee*”), which amends and restates the Indenture of Trust, dated as of July 1, 2018 (the “*Original Indenture*”) by and between the Authority and the Trustee; and

WHEREAS, the Authority is authorized by the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23 of the Colorado Revised Statutes, as amended (the “*Act*”), and the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the “*Supplemental Act*”), to make secured or unsecured loans to persons, educational institutions and cultural institutions operating in the State of Colorado (the “*State*”), for the purpose of financing or refinancing the costs of the acquisition, construction, reconstruction, repair, alteration, equipment, enlargement, improvement and extension of facilities required or useful for the operation of an educational institution or a cultural institution and the refunding or refinancing of any outstanding obligations incurred to finance such facilities; and

WHEREAS, the Foundation has previously requested that the Authority finance the cost of: (a) currently refunding the Colorado Educational and Cultural Facilities Authority (Stargate Charter School Project) Charter School Improvement Revenue Bonds, Series 2015A, originally issued in the aggregate principal amount of \$42,010,000, the proceeds from which were used to finance the acquisition of land located at 14530 Washington St. Thornton, Colorado 80023, and the construction of an educational facility thereon (collectively, the “*Facility*”); (b) funding a Bond Reserve Fund; and (c) paying the costs of issuance of the Series 2018 Bonds (collectively, the “*2018 Project*”); and

WHEREAS, the Foundation requests that the Authority finance the costs of: (a) financing the design, construction, renovation, expansion and equipping of various improvements to the Facility; (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying the costs of issuance of the Series 2025 Bonds (collectively, the “*2025 Project*” and together with the 2018 Project, the “*Projects*”); and

WHEREAS, the Facility is expected to continue to be leased to the Charter School pursuant to the terms and provisions of an Amended and Restated Lease Agreement, dated as of June 1, 2025, by and between the Foundation and the Charter School (the “*Lease*”), which amends and restates the Lease Agreement, dated as of July 1, 2018, recorded with Clerk and Recorder of Adams County, Colorado on July 19, 2018 at reception number 2018000057901 (the “*Original Lease*”), by and between the Foundation and the Charter School; and

WHEREAS, pursuant to and in accordance with the Act and the Supplemental Act, the Authority proposes to make a loan to the Foundation pursuant to this Loan Agreement for purposes of financing the Projects; and

WHEREAS, the Authority has previously issued its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A in the original aggregate principal amount of \$40,585,000 (the “*Series 2018A Bonds*”) and its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2018B in the original aggregate principal amount of \$195,000 (the “*Series 2018B Bonds*” and together with the Series 2018A Bonds, the “*Series 2018 Bonds*”) pursuant to the Original Indenture to fund such loan; and

WHEREAS, pursuant to and in accordance with the Act and the Supplemental Act, the Authority proposes to issue its Charter School Revenue Bonds (Stargate Charter School Project), Series 2025A in the original aggregate principal amount of \$[A-PAR] (the “*Series 2025A Bonds*”) and its Charter School Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2025B in the original aggregate principal amount of \$[B-PAR] (the “*Series 2025B Bonds*” and together with the Series 2025A Bonds (the “*Series 2025 Bonds*”) and together with the Series 2018 Bonds, the “*Bonds*”) pursuant to the Indenture to fund such loan; and

WHEREAS, the Authority proposes to make the loan (the “*Loan*”) to the Foundation and the Foundation desires to borrow from the Authority the proceeds of the Bonds for purposes of financing the Projects upon the terms and conditions hereinafter in this Loan Agreement set forth.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

## ARTICLE I DEFINITIONS

All terms defined in Article I of the Indenture shall have the same meaning in this Loan Agreement. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

“*Accountant*” means any independent public accounting firm licensed to practice in the State (which may be the firm of accountants who regularly audit the books and accounts of the Foundation) from time to time selected by the Foundation.

“*Act*” means the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23 of the Colorado Revised Statutes, as amended, and the Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11 of the Colorado Revised Statutes, as amended.

“*Additional Rents*” has the meaning set forth in the Lease.

“*Annual Fee*” means the annual fee required to be paid by the Foundation to the Authority pursuant to Section 5.02(f) hereof.

“*Authority*” means the Colorado Educational and Cultural Facilities Authority, an independent public body politic and corporate constituting a public instrumentality, duly organized and existing under the laws of the State, or any public corporation succeeding to its rights and obligations under this Loan Agreement.

“*Authority Documents*” means, collectively, the Indenture, this Loan Agreement and the Tax Compliance Certificate.

“*Authorized Representative*” means, in the case of the Authority, the Chair, the Vice-Chair, any Assistant Vice-Chair or the Executive Director thereof or, in the case of the Foundation or the Charter School, the President, any Vice President or the Secretary or any Director thereof and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other Person authorized to perform such act, discharge such duty or execute such certificate or other document.

“*Base Rents*” means the base rent payments payable by the Charter School pursuant to Section 6.02(a) of the Lease and as further set forth in Exhibit B thereto, as they may be amended hereunder, during the Lease Term, which constitute the base rent payments due and payable by the Charter School for and in consideration of the right to use the Facility during the Lease Term.

“*Bond Documents*” means, collectively, the Indenture, this Loan Agreement, the Lease and the Deed of Trust.

“*Bond Interest Fund*” means the Bond Interest Fund created in Section 3.02 of the Indenture.

“*Bond Principal Fund*” means the Bond Principal Fund created in Section 3.02 of the Indenture.

“*Bond Reserve Fund*” means the bond reserve fund created in Section 3.02 of the Indenture.

“*Bond Reserve Fund Requirement*” means (a) with respect to the Series 2018 Bonds, an amount equal to \$2,443,900.00, which amount is the maximum annual debt service on the Series 2018 Bonds; (b) with respect to the Series 2025 Bonds, an amount equal to \$[\_\_\_\_\_], which amount is the maximum annual debt service on the Series 2025 Bonds; and (c) with respect to

any Additional Bonds an amount specified in an amendment hereto; provided, however, if such Additional Bonds are in the Colorado Charter School Moral Obligation Program, the requirement shall be an amount equal to the maximum annual debt service for such series of Additional Bonds.

“*Bonds*” means the Series 2018 Bonds, the Series 2025 Bonds and any Additional Bonds issued under the Indenture.

“*Bond Year*” means (a) with respect to the Series 2018 Bonds, each period commencing July 1 of each calendar year and terminating on June 30 of the next succeeding calendar year, except that the first Bond Year shall commence on July 17, 2018 and end on June 30, 2018; and (b) with respect to the Series 2025 Bonds, each period commencing [ ] of each calendar year and terminating on [ ] of the next succeeding calendar year, except that the first Bond Year shall commence on [ ], 2025 and end on [ ], 2026.

“*Building*” means that certain building or buildings and all other structures and facilities now owned or hereafter acquired (all fixtures, heating and air conditioning equipment and all other equipment and machinery affixed to the Land or Building, and parking areas and site improvements) which are located on the Land.

“*Capital Improvements*” means the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions which, under Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

“*Charter Authorizer*” means Adams 12 Five Star Schools, Colorado, or any successor Person pursuant to which the Charter School is granted a charter under the Charter Schools Act.

“*Charter Contract*” means the charter contract between the Charter Authorizer and the Charter School.

“*Charter School*” means Stargate Charter School, a Colorado nonprofit corporation and a public charter school authorized by the Charter Authorizer, duly organized and validly existing charter school under the Charter Schools Act, and any successors thereto and an organization that is exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code and is not a “private foundation” within the meaning of section 509(a) of the Code and any successors thereto.

“*Charter Schools Act*” means the Charter Schools Act, constituting Article 30.5 of Title 22 of Colorado Revised Statutes, as amended, or any successor act thereto.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations prescribed thereunder.

“*Colorado Charter School Intercept Program*” means that certain intercept program described in Section 406 of Article 30.5 of Title 22 of Colorado Revised Statutes, as amended, or any successor statute thereto.



“*Completion Date*” means (a) with respect to the Series 2018 Bonds, the date of completion of the 2018 Project as that date shall be certified as provided in Section 4.03 hereof; and (b) with respect to the Series 2025 Bonds, the date of completion of the 2025 Project as that date shall be certified as provided in Section 4.03 hereof.

“*Consultant*” means an independent consulting or management firm selected by the Foundation and not objected to by the Authority.

“*Consultant’s Certificate*” means a written opinion or report of a Consultant.

“*Consulting Architect*” means an individual or an independent engineering or architectural firm (which may be an individual or an engineering or architectural firm retained by the Foundation for other purposes) selected by the Foundation.

“*Consulting Architect’s Certificate*” means a written opinion or report signed by the Consulting Architect.

“*Cost of the Projects*” means the sum total of all reasonable or necessary costs incidental to the Projects that may be financed pursuant to the Act.

“*Deed of Trust*” means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2025, from the Foundation to the Public Trustee in and for the County of Adams for the benefit of the Trustee, which amends and restates the Original Deed of Trust, and any amendment and supplements thereto made in conformity with the requirements thereof and of the Indenture.

“*Default Rate*” means the lesser of (i) 3% per annum above the highest rate of interest borne by any of the Bonds, or (ii) the maximum rate permitted by law if less than such rate.

“*Determination of Taxability*” means a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes, is or was includable in the gross income or alternative minimum tax of a Registered Owner of such Bonds for federal income tax purposes under the Code. However, no such decree or action will be considered final for this purpose unless the Authority, the Foundation and the Charter School have been given written notice and, if it is so desired and is legally allowed, have been afforded the opportunity to contest the same, either directly or in the name of any Registered Owners and until conclusion of any appellate review, if sought.

“*Environmental Requirements*” means all present and future federal, state or local laws, regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements which apply to any actual, proposed or threatened storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Facility.

“*Event of Default*” means those defaults specified in Section 10.01 hereof and in Section 8.01 of the Indenture.



“*Facility*” means, collectively, the Land and the Buildings located at 14530 Washington St. Thornton, Colorado 80023, including the equipment therein, if any, or improvements thereto financed with proceeds of the Bonds.

“*Fiscal Year*” means the Foundation’s fiscal year, which currently begins on July 1 and ends on June 30 of the following calendar year.

“*Foundation*” means (a) Stargate Foundation, a duly organized and validly existing Colorado nonprofit corporation or (b) any surviving, resulting or transferee corporation, as provided in Section 8.02 hereof. The Foundation is an organization described in Section 501(c)(3) of the Code.

“*Funds*” means the Bond Principal Fund, the Bond Interest Fund, the Bond Reserve Fund, the Project Fund, the Project Fund, the Rebate Fund, and the Issuance Expense Fund.

“*Gross Revenue of the Charter School*” means all income and revenues directly or indirectly derived by the Charter School from its operations, including without limitation per pupil revenues and other funding received from the Charter Authorizer, or by virtue of the Charter Contract; and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for the payments required under the Lease.

“*Hazardous Substance*” means, at any time, (a) any “hazardous substance” as defined in §101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601 et seq.) as amended at such time; and (b) any additional substances or materials which at such time are classified or considered to be hazardous or toxic under applicable federal, state or local laws, regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements which apply to the Facility; provided, however, that “Hazardous Substance” shall not include any such substances used in or resulting from the ordinary operation of the Facility or for the cleaning of the Facility if such substances are stored, handled or disposed of in compliance with all applicable Environmental Requirements and other applicable laws and regulations.

“*Indebtedness*” means all indebtedness of the Foundation for borrowed moneys, or which has been incurred or assumed in connection with the acquisition of Property, all indebtedness, no matter how created, including, without limitation, the Loan, secured by Property, whether or not such indebtedness is assumed by the Foundation, and any leases required to be capitalized in accordance with Generally Accepted Accounting Principles, installment purchase obligations and guaranties of repayment by the Foundation.

“*Indemnified Parties*” has the meaning ascribed to such term in Section 8.06 hereof.

“*Indenture*” means the Amended and Restated Indenture of Trust, dated as of June 1, 2025, by and between the Authority and the Trustee, which amends and restates the Original Indenture, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Bonds are authorized to be issued and secured.

*“Initial Term”* means (a) with respect to the Series 2018 Bonds, the period commencing on the date the Series 2018 Bonds were issued and ending on June 30, 2019; and (b) with respect to the Series 2025 Bonds, the period commencing on the date the Series 2025 Bonds are issued and ending on June 30, 2025.

*“Insurance Consultant”* means an independent insurance consultant and/or risk management firm or an insurance broker or an insurance agent (which may be a consultant, firm, broker or agent with whom the Foundation, the Authority or the Trustee regularly transacts business) selected by the Foundation.

*“Irrevocable Deposit”* means the irrevocable deposit in trust of cash in an amount (or non-callable Government Obligations, the principal of and interest on which will be in an amount) and under terms sufficient to pay all or a specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Trustee or any other trustee authorized to act in such capacity.

*“Issuance Expense Fund”* means the Issuance Expense Fund created in Section 3.02 of the Indenture.

*“Issuance Expense Fund Initial Deposit”* means (a) with respect to the Series 2018 Bonds, an amount equal to \$527,445.35; and (b) with respect to the Series 2025 Bonds, an amount equal to \$[\_\_\_\_\_].

*“Land”* means the real estate, interests in real estate, and other real property rights described in Exhibit A hereto, together with all real estate, interests in real estate and other real property rights made a part of the Land in connection with the substitution of such real estate and other real property rights pursuant to Section 8.11 hereof or as the result of replacement of property taken in condemnation, or otherwise, less such real estate, interests in real estate and other real property rights released under the provisions of Section 8.11 hereof or taken by the exercise of the power of eminent domain as provided in Section 7.02 hereof.

*“Lease”* means the Amended and Restated Lease Agreement, dated as of June 1, 2025, by and between the Charter School and the Foundation, which amends and restates the Original Lease, and any amendments or supplements thereto, pursuant to which all or substantially all of the Facility is expected to be leased by the Foundation to the Charter School.

*“Lease Term”* means the Initial Term and each Renewal Term during which the Charter School is the lessee of the Facility under the Lease as provided in Section 4.01 of the Lease. Certain provisions of the Lease survive the expiration or end of the Lease Term as provided in Section 4.01(c) of the Lease.

*“Lien”* means the lien of the Deed of Trust, and any mortgage or pledge of, security interest in, or lien or encumbrance on, any Property which secures any Indebtedness or other obligation of the Foundation or which secures any obligation of any Person other than an obligation to the Foundation excluding liens applicable to Property in which the Foundation has only a leasehold interest unless the lien secures Indebtedness.

“*Loan*” means, collectively, the 2018 Loan and the 2025 Loan, each by the Authority to the Foundation of the proceeds from the sale of the Bonds pursuant to this Loan Agreement.

“*Loan Agreement*” means this Amended and Restated Loan and Security Agreement and any amendments and supplements hereto made in conformity with the requirements hereof and of the Indenture.

“*Loan Payments*” means those payments required to be paid by the Foundation pursuant to Section 5.02(a) hereof.

“*Long-Term Indebtedness*” means (a) all Indebtedness, the final maturity of which (taking into account any extensions available at the sole option of the Foundation) is greater than one year after the initial incurrence thereof, and (b) if the Lease is in effect, all capital leases of the Charter School, but only if the base rents payable thereunder secure Indebtedness described in clause (a) of this definition.

“*Maximum Annual Debt Service*” means as of any date of calculation, the highest principal and interest payment requirements with respect to all Long-Term Indebtedness outstanding for any succeeding Bond Year.

“*Net Proceeds*” means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in the collection of such gross proceeds.

“*Net Revenue*” means Gross Revenue of the Charter School, plus the amount of unrestricted working capital of the Charter School held in the Charter School’s operating fund in excess of the balance required pursuant to Section 10.08 of the Lease, less Operating Expenses of the Charter School.

“*Operating Expenses of the Charter School*” means all reasonable and necessary current expenses of the Charter School, paid or accrued, to operate a public school and provide educational services at the Facility, including without limitation (a) salaries, employee retirement and health benefits and administrative expenses, (b) the cost of instructional supplies and materials, (c) insurance premiums, (d) professional services and (e) any payments made under the Lease which constitute Additional Rents and any similar rental payments made in connection with other lease-purchase agreements of the Charter School; provided however, there shall be excluded from Operating Expenses of the Charter School (i) any allowance for depreciation; (ii) expenses incurred in connection with the construction of Capital Improvements; (iii) expenses paid from grants from state, federal or local sources, or from any Person, which were not included as part of Gross Revenue of the Charter School; and (iv) Base Rent payments and any similar rental payments made for the lease-purchase of Capital Improvements.

“*Opinion of Counsel*” means an opinion in writing of legal counsel, who may be counsel to the Authority, the Trustee, the Charter School or the Foundation.

“*Permitted Encumbrance*” means, as of any particular time, any of the following:

- (a) liens for taxes and special assessments on the Facility not then delinquent;

- (b) this Loan Agreement, the Tax Compliance Certificate and the Indenture;
- (c) purchase money security interests with respect to any item of equipment related to the Facility;
- (d) the Lease, and any other leases of the Facility permitted pursuant to the terms of Section 8.11 hereof;
- (e) utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and exceptions which would not in the aggregate (i) materially interfere with or impair any present use of the Facility or any reasonably probable future use of the Facility, or (ii) materially reduce the value which would be reasonably expected to be received for the Facility upon any sale (including any foreclosure on the Deed of Trust on the Facility);
- (f) mechanics' and materialmen's liens related to the Facility when payment of the related bill is not overdue and as may be permitted by the Lease;
- (g) mechanics' and materialmen's liens, security interests or other encumbrances related to the Facility to the extent permitted in Section 6.01 hereof;
- (h) Liens arising by reason of good faith deposits with the Foundation in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Foundation 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;
- (i) Liens arising by reason of deposits with, or the giving of any form of security to, any governmental agency as required by law or governmental regulation as a condition to any transaction or any business or the exercise of any privilege or license, or to enable the Foundation to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's 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;
- (j) judgment Liens against the Foundation or the Charter School so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed;
- (k) rights reserved to or vested in any municipality, school district or public authority by the terms of any right, power, franchise, grant, license or permit, or provision of law, affecting the Facility, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Facility or materially and adversely affect the value thereof, or (B) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Facility; (i) Liens on the Facility for taxes, assessments, 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 the Facility, which are not due and payable or which are not delinquent or which are being contested in good faith or with respect to liens of mechanics, materialmen and laborers, or have been due for less than sixty (60) days; (ii) easements, rights of way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to the Facility which do not materially impair the use of the Facility or materially and adversely affect the value thereof; or (iii) rights reserved to or vested in any municipality or public authority to control or regulate the Facility or to use the Facility in any manner, which rights do not materially impair the use of the Facility or materially and adversely affect the value thereof;

(l) Liens and any other restrictions, exceptions, leases, easements or encumbrances which are existing on the date of initial issuance and delivery of the Bonds and as disclosed in the title policy provided in accordance with Section 4.09 hereof, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to apply to the Facility not subject to such Lien on such date, unless such Lien as so extended, renewed or modified or otherwise qualified as a Permitted Encumbrance hereunder;

(m) Liens arising by reason of an Irrevocable Deposit;

(n) Liens in favor of the Trustee on the proceeds of the Bonds prior to the applications of such proceeds;

(o) Liens securing the Bonds or any additional Indebtedness permitted by Section 8.13 hereof;

(p) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Facility and which would not in the aggregate (i) materially interfere with or impair any present use of the Facility or any reasonably probable future use of the Facility, or (ii) materially reduce the value which would be reasonably expected to be received for the Facility upon any sale (including any foreclosure of the Lien granted by the Deed of Trust); and

(q) the Lien of the Deed of Trust.

“*Person*” includes an individual, association, corporation, partnership, limited liability company, joint venture or a government or an agency or a political subdivision thereof.

“*Pledged Revenues*” means all revenues, rentals, fees, third-party payments, receipts, contributions or other income derived from the Facility, including the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with Generally Accepted Accounting Principles, including, but not limited to, any revenues received from rentals of the Facility, including, without limitation, rentals received pursuant to the Lease; proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Foundation which

are derived from the Facility; and all donations, gifts, grants, bequests and contributions (including income and profits therefrom), to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for any of the payments required hereunder. Pledged Revenues shall not, however, include any administrative fee paid to the Foundation or the Charter School by a lessee of the Facility for the Foundation's or Charter School's administration of the Facility, including, without limitation, the Additional Rents paid to the Foundation pursuant to Section 6.02 of the Lease.

*"Projects"* has the meaning as set forth in the attached Exhibit B, which includes the 2018 Project and the 2025 Project and may be amended from time to time upon issuance of Additional Bonds.

*"Project Fund"* means the Project Fund created pursuant to Section 3.02 of the Indenture.

*"Property"* means any and all right, title and interest in and to any and all property of the Foundation whether real or personal, tangible or intangible and wherever situated and whether now owned or hereafter acquired.

*"Pro Rata Portion"* means the dollar amount derived by dividing the amount of principal or interest to come due on the first principal or interest payment date, respectively, by the number of monthly deposits required to be made prior to such payment date.

*"Rebate Analyst"* means the entity chosen by the Foundation and the Charter School to determine the amount of required deposits to the Rebate Fund, if any.

*"Rebate Fund"* means the Rebate Fund created in Section 3.02 of the Indenture.

*"Renewal Term"* means each twelve-month period, commencing on July 1 of each year and ending on June 30 of the following calendar year, for which the Charter School renews the Initial Term or a Renewal Term.

*"Reserve Fund Insurance Policy"* means any insurance policy, surety bond, letter of credit or similar instrument deposited in or credited to the Bond Reserve Fund as provided in Section 5.06 hereof in lieu of or in partial substitution for cash or Investment Obligations on deposit in the Bond Reserve Fund. Any such insurance policy, surety bond, letter of credit or similar instrument must be issued by an entity having a rating in one of the two highest rating categories assigned by Fitch, S&P or Moody's at the time such policy, surety bond, letter of credit or similar instrument is deposited in or credited to the Bond Reserve Fund.

*"Resolution"* means the resolution of the Authority providing for the issuance of the Bonds and approving this Loan Agreement, the Indenture and related matters.

*"Series 2018A Bonds"* means Colorado Educational and Cultural Facilities Authority Charter School Refunding Revenue Bonds (Stargate Charter School Project) Series 2018A issued in the aggregate principal amount of \$40,585,000.



“*Series 2018B Bonds*” means Colorado Educational and Cultural Facilities Authority Charter School Refunding Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2018B issued in the aggregate principal amount of \$195,000.

“*Series 2018 Bonds*” means the Series 2018A Bonds and the Series 2018B Bonds.

“*Series 2025A Bonds*” means Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Series 2025A issued in the aggregate principal amount of \$[A-PAR].

“*Series 2025B Bonds*” means Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2025B issued in the aggregate principal amount of \$[B-PAR].

“*Series 2025 Bonds*” means the Series 2025A Bonds and the Series 2025B Bonds.

“*Supplemental Act*” means the Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11 of the Colorado Revised Statutes, as amended.

“*Tax Compliance Certificate*” means (a) with respect to the Series 2018A Bonds, the Tax Compliance Certificate, dated as of July 17, 2018, among the Authority, the Foundation, the Charter School and the Trustee executed in connection with the initial issuance and delivery of the Series 2018A Bonds, as amended or supplemented from time to time pursuant to its terms; and (b) with respect to the Series 2025A Bonds, the Tax Compliance Certificate, dated as of June [ ], 2025, among the Authority, the Foundation and the Charter School executed in connection with the initial issuance and delivery of the Series 2025A Bonds, as amended or supplemented from time to time pursuant to its terms.

“*Trustee*” means Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), Denver, Colorado, solely in its capacity as trustee, being the paying agent, the registrar and the trustee under the Indenture, or any successor corporate trustee.

“*2018 Loan*” means the loan by the Authority to the Foundation of the proceeds from the sale of the Series 2018 Bonds pursuant to this Loan Agreement.

“*2018 Project*” has the meaning as set forth in the attached Exhibit B, in connection with the Series 2018 Bonds.

“*2025 Loan*” means the loan by the Authority to the Foundation of the proceeds from the sale of the Series 2025 Bonds pursuant to this Loan Agreement.

“*2025 Project*” has the meaning as set forth in the attached Exhibit B, in connection with the Series 2025 Bonds.

“*UCC*” means the Colorado Uniform Commercial Code.

“*Underwriter*” means D.A. Davidson & Co., its successors and assigns.

## **ARTICLE II REPRESENTATIONS**

**Section 2.01. Representations by the Authority.** The Authority represents that:

(a) The Authority is an independent public body politic and corporate constituting a public instrumentality duly organized and existing under the laws of the State. The Authority is authorized by the Act, the Supplemental Act and the Resolution to enter into this Loan Agreement, the Tax Compliance Certificate and the Indenture, and to carry out the transactions contemplated hereby and thereby and to carry out its obligations hereunder and thereunder and has duly authorized the execution and delivery of this Loan Agreement, the Tax Compliance Certificate and the Indenture.

(b) The Authority has duly adopted the Resolution, and the Resolution has not been terminated, rescinded, canceled, revoked, vacated, amended, supplemented or otherwise modified since the date of its adoption and is and has been since the date of its adoption in full force and effect.

(c) Consistent with the understanding between the Authority and the Foundation, the Authority (i) has loaned the proceeds of the Series 2018 Bonds to provide for the financing of the 2018 Project, and (ii) will loan the Foundation the proceeds of the Series 2025 Bonds to provide for the financing of the 2025 Project, all for the purpose of providing adequate educational facilities.

(d) To finance the 2018 Project, the Authority has issued the Colorado Educational and Cultural Facilities Authority Charter School Refunding Revenue Bonds (Stargate Charter School Project) Series 2018A in the original aggregate principal amount of \$40,585,000 and the Charter School Refunding Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2018B in the original aggregate principal amount of \$195,000. The Series 2018 Bonds shall mature, bear interest, be subject to redemption prior to maturity, be secured and have such other terms and conditions as are set forth in the Indenture.

(e) To finance the 2025 Project, the Authority will issue the Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Series 2025A in the original aggregate principal amount of \$[A-PAR] and the Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2025B in the original aggregate principal amount of \$[B-PAR]. The Series 2025 Bonds shall mature, bear interest, be subject to redemption prior to maturity, be secured and have such other terms and conditions as are set forth in the Indenture.

(f) Neither the execution and delivery of this Loan Agreement, the Tax Compliance Certificate, or the Indenture, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, the Tax Compliance Certificate or the Indenture, to the Authority's knowledge, conflicts with or results in a breach of any of the terms,



conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority under the terms of any instrument or agreement.

(g) Based solely on the representations of the Foundation, the Authority hereby approves the Foundation's estimate of the total Cost of the Projects as reasonably determined by the Foundation, set forth in Section 2.02(d) hereof and hereby finds, based solely on the representations of the Foundation contained in Section 2.02(d) hereof, that the amount of the Loan does not exceed such estimated cost.

(h) The Authority will take all permissible actions within its control necessary pursuant to the provisions of the Charter School Facilities Financing Act, Sections 22-30.5-401, et seq., Colorado Revised Statutes, as amended, when applicable, in order to (i) receive money for the payment of the Bonds from the Colorado Charter School Debt Reserve Fund Program upon written notice from the Trustee of a deficiency; (ii) to request replenishment of the Bond Reserve Fund from the Governor of the State pursuant to the Colorado Charter School Moral Obligation Program, upon notice from the Trustee of a deficiency; and (iii) make application for the direct payment of the Bonds by the Colorado State Treasurer pursuant to the Colorado Charter School Intercept Program.

(i) To the knowledge of the Authority, no litigation at law or in equity or administrative action of any nature has been served on the Authority and is now pending materially adversely affecting, nor to the Authority's knowledge, is there any proposed amendment to any State law or any administrative interpretation of any State law or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect: (i) the creation, organization or existence of the Authority; (ii) the authority of the Authority to accept or perform the duties and obligations of the Authority under the Authority Documents or the Bonds; (iii) the Authority's ability to fulfill its duties and obligations under the Authority Documents or the Bonds; (iv) the validity or enforceability of the Authority Documents, the Bonds, or any other loan document to which the Authority is a party; or (v) the tax-exempt status of interest on the Bonds.

(j) The Authority shall have no responsibility for the filing, perfection or continuation of any security interest created under the Indenture or this Loan Agreement.

**Section 2.02. Representations by the Foundation.** The Foundation represents and covenants that:

(a) The Foundation is a nonprofit corporation duly organized and in good standing under the laws of the State; is an "Educational Institution" within the meaning of the Act; is not supported in whole or in part by state funds (as that term is used in the Act), has power to enter into and to perform and observe the covenants and agreements on its part contained in this Loan Agreement, the Deed of Trust, the Lease and the Tax Compliance Certificate; and by proper action has duly authorized the execution and

delivery of this Loan Agreement, the Deed of Trust, the Lease, and the Tax Compliance Certificate.

(b) The Foundation is an organization described in Section 501(c)(3) of the Code. The Foundation covenants that it will maintain its status as an organization which is described in Section 501(c)(3) of the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

(c) The Facility constitutes educational “Facilities” within the meaning of the Act, and the Foundation intends to cause the Facility to operate at all times during the term of this Agreement so as to qualify as educational “Facilities” within the meaning of the Act.

(d) Neither the execution and delivery of this Loan Agreement, the Deed of Trust, the Lease or the Tax Compliance Certificate, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, the Deed of Trust, the Lease or the Tax Compliance Certificate violate any law or conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Foundation is now a party or by which it is bound or constitute a default under any of the foregoing or result in the creation or imposition of any prohibited Lien, charge or encumbrance of any nature whatsoever upon any of the Facility under the terms of any instrument or agreement, other than this Loan Agreement, the Deed of Trust, the Lease and the Tax Compliance Certificate or any Permitted Encumbrances.

(e) (i) The total Cost of the 2018 Project has been determined to be not less than \$40,780,000 and the financing of such cost by the Authority will assist the Foundation in providing facilities which are to be leased to institutions of education or cultural institutions. (ii) The total estimated Cost of the 2025 Project is hereby determined to be not less than \$[TOTAL 2025 PAR] and the financing of such cost by the Authority will assist the Foundation in providing facilities which are to be leased to institutions of education or cultural institutions. (iii) The total estimated Cost of the 2018 Project and the 2025 Project is hereby determined to be not less than \$[COMBINED 2018 AND 2025 PAR] and the financing of such cost by the Authority will assist the Foundation in providing facilities which are to be leased to institutions of education or cultural institutions.

(f) The Foundation will at all times prior to the expiration of the term of this Loan Agreement make the Facility available for use by institutions of education or cultural institutions within the meaning of the Act and has complete lawful authority to lease the Facility for such purpose. The Facility constitutes educational “Facilities” within the meaning of the Act, and the Foundation intends to cause the Facility to operate at all times during the term of this Agreement so as to qualify as educational “Facilities” within the meaning of the Act.

(g) The Loan Payments due under this Loan Agreement are in an amount sufficient to pay the principal of and premium, if any, and interest on the Bonds; and this Loan Agreement requires the Foundation to pay or provide for the payment of all costs of maintenance, repair, taxes, payments in lieu of taxes, assessments, insurance premiums, trustee's fees and all other expenses relating to the Facility, so that the Authority will not incur any expenses on account of the Facility, other than those that are covered by the payments by the Foundation provided for herein; provided, however, that, all such payments, except as specifically provided herein, are limited special obligations of the Foundation payable, upon an Event of Default, solely from the Pledged Revenues or from amounts received from the foreclosure on the Deed of Trust.

(h) Except as described in writing delivered to the Authority, neither the Foundation nor, to the knowledge of the Foundation, any other Person has ever caused or permitted any Hazardous Substance to be placed, held, located or disposed of on, under or at the Facility or any part thereof in violation of Environmental Requirements. The Foundation hereby warrants and represents that it will comply in all material respects with all applicable Environmental Requirements at the Facility. Except as described in writing to the Trustee and the Authority, to the knowledge of the Foundation, the Facility has not previously contained and does not contain any underground storage tanks other than in compliance with all applicable Environmental Requirements and has never been used by the Foundation or, to the knowledge of the Foundation, by any other Person, as a temporary or permanent storage or disposal site for any Hazardous Substance.

(i) There are no actions, suits or proceedings or investigations pending or, to the best of the knowledge of the officer executing this Loan Agreement, threatened against the Foundation or the Property of the Foundation, or involving the enforceability of the Bonds, this Loan Agreement, the Deed of Trust, the Lease, the Indenture or the Tax Compliance Certificate, or the priority of the lien on Pledged Revenues created hereby, at law or in equity, or before or by any governmental authority, except actions which, if adversely determined, would not materially impair the ability of the Foundation to perform its obligations under this Loan Agreement, and to cause to be paid any amounts which may become payable under this Loan Agreement. The Foundation is not in default in any material respect under any mortgage, deed of trust, lease, loan or credit agreement, partnership agreement or other instrument to which the Foundation is a party or by which it is bound.

(j) The Foundation is currently in compliance with and in the future will comply with all applicable federal and state nondiscrimination laws.

(k) The Foundation will take all permissible actions necessary to assist the Authority in utilizing (i) the Colorado Charter School Debt Reserve Fund Program for the payment of the Bonds, (ii) the Colorado Charter School Moral Obligation Program for the payment of the Bonds, and (iii) the Colorado Charter School Intercept Program.

(l) The Foundation will comply with the provisions of Securities and Exchange Commission Rule 15c2-12; provided, however, failure to comply shall not constitute an Event of Default hereunder.

### ARTICLE III TERM OF THIS LOAN AGREEMENT

This Loan Agreement shall remain in full force and effect from the date of delivery hereof until such time as all the Loan Payments and any other amounts represented by the Indebtedness of the Bonds and/or any other amounts due under the Deed of Trust shall have been fully paid in full or provision is made for such payment pursuant to the Indenture and all reasonable fees and expenses of the Trustee accrued and to accrue through final payment of the Bonds, all fees and expenses of the Authority accrued and to accrue through final payment of the Bonds and all other liabilities of the Foundation accrued and to accrue through final payment of the Bonds under this Loan Agreement and the Indenture have been paid or provision is made for such payments pursuant to the Indenture; provided, however, notwithstanding any other provision hereof (a) the indemnification provision of Section 8.06 hereof shall survive after the termination of the term of this Loan Agreement; (b) all agreements, representations and certifications by the Foundation as to the exclusion from gross income of interest for federal income tax purposes on the Bonds, the interest on which is excludable from gross income for federal income tax purposes, shall survive termination of the term hereof until the expiration of statutes of limitation applicable to the liability of the Registered Owners of the Bonds for federal and state income taxes with respect to interest on the Bonds; and (c) upon the defeasance of the Indenture, all such indemnification provisions shall be enforceable by the Indemnified Parties, and all such agreements, representations and certifications regarding the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes, shall be enforceable by the Registered Owners of the Bonds, directly against the Foundation.

### ARTICLE IV THE PROJECTS; ISSUANCE OF THE BONDS

**Section 4.01. Agreement to Issue Series 2018 Bonds; Application of Series 2018 Bond Proceeds and Other Moneys.** In order to provide funds to make the 2018 Loan for payment of the Cost of the 2018 Project, the Authority will sell and cause to be delivered to the initial purchasers thereof the Series 2018 Bonds and will make such 2018 Loan and direct the Trustee to deposit the proceeds of the Series 2018 Bonds in an amount equal to \$42,413,415.35, as follows:

- (a) pay and cancel the Colorado Educational and Cultural Facilities Authority (Stargate Charter School Project) Charter School Improvement Revenue Bonds, Series 2015A, on July 17, 2018 upon payment of \$41,665,522.00 to the owners thereof, \$39,442,070.00 of which is funded from Series 2018 Bond proceeds and \$2,223,452.00 of which is funded with deposits held with the trustee therefor.
- (b) Into an account within Bond Reserve Fund entitled "Series 2018 Bond Reserve Account" in an amount equal to the Bond Reserve Fund Requirement.
- (c) Into the Issuance Expense Fund an amount equal to the Issuance Expense Fund Initial Deposit.

**Section 4.02. Agreement to Issue Series 2025 Bonds; Application of Series 2025 Bond Proceeds and Other Moneys.** In order to provide funds to make the 2025 Loan for payment of the Cost of the 2025 Project, the Authority will sell and cause to be delivered to the initial purchasers thereof the Series 2025 Bonds and will make such 2025 Loan and direct the Trustee to deposit the proceeds of the Series 2025 Bonds in an amount equal to \$[\_\_\_\_\_], as follows:

- (a) Into the Project Fund, the amount of \$[\_\_\_\_\_] for costs of the 2025 Project.
- (b) Into an account within Bond Reserve Fund entitled “Series 2025 Bond Reserve Account” in an amount equal to the Bond Reserve Fund Requirement.
- (c) Into the Issuance Expense Fund an amount equal to the Issuance Expense Fund Initial Deposit.

**Section 4.03. Disbursement from the Project Fund.** The Authority has, in the Indenture, authorized and directed the Trustee to disburse the Loan moneys in the Project Fund to or on behalf of the Foundation for the Cost of the Project upon receipt by the Trustee of (a) a completed requisition, in the form attached hereto as Exhibit C, signed by the Authorized Representative of the Foundation or, if the Lease is in effect, the Authorized Representative of the Charter School, which may be submitted to the Trustee by the Foundation or the Charter School, as the case may be, as frequently as twice per month, and (b) a completed, executed copy of Internal Revenue Service Form W-9 for each payee listed therein. The Trustee may conclusively rely on as to the completeness and accuracy of all statements in such requisition if such requisition is signed by an Authorized Representative of the Foundation or the Charter School, as the case may be, and the Trustee shall not be required to make an independent investigation in connection therewith.

The Completion Date of the Project shall be evidenced to the Trustee by the furnishing of a certificate signed by the Authorized Representative of the Foundation or, if the Lease is in effect, the Authorized Representative of the Charter School (as defined in the Lease), stating that the Project has been completed by the Foundation (the “*Completion Certificate*”).

Any Loan moneys (including investment proceeds) remaining in the Project Fund on the date of the Completion Certificate may be used, at the direction of the Authorized Representative of the Foundation or, if the Lease is in effect, the Authorized Representative of the Charter School, to the extent indicated, for the payment, in accordance with the provisions of this Loan Agreement, of any Cost of the Project not theretofore paid, as specified in the Completion Certificate.

Any Loan moneys (including investment proceeds) remaining in the Project Fund on the date of receipt of the Completion Certificate and not set aside for the payment of the Cost of the Project related to the Facility as specified above shall on such date be deposited by the Trustee in the Bond Interest Fund or the Bond Principal Fund upon the written direction of an Authorized Representative of the Foundation or, if the Lease is in effect, the Authorized Representative of the Charter School to be used to pay the principal of and interest on the Bonds.

In the event the Loan moneys in the Project Fund available for payment of the Cost of the Project should not be sufficient to pay the costs thereof in full, the Foundation will pay or deposit in the Project Fund moneys sufficient to pay the Cost of the Project as may be in excess of the moneys available therefor in the Project Fund, but solely from the Pledged Revenues. NEITHER THE AUTHORITY NOR THE TRUSTEE MAKES ANY WARRANTY, EITHER EXPRESS OR IMPLIED (1) THAT THE MONEYS WHICH WILL BE PAID INTO THE PROJECT FUND AND WHICH, UNDER THE PROVISIONS OF THIS LOAN AGREEMENT, WILL BE AVAILABLE FOR PAYMENT OF THE COST OF THE PROJECT, WILL BE SUFFICIENT TO PAY ALL THE COSTS WHICH WILL BE INCURRED IN THAT CONNECTION; OR (2) AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR THAT THE FACILITY IS OR WILL BE SUITABLE FOR THE FOUNDATION'S PURPOSES OR NEEDS. The Foundation agrees that if after exhaustion of the moneys in the Project Fund or otherwise the Foundation should pay or deposit moneys in the Project Fund for the payment of any portion of the Cost of the Project pursuant to the provisions of this Section it shall not be entitled to any reimbursement therefor from the Authority or from the Trustee or from the Registered Owners of the Bonds, nor shall it be entitled to any diminution of the Loan Payments, or other amounts required to be paid under this Loan Agreement.

**Section 4.04. Disbursements from the Issuance Expense Fund.** The Authority has, in the Indenture, authorized and directed the Trustee to make payments from the Issuance Expense Fund for the payment of issuance expenses as provided in this Section. Payments shall be made from the Issuance Expense Fund only for paying the costs of legal, accounting, organization, marketing or other special services and other fees and expenses, incurred or to be incurred by or on behalf of the Authority, the Trustee, the Foundation or the Charter School in connection with the issuance of the Bonds. The Authority does not make any warranty either express or implied that the moneys in the Issuance Expense Fund available for payment of the foregoing costs will be sufficient to pay such costs in full, and the Foundation agrees to pay that portion of such costs in excess of the amount in the Issuance Expense Fund from any moneys legally available for such purpose. The Foundation shall not be entitled as a result of paying a portion of the issuance expenses pursuant to this Section to any reimbursement therefor from the Authority, the Trustee or the Registered Owners of the Bonds, nor shall it be entitled to any diminution in or postponement of the Loan Payments or other amounts required to be paid under this Loan Agreement. The Trustee shall make payments from the Issuance Expense Fund in accordance with the closing memo prepared by the Underwriter dated as of the Closing Date, which summarizes the approved costs of issuance; provided, however, that if the invoice submitted by the payee therefor is less than the amount listed in such closing memo, the Trustee is hereby authorized to pay the lesser amount. The Trustee may require a completed, executed copy of Internal Revenue Service Form W-9 for each payee listed in the closing memo prior to making payments thereto in its sole discretion. Any moneys remaining in the Issuance Expense Fund following such payments and any other payments to be made from such fund shall be transferred to the Bond Interest Fund, as set forth in Section 3.13 of the Indenture.

**Section 4.05. Reserved.**



**Section 4.06. Obligation of the Foundation to Cooperate in Furnishing Documents to Trustee.** The Foundation agrees to cooperate with the Trustee in furnishing the requisitions referred to in Sections 4.03, 4.04 and 4.05 hereof.

**Section 4.07. Investment of Moneys.** Any Loan moneys held as a part of the Funds shall be invested, reinvested and transferred to other Funds by the Trustee as provided in Article VI and Section 3.18 of the Indenture and at the written direction of the Foundation. In addition, the Foundation covenants that any money held as a part of the Funds shall be invested in compliance with the procedures established by the Tax Compliance Certificate to the extent required to comply with its covenants contained in Section 4.08 hereof. The Foundation shall provide to the Trustee at least every five (5) years from the date of issuance of the Bonds, as provided in the Tax Compliance Certificate, a certificate of an Authorized Representative of the Foundation to the effect that (a) all requirements of this Loan Agreement, the Indenture and the Tax Compliance Certificate with respect to the Rebate Fund have been met on a continuing basis, (b) the proper amounts have been and are on deposit in the Rebate Fund, and (c) timely payment of all amounts due and owing to the United States Treasury have been made. If the certifications required by either (b) or (c) above cannot be made, the certificate shall so state and shall be accompanied by either money of the Foundation or the Trustee will transfer moneys to the Rebate Fund as set forth in Section 3.18 of the Indenture. The Foundation acknowledges the provisions of Section 6.03 of the Indenture which limit the amount of money to be so transferred from the Funds at its direction.

If the certificate described in the preceding paragraph is not delivered to the Trustee within thirty (30) days following each computation date as provided in the Tax Compliance Certificate, during the term of this Loan Agreement, the Trustee shall provide the Authority with written notice of such failure to receive such certificate, and the Trustee will transfer moneys from other Funds as provided in Section 3.18 of the Indenture to the Rebate Fund or the United States Treasury.

**Section 4.08. Tax Covenant.** The Foundation covenants for the benefit of the Authority and the Registered Owners of the Bonds, and their respective successors and assigns, that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Foundation or any of the Property of the Foundation, including the Facility, if such action or omission (a) would cause the interest on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes, to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (b) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (c) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the expiration of statutes of limitations applicable to the liability of the Registered Owners of the Bonds for federal and state income taxes with respect to interest on the Bonds.

The Foundation further covenants, represents and warrants that the procedures set forth in the Tax Compliance Certificate implementing the above covenant shall be complied with to the extent necessary under the Code to maintain the exclusion from gross income of interest for

federal income tax purposes on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes, or to avoid the application of any penalties under the Code, subject to any applicable statute of limitations.

The Foundation acknowledges that in the event of an examination of the Tax-Exempt Bonds by the Internal Revenue Service (the “*Service*”) to determine compliance of the Tax-Exempt Bonds with the provisions of the Code as they relate to tax-exempt obligations, the Authority is likely to be treated as the “taxpayer” in such examination. The Foundation agrees, upon notification by the Authority, that the Foundation (a) will respond to any inquiries from the Service in connection with such examination, and (b) following request of the Authority, will reimburse the Authority for all expense incurred by the Authority in connection with such examination of the Tax-Exempt Bonds by the Service, or will directly pay the costs of any such examination. The Authority covenants that it will promptly notify the Foundation of any inquiry or examination by the Service relating to the Tax-Exempt Bonds and will cooperate with the Foundation, at the Foundation’s sole expense, in connection with any such inquiry or examination. The Foundation understands and agrees that the interests of the Authority and the Foundation in any such examination may differ and that the existence of the examination may be subject to public disclosure by the Authority under the open records laws of the State.

**Section 4.09. Title Insurance.** On or before the date of issuance of any Bonds and the making of the Loan, the Trustee shall be provided with a commitment for (i) a copy of a standard owner’s title insurance policy and lender’s title insurance policy insuring the Foundation’s interest in the real property; and (ii) a standard title insurance policy insuring the Trustee’s interest under the Deed of Trust in the Land and included in the Facility, subject only to Permitted Encumbrances, in an amount not less than the lesser of either (i) the principal amount of the Outstanding Bonds or (ii) the insurable value of the Facility, as completed. Each such policy shall be in the form of an ALTA extended policy of title insurance issued by Land Title Guarantee Company and may not permit the title insurer to purchase any Bonds in lieu of providing payment under the policy unless, upon purchase, all such Bonds are cancelled.

The Foundation acknowledges that in the event of an examination of the Bonds by the Service to determine compliance of the Bonds with the provisions of the Code as they relate to tax-exempt obligations, the Authority is likely to be treated as the “taxpayer” in such examination. The Foundation agrees, upon notification by the Authority, that the Foundation (a) will respond to any inquiries from the Service in connection with such examination, and (b) following request of the Authority, will reimburse the Authority for all expenses incurred by the Authority in connection with such examination of the Bonds by the Service, or will directly pay the costs of any such examination. The Authority covenants that it will promptly notify the Foundation of any inquiry or examination by the Service relating to the Bonds and will cooperate with the Foundation, at the Foundation’s sole expense, in connection with any such inquiry or examination. The Foundation understands and agrees that the interests of the Authority and the Foundation in any such examination may differ and that the existence of the examination may be subject to public disclosure by the Authority under the open records laws of the State.

## ARTICLE V DEED OF TRUST AND SECURITY PROVISIONS; PROVISIONS FOR PAYMENT



**Section 5.01. Deed of Trust and Security Agreement Provisions; Evidence of Loan Indebtedness.** In order to secure the payment of the Loan and the payment of all other amounts payable hereunder and under the Deed of Trust and to secure the performance by the Foundation of all the covenants expressed or implied by this Loan Agreement and the documents and instruments executed in connection herewith:

(a) the Foundation shall execute and deliver the Deed of Trust concurrently with this Loan Agreement. The Deed of Trust shall secure the Loan and all obligations hereunder in a first lien security position for the benefit of the Trustee and its successors and assigns, subject only to Permitted Encumbrances;

(b) the Foundation does hereby pledge to and grant to the Authority a present security interest, within the meaning of the Colorado UCC and to the extent permitted by law, in all personal property, materials, equipment, fixtures or other property whatsoever now or hereafter attached or affixed to, or installed in, or used in connection with the buildings and other improvements now erected or hereafter to be erected on the Land or otherwise in connection with the Facility, all accounts, escrows, documents, instruments, chattel paper, claims, deposits and general intangibles, as the foregoing terms are defined in the UCC, and all contract rights, franchises, books, contracts, certificates, records, plans, specifications, permits, licenses (to the extent assignable), approvals, actions, and causes of action which now or hereafter relate to, are derived from or are used in connection with the Facility, or the use, operation, construction, management, maintenance, occupancy, operation, or enjoyment thereof or the conduct of any business or activities thereon (hereinafter collectively called the “Intangibles”), insurance proceeds and all renewals or replacements of or substitutions for any of the foregoing comprising the Facility and together with and including all Pledged Revenues and all the proceeds thereof, subject to Permitted Encumbrances, and all of the Foundation’s right, title and interest, if any, in the Funds and in any trust accounts referred to in this Loan Agreement or the Indenture (the foregoing notwithstanding, nothing contained in this subsection shall create a pledge or grant of personal property owned by the Charter School); and

(c) the Liens of this Loan Agreement and the Deed of Trust shall apply to all property related to the Land or the Facility acquired by the Foundation after the date of this Loan Agreement which by the terms of this Loan Agreement shall be subject to the Lien and/or the security interests created hereby, shall immediately upon the acquisition thereof by the Foundation and without further mortgage, encumbrance, conveyance, or assignment become subject to the Lien and security interests created by this Loan Agreement, the Deed of Trust and any and all other documents and instruments delivered in connection therewith, including, without limitation, any UCC Financing Statements. Nevertheless, the Foundation shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, deeds of trust, security agreements, financing statements and assurances as the Authority shall require for accomplishing the purposes of this Loan Agreement. Failure of the Foundation to execute and deliver such requested documents shall be deemed a default hereunder and the Authority and its successors and assigns, as the beneficiary hereunder, and the Trustee, as beneficiary under the Deed of Trust is hereby given the express authority to file any and all such

financing statements, amendments and documents necessary to confirm the agreements set forth herein, which grant is coupled with an interest and is non-revocable.

Notwithstanding subsections (a), (b) and (c) above, the Authority and the Trustee shall terminate and release the Deed of Trust and the security interests granted, sold, bargained or conveyed unto the Authority or the Trustee, as the case may be, when the Loan has been paid in full and the Bonds secured hereby and thereby are no longer Outstanding and all obligations under the Indenture and this Loan Agreement have been satisfied.

**For purposes of the Deed of Trust, this Loan Agreement evidencing the Loan and Bonds issued pursuant hereto shall be deemed an “evidence of debt” as defined in Section 38-38-100.3(8), Colorado Revised Statutes, as amended.**

This Loan Agreement and the pledge hereunder shall be valid and binding from the date hereof and the issuance of the Bonds evidencing the funding of the Loan under this Loan Agreement. To the extent any property covered by this Loan Agreement consists of personal property, intangible interests or any right or interest, the perfection of which is governed by the Colorado UCC, this Loan Agreement constitutes a security agreement and financing statement and is intended when filed or when the Deed of Trust is recorded and/or any UCC Financing Statements are filed, as and where required, to create a perfected security interest (to the extent that such security interest can be perfected by filing) in such property in favor of the Authority or the Trustee, as the case may be. The Authority shall have no responsibility for the filing, perfection or continuation of any security interest created under the Indenture or this Loan Agreement.

**Section 5.02. Loan Payments and Other Amounts Payable; Limited Payment Obligations of Foundation.** [DOES THIS NEED TO BE DUPLICATED FOR THE 2025 BONDS OR JUST BROKEN DOWN WITH RESPECT TO EACH SERIES?]

(a) The Foundation shall pay (or cause to be paid) as repayment of the Loan until the principal of, premium, if any, and interest on the Bonds (and any other sums due hereunder) shall have been paid or provision for the payment thereof shall have been made in accordance with the Indenture, (i) into the Bond Interest Fund on or before the first day of each month during the term of this Loan Agreement an amount (after taking into account any accrued and capitalized interest, if any, contained in the Bond Interest Fund) sufficient to pay 1/6th of the interest which will become due on the Bonds on the next succeeding interest payment date; and (ii) into the Bond Principal Fund on or before the first day of each month during the term of this Loan Agreement, an amount sufficient to pay 1/12<sup>th</sup> of the principal which shall become due on the Bonds on the next succeeding principal payment date (whether at maturity, upon sinking fund redemption or otherwise); provided, however, that any amount in the Bond Interest Fund or the Bond Principal Fund in excess of the aggregate amount required to be held pursuant to this Section 5.02(a) shall be credited against the next succeeding Loan Payment due or otherwise transferred by the Trustee in accordance with the terms of the Indenture; provided further, in the event that the first full month following the month in which the Bonds are issued is not six months prior to the first interest payment date or twelve months prior to the first principal payment date, an amount equal to the Pro Rata Portion

of the interest and principal to come due on the Bonds shall be substituted for the 1/6th interest payments and 1/12th principal payments otherwise required prior to the respective first payment dates; except that, if the Charter School has entered into the Colorado Charter School Intercept Program, then all payments of principal of, premium, if any, and interest on the Bonds may be received on the twenty-fifth (25<sup>th</sup>) day (or the next Business Day thereafter) of each month during the term of this Loan Agreement without being considered late. If, by the fifth (5<sup>th</sup>) Business Day prior to any principal or interest payment date on the Bonds or the date any other amounts are payable on the Bonds, the amount held by the Trustee in the Bond Principal Fund and the Bond Interest Fund is insufficient to make the required payments of principal of, premium, if any, and interest on the Bonds, the Foundation shall upon notice of such deficiency from the Trustee forthwith pay or cause to be paid such deficiency as repayment of the Loan for deposit into the Bond Principal Fund or the Bond Interest Fund, as the case may be. All amounts deposited by the Trustee to the Bond Principal Fund or the Bond Interest Fund pursuant to Section 6.02 of the Lease shall be credited by the Trustee against the next succeeding Loan Payment due.

(b) In the event any moneys in the Bond Reserve Fund are transferred to the Bond Principal Fund or the Bond Interest Fund pursuant to Section 3.08 of the Indenture or to the Rebate Fund pursuant to Section 3.18 of the Indenture, or in the event the Trustee has notified the Foundation of a deficiency in the Bond Reserve Fund pursuant to Section 3.07 of the Indenture, the Foundation will in 12 equal monthly installments promptly deposit or cause to be deposited moneys and/or, subject to the provision of Section 5.06 hereof, a Reserve Fund Insurance Policy, pursuant to the provisions of Section into the Bond Reserve Fund in an amount equal to the amount required to cause the total amount in the Bond Reserve Fund to equal the Bond Reserve Fund Requirement. Subject to Section 5.06 hereof, the Foundation may utilize a Reserve Fund Insurance Policy and shall reimburse the provider of any such Reserve Fund Insurance Policy pursuant to its terms.

(c) The Foundation shall pay or provide for the payment of all taxes and assessments, general or special, concerning or in any way related to the Facility or any part thereof, during the term of this Loan Agreement and any other governmental charges and impositions whatsoever, and all utility and other charges and assessments, in the manner, at the times and under the conditions more specifically provided in Section 6.02 hereof.

(d) The Foundation agrees to pay or cause to be paid to the Trustee the reasonable fees and expenses of the Trustee (as provided by Section 9.02 of the Indenture), including its attorney fees and expenses, as and when the same become due, upon submission of a statement therefor.

(e) The Foundation shall pay or cause to be paid to the Trustee for deposit to the Rebate Fund all amounts required to be paid pursuant to the Tax Compliance Certificate at the times and in the manner specified therein.

(f) The Foundation has heretofore paid the Authority an initial fee in connection with the Series 2018 Bonds. The Foundation shall pay the initial fee to the Authority in connection with the Series 2025 Bonds. The Foundation agrees to pay or cause to be paid to the Authority an Annual Fee in accordance with the preliminary agreement between the Foundation and the Authority, as the same may be amended from time to time, plus any amounts required to reimburse the Authority for any expenses incurred by the Authority, whether out-of-pocket or internal, in connection with this Loan Agreement, the Indenture, the Bonds, the Tax Compliance Certificate, the Bond Purchase Agreement, the Facility or any other instrument or, action relating to the foregoing, including fees and disbursements of attorneys of the Authority, including, without limitation, reasonable counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all counsel fees and expenses relating to the enforcement of the Bond Documents or any other documents relating to the Project or the Loan or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit or post issuance examination of the Bonds. The sum of such Annual Fee and initial fee shall at all times be in an amount which does not cause the Foundation to violate the provisions of Section 4.08 hereof.

In the event the Foundation should fail to make or cause to be made any of the payments required by this Section, the item or installment in default shall continue as an obligation of the Foundation until the amount in default shall have been fully paid, and the Foundation agrees to pay the same and, with respect to the payments required by subsections (a), (d), and (f) of Section 5.02 hereof, to pay interest at the Default Rate.

Notwithstanding any other provision of this Loan Agreement, all payments required to be made by the Foundation pursuant to this Loan Agreement, other than paragraphs (e) and (f) of this Section and the indemnification provisions of Sections 8.06 and 10.04 hereof, which are general obligations of the Foundation, are limited, special obligations of the Foundation payable, including upon an Event of Default, solely from the Pledged Revenues or from amounts received from the foreclosure on the Deed of Trust and the exercise of any rights herein by the holder hereof as against any other personal property in which a security interest is granted by this Loan Agreement as provided in Section 10.06 hereof and which grant is perfected and secured by a UCC Financing Statement.

**Section 5.03. Payees of Payments.** The Loan Payments provided for in Section 5.02(a) hereof shall be paid in funds immediately available in the city in which the principal office of the Trustee is located or at such other location as it shall direct, directly to the Trustee for the account of the Authority and shall be deposited into the Bond Principal Fund or the Bond Interest Fund as appropriate. The payments provided for in Section 5.02(b) hereof shall be paid to the Trustee for the account of the Authority and deposited into the Bond Reserve Fund. The payments provided for in Section 5.02(c) hereof shall be paid to the Persons to whom due. The payments to be made to the Trustee under Section 5.02(d) hereof shall be paid directly to the Trustee for its own use. The payments provided for in Section 5.02(e) hereof shall be paid to the Trustee for the account of the Authority and deposited into the Rebate Fund. The payments to be made to the Authority under Section 5.02(f) hereof shall be paid directly to the Authority for its own use.

**Section 5.04. Obligations of Foundation Hereunder Unconditional.** Except as provided herein (including the last paragraph of Section 5.02 and Section 10.06 hereof), the obligations of the Foundation to make the payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional. The Foundation (a) shall not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for herein, (b) shall perform and observe all of its other agreements contained in this Loan Agreement and (c) except as provided in Article XI hereof, shall not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure to complete the Projects, failure of consideration, eviction or constructive eviction, destruction of or damage to the Facility, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied. The Foundation may at its own cost and expense and in its own name or in the name of the Authority (without expense to the Authority and with the Authority's prior written consent), prosecute or defend any action or proceeding or take any other action involving third Persons which the Foundation deems reasonably necessary in order to secure or protect its or its lessees' rights of possession, occupancy and use of the Facility; provided, however, that any such prosecution, defense or action taken by the Foundation in the name of the Authority shall not preclude or prohibit in any way the Authority from prosecuting, defending, joining or intervening in such action or proceedings, or taking any other action it deems necessary, in its own name and of its own accord.

**Section 5.05. Direct Payment by State Treasurer or Charter Authorizer.** The Foundation agrees that, during the Lease Term (as defined in the Lease), the Foundation shall take or cause to be taken such actions as may be necessary to cause direct payment of Base Rents payable under the Lease to be made to the Trustee by the State Treasurer or if the State Treasurer does not so agree, by the Charter Authorizer. Further, during the Lease Term (as defined in the Lease) the Base Rents shall be payable at such times and payable in such amounts to make the Loan Payments.

**Section 5.06. Reserve Fund Insurance Policy.** The Foundation may at any time substitute (a) cash or Investment Obligations for a Reserve Fund Insurance Policy; or (b) a Reserve Fund Insurance Policy for cash or Investment Obligations, so long as the amount on deposit in the Bond Reserve Fund after such substitution is at least equal to the Bond Reserve Fund Requirement. In the event the Foundation shall substitute a Reserve Fund Insurance Policy for cash or Investment Obligations, the amount on deposit in the Bond Reserve Fund shall be that amount available to be drawn or otherwise paid pursuant to such policy at the time of calculation. Notwithstanding the foregoing, no Reserve Fund Insurance Policy shall be accepted by the Trustee for such substitution unless the Trustee and the Authority have received an opinion acceptable to the Authority of nationally recognized municipal bond counsel acceptable to the Authority to the effect that such substitution and the intended use by the Foundation of the



cash or Investment Obligations to be released from the Bond Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

## **ARTICLE VI MAINTENANCE, TAXES AND INSURANCE**

**Section 6.01. Maintenance and Modifications of Facility by Foundation.** The Foundation agrees that during the term of this Loan Agreement the Facility shall be operated and maintained, in substantial compliance with all governmental laws, building codes, ordinances, and regulations and zoning laws as shall be applicable to such Facility. The Foundation agrees that during the term of this Loan Agreement it will (or shall require the lessee pursuant to the Lease) (a) keep the Facility in as reasonably safe condition as the operations at the Facility permit and (b) keep the Facility in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. The Foundation may dispose of portions of the Facility that the Foundation determines to be obsolete or not useful to operations of the Facility; provided, however, there is not currently an Event of Default and such disposition will not materially impact the ability of the Foundation to make payments under this Loan Agreement, and further provided that such disposition will require prior written consent of the Charter School so long as the Lease is in effect. The Foundation may, also at its own expense, make from time to time any additions, modifications or improvements to the Facility it may deem desirable for its purposes that do not substantially reduce its value; provided that all such additions, modifications and improvements made by the Foundation which are affixed to the Facility shall become a part of the Facility. The Foundation shall not permit any Liens, security interests or other encumbrances other than Permitted Encumbrances to be established or to remain against the Facility for labor or materials furnished in connection with the Projects or any additions, modifications, improvements, repairs, renewals or replacements made by it to the Facility; provided that if the Foundation first notifies the Trustee of its intention to do so, and, if the Foundation posts a bond with the Trustee equal to at least the amount so contested, the Foundation may in good faith contest any mechanics' or other liens filed or established against the Facility and in such event may permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Facility or any part thereof will be subject to loss or forfeiture, in which event the Foundation shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will, at the expense of the Foundation, cooperate fully with the Foundation in any such contest. In the event that the Foundation shall fail to pay any of the foregoing items required by this Section to be paid by the Foundation, the Authority or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Authority or the Trustee shall become an additional obligation of the Foundation under this Loan Agreement to the one making the advance, which amount the Foundation agrees to pay on demand together with interest thereon at the Default Rate, but solely from the Pledged Revenues; provided, however, that any expenses resulting from cooperation by the Authority in any such contest as required by the preceding sentence shall be immediately paid or reimbursed directly by the Foundation, and any failure by the Foundation to pay or reimburse such expenses shall not constitute an advance by or an obligation of the Authority to pay such expenses.

**Section 6.02. Taxes, Other Governmental Charges and Utility Charges.** The Foundation shall pay or cause to be paid promptly, as the same become due, (a) all taxes and governmental charges of any kind whatsoever or payments in lieu of taxes that may at any time be lawfully assessed or levied against or with respect to the Facility or any interest therein, or any machinery, equipment, or other property installed or brought by the Foundation therein or thereon which, if not paid, will become a lien on the Facility or a charge on the Pledged Revenues prior to or on a parity with the charge thereon under this Loan Agreement, (b) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facility and (c) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facility provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Foundation shall be obligated to pay only such installments as may have become due during the term of this Loan Agreement.

The Foundation may, at its expense, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges contested to remain unpaid during the period of such contest and any appeal therefrom unless, in the opinion of the Trustee, upon the advice of counsel (which may be counsel for the Corporation), the Facility shall be subject to loss or forfeiture, in which case such taxes, assessments or charges shall be paid promptly or secured by posting a bond with the Trustee equal to at least the amount so contested. The Authority at the expense of the Foundation shall cooperate fully with the Foundation in any such contest. In the event that the Foundation shall fail to pay any of the foregoing items required by this Section to be paid by the Foundation, the Authority or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Authority or the Trustee shall become an additional obligation of the Foundation payable solely from the Pledged Revenues to the one making the advance, which amount the Foundation agrees to pay on demand together with interest thereon at the Default Rate; provided, however, that any expenses resulting from cooperation by the Authority in any such contest as required by the preceding sentence shall be immediately paid or reimbursed directly by the Foundation, and any failure by the Foundation to pay or reimburse such expenses shall not constitute an advance by or an obligation of the Authority to pay such expenses. The Trustee shall not be obligated to monitor any contest of any taxes, assessments and other charges or to determine whether the Facility will be subject to loss or forfeiture due to nonpayment of such taxes, assessments and other charges.

**Section 6.03. Insurance Required.** Throughout the term of this Loan Agreement, the Foundation shall keep, or cause the lessee under the Lease to keep the Facility continuously insured (which insurance policies may be provided by the Charter School) against the following risks, paying as the same become due and payable all premiums with respect thereto:

(a) an ALTA mortgagee title insurance policy naming the Trustee as an insured in an amount equal to the lesser of (i) the principal amount of the Loan represented by the Bonds (if available in that amount) plus any other amounts specified to be due hereunder or (ii) the insurable value of the Facility;

(b) insurance against loss or damage to the Facility and all improvements therein (including, during any period of time when the Foundation is making alterations,

repairs or improvements to the Facility, improvements and betterment's coverage), naming the Trustee as an additional insured thereunder, all subject to standard form exclusions, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State, in an amount equal to the greater of the full replacement value of the Building once constructed or the aggregate principal amount of the Bonds then Outstanding, unless the insurable value is less than the aggregate principal amount of the Bonds Outstanding, in which event in an amount equal to the full replacement value of the Building;

(c) commercial general liability and automobile liability insurance against claims arising in, on or about the Facility, including in, on or about the sidewalks or premises adjacent to the Facility, providing coverage limits not less than the coverage limits customarily carried by owners or operators of facilities of similar size and character within the State and listing the Authority and the Trustee as additional insured thereunder;

(d) fidelity insurance or bonds on those of its officers and employees who handle funds of the Foundation or crime coverage that provides coverage for theft of money and securities, both in such amounts and to such extent as are customarily carried by organizations similar to the Foundation and operating properties similar in size and character to the facilities of the Foundation;

(e) to the extent available for a commercially reasonable cost, rental value insurance or additional expense insurance that may be applied toward rent for alternative facilities, upon construction of the Facility, covering all risks as to which insurance is required pursuant to (b) above, in an amount equal to not less than the amounts required to be paid pursuant to Section 5.02(a) hereof for a period of not less than twelve (12) months to the extent commercially reasonable. If any such loss or damage has occurred, the Foundation shall continue to be obligated to pay the amounts required to be paid pursuant to Section 5.02(a) hereof, and any proceeds of such insurance shall be applied against all or part of such payment obligations of the Foundation; and

(f) such other forms of insurance as the Foundation is required by law to provide with respect to the Facility, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

All the insurance coverage required by this Section may be subject to deductible clauses in such amounts as are customary for facilities of similar size and character within the State. At least every five (5) years from [July 1, 2018], the Foundation shall employ (or cause to be employed), at its expense, an Insurance Consultant to review the insurance coverage required by this Section and to render to the Trustee and the Foundation a report as to the adequacy of such coverage and as to its recommendations, if any, for adjustments thereto. The insurance coverage provided by this Section may be reduced or otherwise adjusted by the Foundation without the prior written consent of the Trustee or the Authority, provided that all coverages after such reduction or other adjustment are certified by the Insurance Consultant to be adequate and customary for facilities of like size and type, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance



and the effect of such terms and such cost upon the Foundation's fees, rentals and charges for the use of the Facility. The Trustee shall have no duty to review or evaluate the Insurance Consultant's evaluation and report and may conclusively rely upon such evaluation and report as to the adequacy of the required insurance policies.

The insurance coverage provided by this Section shall be increased or otherwise adjusted by the Foundation if as a result of such review the Insurance Consultant finds that the existing coverage is inadequate, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance, and the effect of such terms and such cost upon the Foundation's costs and charges for its services. The insurance coverage required by this Section, and modification thereof permitted or required by this paragraph, shall at all times be adequate and customary for facilities of like size and type, and the Insurance Consultant shall so certify in the report required by this paragraph. Anything herein to the contrary notwithstanding, the Foundation is permitted to become self-insured for all or any part of the foregoing requirements, or to satisfy any or all of such requirements through the Charter School's self-insurance, if the Trustee has received a written evaluation with respect to such self-insurance programs from a nationally recognized Insurance Consultant stating that such self-insurance is consistent with sound risk management policies. The Trustee may conclusively rely upon the Insurance Consultant's evaluation and report as to the suitability of any self-insurance policy. The Foundation shall pay any fees charged by such nationally recognized Insurance Consultant. If applicable, the Foundation's or the Charter School's self-insurance existing on the date of delivery of this Loan Agreement may continue with evidence of compliance with the above requirements provided to the Trustee annually. If the Foundation is self-insured, the Trustee and the Authority shall be included as insureds under the self-insurance trust agreement.

All policies maintained (or caused to be maintained) by the Foundation pursuant to this Section shall be taken out and maintained in generally recognized, responsible insurance companies, which may include "captive" insurance companies or governmental insurance pools, selected by the Foundation. The insurance policies required by subsections (a), (b) and (e) of this Section shall name the Trustee, the Authority and the Foundation as insureds as their respective interests may appear (provided that with respect to insurance maintained pursuant to subsections (a), (b), (c) and (e) of this Section, the Trustee shall also be named as a mortgagee and loss payee under the terms of a standard Colorado mortgagee loss payable endorsement), and, provided further that all insurance proceeds for losses, and except for worker's compensation, fidelity insurance and liability insurance, shall be paid directly to the Trustee. Such policies or certificates of insurance shall provide that (except as to insurance required pursuant to subsections (a), (d) and (f) of this Section) the insurer will endeavor to mail thirty (30) days' written notice to the Trustee of any cancellation prior to expiration of such policy.

The Foundation shall deliver to the Trustee (a) upon the commencement of the term of this Loan Agreement, the originals or certified copies thereof of all insurance policies (or certificates thereof) which the Foundation is then required to maintain pursuant to this Section together with evidence as to the payment of all premiums then due thereon, (b) at least thirty (30) days prior to the expiration of any such policies evidence as to the renewal thereof, if then required by this Section, and the payment of all premiums then due with respect thereto and (c) promptly upon request by the Authority or the Trustee, but in any case within one hundred eighty

(180) days **[[SHOULD THIS CHANGE TO 210?]]** after the end of each fiscal year, a certificate of an Authorized Representative of the Foundation setting forth the types and coverage as to all insurance policies maintained by the Foundation or by the Charter School pursuant to the Lease, required pursuant to this Section and certifying that such insurance policies are in full force and effect, that such policies comply with the provisions of this Section and that all premiums then due thereon have been paid. The Trustee shall be entitled to conclusively rely upon the certificate of an Authorized Representative of the Foundation as to the Foundation's compliance with the insurance requirements of this Section without further inquiry. The Trustee shall have no duty or obligation to effect, maintain or renew any policies of insurance of the Foundation, or to review or approve the form or sufficiency of any such policies or the qualifications of the company issuing same. The Trustee shall have no duty to report or 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 premiums, taxes or assessments or to require any such payment be made.

**Section 6.04. Application of Net Proceeds of Insurance.** The Net Proceeds of the insurance carried pursuant to subsection (a) of Section 6.03 hereof shall be applied as provided in Section 7.02 hereof and the Indenture. The Net Proceeds of the insurance carried pursuant to subsection (b) of Section 6.03 hereof shall be applied as provided in Section 7.01 hereof. The Net Proceeds of insurance carried pursuant to subsections (c) and (f) of Section 6.03 hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid. The Net Proceeds of the fidelity insurance carried pursuant to subsection (d) of Section 6.03 hereof shall be held by the Foundation to replace the funds lost. The Net Proceeds of the business interruption insurance carried pursuant to subsection (e) of Section 6.03 shall be applied against the payments required to be made by the Foundation pursuant to this Loan Agreement during such period of business interruption.

**Section 6.05. Advances by Authority or Trustee.** In the event the Foundation shall fail to maintain the full insurance coverage required by this Loan Agreement or shall fail to keep the Facility in as reasonably safe condition as their operating condition will permit, or shall fail to keep the Facility in good repair and good operating condition (except as otherwise herein permitted), the Authority or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same, or make the required repairs, renewals and replacements; and all amounts advanced therefor by the Authority or the Trustee shall become an additional obligation of the Foundation under this Loan Agreement to the one making the advance, which amounts the Foundation agrees to pay on demand together with interest thereon at the Default Rate.

## ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION

**Section 7.01. Damage and Destruction.** Unless the Foundation has exercised its option to prepay the Loan in full pursuant to Article XI hereof, if the Facility is destroyed or damaged by fire or other casualty to such extent that the claim for loss under any insurance policies resulting from such event of destruction or damage is less than \$250,000, the Net Proceeds of insurance resulting from such claims for losses shall be paid to the Foundation and shall be held or used by the Foundation for such purposes as the Foundation, in its discretion, may deem appropriate. The Foundation shall not by reason of the payment of Net Proceeds for such

destruction or damage be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners of the Bonds or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Loan Agreement.

Unless the Foundation has exercised its option to prepay the Loan in full pursuant to Article XI hereof, if the Facility is destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under any insurance policies resulting from such event of destruction or damage is \$250,000 or more, the Foundation shall promptly give written notice thereof to the Trustee and the Authority. All Net Proceeds of insurance resulting from such claims for losses of \$250,000 or more shall, in the event the value of the Building is less than the amount of the Bonds Outstanding, and for a period of ten (10) years following the date of issuance of the Bonds, be held by the Trustee in a separate trust account, whereupon (a) the Foundation will promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it existed prior to such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Foundation and as will not impair the Foundation's ability to operate the Facility in an efficient manner, and (b) the Trustee, upon receipt of a Consulting Architect's Certificate that such payment is required for such purpose, will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration as the work progresses; and for the period after ten (10) years from the date of issuance of the Bonds shall at the option of the Foundation, with the consent of the Charter School so long as the Lease is in effect, either be used to redeem Bonds (but not in the event the value of the Building is less than the amount of Bonds then outstanding) or be used to repair, rebuild or restore the property as described above. The Trustee may rely conclusively on any such Consulting Architect's Certificate and shall not be required to make any independent investigation in connection therewith. Any balance of such Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be transferred to the Bond Principal Fund and applied to the payment of principal of the Bonds on the next payment date or dates thereof. In the event such Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, the Foundation will nonetheless complete the work thereof and will pay any costs thereof in excess of the amount of said Net Proceeds. The Foundation shall not by reason of the payment of such excess costs be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners of the Bonds or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Loan Agreement.

All Net Proceeds of insurance resulting from claims for losses specified in the first sentences of the two preceding paragraphs may be used to redeem Bonds (except as limited thereby); provided (i) all of the Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to prepay the Loan in full provided for in Article XI hereof or (ii) in the event that less than all of the Bonds are to be redeemed, the Foundation shall furnish to the Trustee a Consulting Architect's Certificate stating (A) that the property forming a part of the Facility damaged or destroyed is not essential to the Foundation's use or occupancy of the Facility, or (B) that the Facility has been restored to a condition substantially equivalent to its condition prior to the damage or destruction or (C) that improvements have been acquired which are suitable for operation as a facility (as defined in the Act) on the Land.

**Section 7.02. Condemnation and Title Defects.** Unless the Foundation has exercised its option to prepay the Loan in full pursuant to Article XI hereof, in the event that title to, or the temporary use of, the Facility or any part thereof shall be taken under the exercise of the power of eminent domain or because of a title defect, the Foundation shall be obligated to continue to make the Loan Payments and other payments required to be made under this Loan Agreement. In the event that the Net Proceeds from any award made in such eminent domain proceedings or from any insurance policies purchased pursuant to Section 6.03(a) hereof is less than \$250,000, all of such Net Proceeds shall be paid to the Foundation and shall be held or used by the Foundation for such purposes as the Foundation, in its discretion, may deem appropriate. In the event that the Net Proceeds from any award made in such eminent domain proceedings or from any insurance policies purchased pursuant to Section 6.03(a) hereof is \$250,000 or more, all of such Net Proceeds shall be paid to and held by the Trustee in a separate trust account for the equal benefit of the Registered Owners of the Bonds, to be applied to one or more of the following purposes as shall be directed in writing by the Foundation, with the written consent of the Charter School so long as the Lease is in effect:

- (a) the restoration of the Facility to substantially the same condition as it existed prior to such condemnation or without such title defect;
- (b) the acquisition, by construction or otherwise, of other improvements suitable for operation as an educational or cultural facility on the Land; and
- (c) the redemption of the Bonds; provided that such condemnation award or title insurance proceeds may be applied for such redemption only if (i) all of the Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to prepay the Loan in full provided for in Article XI hereof or (ii) in the event that less than all of the Bonds are to be redeemed, the Foundation shall furnish to the Authority and the Trustee a Consulting Architect's Certificate stating (A) that the property forming a part of the Facility taken by such condemnation proceedings or lost due to a defect in title is not essential to the Foundation's use or occupancy of the Facility, or (B) that the Facility has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings or without such title defect, or (C) that improvements have been acquired which are suitable for the Foundation's operations at the Facility as contemplated by the foregoing subparagraph (b) of the first paragraph of this Section.

In the event the Foundation elects either of the options set forth in subparagraph (a) or (b) of the first paragraph of this Section, the Trustee, upon receipt of a Consulting Architect's Certificate supervising such repair, rebuilding or restoration that payment is required for such purpose, will apply so much as may be necessary of the Net Proceeds of such condemnation award or title insurance proceeds to payment of the costs of such restoration, acquisition or construction, as the work progresses. The Trustee may rely conclusively on any such Consulting Architect's Certificate and shall not be required to make any independent investigation in connection therewith.

In the event the Foundation elects either of the options set forth in subparagraph (a) or (b) of the first paragraph of this Section, and the Net Proceeds received from eminent domain or title insurance proceeds are insufficient to pay in full the cost of restoring, acquiring or constructing

improvements of substantially the same condition as the Facility prior to the taking or without such title defect, the Foundation will nonetheless complete the work thereof and will pay any costs thereof in excess of such Net Proceeds. The Foundation shall not by reason of the payment of such excess costs be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners of the Bonds or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Loan Agreement.

Unless the Foundation has exercised its option to prepay the Loan in full pursuant to Article XI hereof, within ninety (90) days from the date of a final order in any eminent domain proceeding granting condemnation or from the date of a taking pursuant to a title defect, the Foundation shall direct the Authority and the Trustee in writing which of the ways specified in this Section the Foundation elects to have the Net Proceeds of the condemnation award or insurance proceeds applied. Any balance of the Net Proceeds of the award in such eminent domain proceedings or insurance proceeds remaining after payment of all the costs of such restoration, acquisition or construction shall be applied to pay or redeem Bonds. The balance to be used to pay or redeem Bonds shall be transferred to the Bond Principal Fund and applied to the payment of the principal of the Bonds on the next payment date or dates thereof.

The Authority shall cooperate fully with the Foundation in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facility or any part thereof. In no event may the Foundation voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Facility or any part thereof without the written consent of the Trustee and the Authority.

**Section 7.03. Foundation Entitled to Certain Net Proceeds.** The Foundation shall be entitled to the Net Proceeds of any insurance payment or condemnation award or portion thereof attributable to damage or destruction or takings of its Property not included in the Facility.

**Section 7.04. No Change in Loan Payments; No Liens.** All buildings, improvements and equipment acquired in the repair, rebuilding or restoration of the Facility shall be deemed a part of the Facility and shall be available for use and occupancy by the Foundation, subject to the Lease, without the payment of any payments hereunder other than the Loan Payments and other payments required to be made under this Loan Agreement, to the same extent as if they were specifically described herein; provided that no buildings, improvements or equipment shall be acquired subject to any lien or encumbrance other than Permitted Encumbrances.

**Section 7.05. Investment of Net Proceeds.** Any Net Proceeds of insurance payments or condemnation awards held by the Trustee pending restoration, repair or rebuilding shall be invested in Investment Obligations in the same manner as provided in Section 6.01 of the Indenture. Any earnings or profits on such investments shall be considered part of the Net Proceeds.

## ARTICLE VIII SPECIAL COVENANTS

**Section 8.01. No Warranty of Condition or Suitability by the Authority.** Neither the Authority nor the Trustee makes any warranty, either express or implied, as to the Facility or that



the Facility will be suitable for the Foundation's purposes or needs or that the proceeds of the Bonds will be sufficient to pay the Cost of the Projects.

**Section 8.02. Consolidation, Merger, Sale or Conveyance.** The Foundation agrees that during the term of this Loan Agreement it shall maintain its corporate existence, shall continue to be a nonprofit corporation duly qualified to do business in the State, shall not merge or consolidate with any Person, or sell or convey its interest in the Facility except as otherwise permitted in Sections 8.11 and 8.15 hereof.

**Section 8.03. Further Assurances.** The Authority and the Foundation agree that they shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Loan Agreement, subject, however, to the terms and conditions of Section 10.05 of the Indenture.

**Section 8.04. Audits.** In the event that the Lease is terminated or not renewed by the Charter School, the Foundation agrees that it shall have its books and records audited annually, commencing with the Fiscal Year in which the termination or non-renewal of the Lease occurs, by an Accountant as soon as practicable after the close of such Fiscal Year, and shall furnish within one hundred eighty (180) days after the end of such Fiscal Year to the Authority and the Trustee (provided that neither the Authority nor the Trustee has any obligation to review such audit report) and each rating agency which has rated the Bonds, a copy of the audit report including calculation of Pledged Revenues certified by such Accountant.

Upon receipt by the Foundation of the Accountant's management letter, if any, the Foundation will notify the Authority and the Trustee, that such management letter has been received and is available for inspection by the Authority and the Trustee, at the offices of the Foundation.

**Section 8.05. Financial Statements.** If the Lease is terminated, the Foundation agrees that it shall maintain proper books of records and accounts of the Facility with full, true and correct entries of all of its dealings substantially in accordance with generally accepted accounting principles and audited annually, and that, if the Foundation receives notice that the Lease will be terminated or not renewed by the Charter School, it will, commencing with the quarter in which such notice is received, furnish to the Authority (upon the Authority's request) and the Trustee, provided the Authority and the Trustee have no obligation to review such material, quarterly financial reports (which need not be audited) within sixty (60) days after the close of each such quarter including a statement of current fund revenues and expenses in comparative form with the Foundation's operating budget, and such other data and information as may reasonably be requested by the Authority and the Trustee from time to time. Upon the request of the Authority, the Foundation shall also provide to the Authority additional information concerning the Projects and the operations, financial condition and any pending material transactions of the Foundation.

**Section 8.06. Release and Indemnification Covenants.** The Foundation agrees to protect and defend the Authority, the State, agencies of the State, the Trustee, current, former and

future members, directors, servants, officers, employees, attorneys and other agents, now or hereafter, of said State, the Authority or the Trustee and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management or policies, now or hereafter, of the State, the Authority or the Trustee (collectively, the “Indemnified Parties” and individually, the “Indemnified Party”) and further agrees to release from, pay and hold the Indemnified Parties harmless from and against any and all liabilities, losses, damages, costs, expenses (including attorneys’ fees, expenses and court costs, including those for post-judgment and appellate proceedings), judgments, claims, demands, suits, actions or other proceedings of whatsoever kind or nature by reason of or in connection with:

(a) any breach or alleged breach by the Foundation of any representation, warranty, covenant, term or condition in, or the occurrence of any default or Event of Default under, this Loan Agreement or the other Bond Documents;

(b) the involvement of any of the Indemnified Parties in any legal suit, investigation, proceeding, inquiry or action as a consequence, direct or indirect, of the Foundation’s or Trustee’s actions taken pursuant to this Loan Agreement or any other event or transaction contemplated by any of the foregoing;

(c) any untrue statement or alleged untrue statement contained or incorporated by reference in any offering or reoffering materials prepared in respect of the Bonds, or any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements in light of the circumstances under which they are or were made not misleading in the initial and any subsequent offers or sales of the Bonds;

(d) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Facilities or the use thereof, including without limitation administration or management of any activities within or related to the Facilities or any lease thereof or assignment of its interest in this Loan Agreement;

(e) the acceptance or administration of the Bond Documents or the trusts thereunder or the performance of duties under the Bond Documents;

(f) any act or omission of the Foundation or any of its agents, contractors, servants, employees or licensees in connection with the use of the proceeds of the Bonds or the Facilities, 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 or any part thereof;

(g) any lien or charge upon payments by the Foundation to the Authority hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority in respect of any portion of the Facilities including those arising under any Environmental Requirements;

(h) any violation or alleged violation of any Environmental Requirements with respect to, or the presence or release of any toxic substance from, the Facilities or any part thereof whether or not caused by, or within the control of the Foundation;



(i) the enforcement of, or any action taken by the Authority, the Trustee or the registered owners, related to remedies under, this Loan Agreement and the other Bond Documents;

(j) any action, suit, claim, proceeding, audit, inquiry, examination, or investigation of a judicial, legislative, administrative or regulatory nature concerning or related to interest payable on the Bonds not being exempt from federal or state income taxation;

(k) any action, suit, claim or demand contesting or affecting the title of the Facilities and any penalties or charges resulting therefrom; and

(l) the investigation of, preparation for or defense of any legal suit, investigation, proceeding, inquiry or action in connection with the Facilities or the transactions to be consummated in connection therewith of any nature whatsoever, commenced or threatened against the Foundation, the Facilities or any Indemnified Party.

The indemnification shall include the costs and expenses of defending itself or investigating any claim of liability and other expenses and attorneys' fees and expenses incurred by an Indemnified Party. The obligations of the Foundation under this Section shall survive the termination of this Loan Agreement and the resignation or removal of the Trustee. Amounts payable to the Authority or the Trustee hereunder shall be due and payable ten (10) business days after demand and will accrue interest at the Default Rate, commencing with the expiration of the ten (10) business day period. When an Indemnified Party incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.

Any Indemnified Party shall give prompt written notice to the Foundation with respect to matters with respect to which indemnification pursuant to this Section is applicable and the Foundation shall assume the defense of any such matter including the retention of counsel as may be required and payment of all expenses. If the Foundation is not provided written notice of any such claim or demand, or if the Foundation is not afforded reasonable opportunity to participate in any such matter by reason of any action or inaction of the Indemnified Party, the Foundation shall have no liability to such Indemnified Party under this Section with respect to such matter to the extent the Foundation has been prejudiced thereby. The Foundation shall not be liable for any settlement of any such lawsuit or other matter effected without the consent of the Foundation. An Indemnified Party shall have the right to employ, at the Foundation's expense, separate counsel in any lawsuit only if the Indemnified Party reasonably concludes that a potential conflict of interest exists between such Indemnified Party and the Foundation or unless the Foundation does not promptly assume the defense of any such action.

All covenants, stipulations, promises, agreements, and obligations of the Authority or the Trustee contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the Authority or the Trustee and not of any current, future or former member, director, officer, employee, attorney or other agent of the Authority or the Trustee in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or

hereunder against any current, future or former member, director, officer, employee, attorney or other agent of the Authority or the Trustee or any natural person executing the Bonds.

The foregoing release, protection, defense, hold harmless and indemnification provisions shall not apply to any claim, proceeding or action instituted by the Foundation against an Indemnified Party relating to any warranty, representation, covenant or obligation of such Indemnified Party under this Loan Agreement or the other Bond Documents if it is ultimately determined by a court or government agency (from which an appeal is not available or with respect to which the time for appeal has expired) that such Indemnified Party breached or violated any such warranty, representation, covenant or obligation. Additionally, the indemnity obligations herein exclude, with respect to the Trustee, any negligent act or willful misconduct of the Trustee, in any manner directly or indirectly.

Notwithstanding the foregoing, the Charter School shall not be considered an “Indemnified Party” for purposes of this Section.

**Section 8.07. Authority of Authorized Representative of the Foundation.** Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Foundation is required, or the Authority or the Trustee is required to take some action at the request of the Foundation, such approval or such request shall be made by the Authorized Representative of the Foundation unless otherwise specified in this Loan Agreement or the Indenture. The Authority or the Trustee shall be authorized to act on any such approval or request and the Foundation shall have no complaint against the Authority or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Loan Agreement or the Indenture by an Authorized Representative of the Foundation shall be on behalf of the Foundation and shall not result in any personal liability of such Authorized Representative.

**Section 8.08. Authority of Authorized Representative of the Authority.** Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Authority is required, or the Foundation or the Trustee is required to take some action at the request of the Authority, such approval or such request shall be made by the Authorized Representative of the Authority unless otherwise specified in this Loan Agreement or the Indenture. The Foundation or the Trustee shall be authorized to act on any such approval or request and the Authority shall have no complaint against the Foundation or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Loan Agreement or the Indenture by an Authorized Representative of the Authority shall be on behalf of the Authority and shall not result in any personal liability of such Authorized Representative.

**Section 8.09. Licenses and Qualifications.** The Foundation shall do, or cause to be done, all things necessary to obtain, renew and secure all permits, licenses and other governmental approvals and to comply, or cause its lessees to comply, with such permits, licenses and other governmental approvals necessary for operation of the Facility as a facility (as defined in the Act) (including, Section 8.12 hereof).

**Section 8.10. Maintenance of Pledged Revenues.** So long as any Bonds are Outstanding, the Foundation covenants and agrees to manage the Facility on a revenue-producing basis. The Foundation also covenants during such period to use its best efforts to fix, revise (subject to the terms and provisions of the Lease and any other leases and other contractual commitments permitted hereunder), charge and collect such reasonable charges for the use and occupancy of the Facility, in amounts so that the Foundation shall receive Pledged Revenues in each Fiscal Year that are sufficient to pay (a) currently all of the Foundation's expenses during such Fiscal Year for the operation, maintenance and repair of the Facility, (b) all payments under this Loan Agreement, and (c) all other obligations imposed by this Loan Agreement upon the Foundation payable during such Fiscal Year; provided, however, in the event that the Lease is no longer in effect, the Foundation shall not be deemed to be in default under this Section if the Pledged Revenues in each Fiscal Year are not sufficient to make such payments so long as the Foundation provides the Authority and the Trustee with a report of a Consultant stating that the charges being fixed and collected by the Foundation for the use and occupancy of the Facility reflect current market charges for such use and occupancy. Notwithstanding the foregoing, the parties hereto agree that so long as Base Rents and Additional Rents (as defined in the Lease) are being paid and applied as provided in the Lease, this Loan Agreement and the Indenture, the Foundation shall be deemed to be in compliance with the requirements of this Section 8.10.

**Section 8.11. Sale, Lease or other Disposition of the Facility.** The Foundation shall have the right to lease all or any part of the Facility pursuant to the Lease or, subject to the written consent of the Authority any future leases or subleases; provided, however, that the Foundation shall provide to the Authority and the Trustee an opinion of a nationally recognized bond counsel acceptable to the Authority that such lease will not adversely affect the tax-exempt status of the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes, and that the terms and provisions of any future leases or subleases or any future amendments or supplements to the Lease will allow the Foundation to comply with the provisions of this Loan Agreement and contain the restrictions upon the use of the Facility contained in Sections 2.02(d) and 8.12 of this Loan Agreement and will contain substantially similar provisions to Section 10.07 of the Lease; and provided further, in the event that direct payment of Base Rents are not being made to the Trustee in accordance with the requirements of Section 5.05 hereof, such future leases or subleases must provide for rental payments to be made directly to the Trustee to the extent of then current payments required under Section 5.02(a) hereof. Other than leases or subleases permitted by this Section or as provided in Section 8.15 hereof, the Foundation agrees that it will not sell or otherwise dispose of the Facility.

Notwithstanding anything else contained herein to the contrary, prior to the lease or other disposition of the Facility or any part thereof for any purpose, the Foundation shall obtain an approving opinion of nationally recognized bond counsel acceptable to the Authority addressed to the Trustee and the Authority stating that such lease or disposition will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes.

**Section 8.12. Nonsectarian Use.** The Foundation agrees that, in the absence of the receipt by the Authority and the Trustee of a written opinion of nationally recognized municipal bond counsel acceptable to the Authority to the effect that such use will not affect adversely the

exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes, and that such restriction is no longer required under the provisions of the Act, no proceeds of the Bonds shall be used to acquire, construct, install, or refinance any facilities which are intended to be used primarily for sectarian purposes. The Foundation shall comply with all applicable state and federal laws concerning discrimination on the basis of race, creed, color, sex, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of Persons working for the Foundation.

**Section 8.13. Limitations on Incurrence of Additional Indebtedness.** The Foundation shall not after the date hereof, except as provided in this Section, incur any additional Indebtedness that does not exist as of the date hereof, secured in whole or in part by the Facility or the Pledged Revenues.

(a) *Parity Indebtedness.* So long as the Lease is in effect, the Foundation may, with the written consent of the Charter School and delivery to the Trustee all documents and consents required pursuant the Indenture for the issuance of Additional Bonds, incur additional Indebtedness, which may be evidenced by amending this Loan Agreement, secured in whole or in part by Liens on the Facility and a security interest in the Pledged Revenues on a parity with amounts secured by the lien of the Deed of Trust on the Facility and the security interest in the Pledged Revenues granted by this Loan Agreement for the purposes provided in the Act, to pay the costs associated with such Indebtedness and/or for the purpose of refunding any Outstanding Bonds, if the following conditions are met: (i) the Foundation delivers a certificate signed by an Authorized Representative of the Foundation stating that no Event of Default is then existing under this Loan Agreement or any other Indebtedness then outstanding or any agreement entered into in conjunction with such Indebtedness; and (ii) sufficient funds are evidenced as follows:

(i) Historical Coverage on Outstanding Indebtedness: the Foundation delivers a certificate signed by its Authorized Representative stating (and setting forth the calculation) that, for either the Charter School's most recently completed Fiscal Year or for any consecutive twelve (12) months out of the most recent eighteen (18) months immediately preceding the issuance of the additional Indebtedness, the Net Revenue of the Charter School, equals at least 1.10 times the annual debt service on all Indebtedness then Outstanding for such time period consistent with the time period selected above and prior to the issuance of the additional Indebtedness; and (2) projected Coverage Ratio for Additional Indebtedness: the Foundation delivers a certificate signed by its Authorized Representative setting forth projections that indicate that the estimated Net Revenue of the Charter School are equal to at least 1.20 times Maximum Annual Debt Service for all Indebtedness then Outstanding, including the proposed additional Indebtedness, in the Fiscal Year immediately following the completion of the Projects being financed with such additional Indebtedness, taking into account (i) the audited results of operations and verified enrollment of the Projects for the most recent fiscal year for which audited financial statements are available, and (ii) the projected enrollment for the Fiscal Year immediately

following the completion of the new Projects, and shall assume that the proposed additional Indebtedness shall have been outstanding for the entire year; or

(ii) Alternate Coverage for Additional Debt: the Foundation delivers a certificate signed by its Authorized Representative stating (and setting forth the calculation) that, based on the audited results of the operations for the most recent fiscal year for which audited financial statements are available, the Net Revenue equals at least 1.10 times Maximum Annual Debt Service on all Indebtedness then Outstanding as well as the additional Indebtedness.

(b) *Refunding*. If additional Indebtedness is being issued for the purpose of refunding any Outstanding Bonds, the reports required to be delivered above shall not be required so long as both the total and Maximum Annual Debt Service on all Outstanding Bonds after issuance of the additional Indebtedness will not exceed both the total and the Maximum Annual Debt Service on all Outstanding Indebtedness prior to the issuance of such additional Indebtedness.

(c) *Non-Recourse Indebtedness*. The Foundation reserves the right to incur Indebtedness that is not secured by Liens on the Facility and a security interest in the Pledged Revenues on a parity with amounts secured by the lien of the Deed of Trust on the Facility and the security interest in the Pledged Revenues granted by this Loan Agreement. Such debt may be secured by a lien on all or any portion of the assets financed therewith.

(d) *Senior Indebtedness*. The Foundation is precluded from incurring additional Indebtedness secured by Liens on the Facility or the Pledged Revenues that are senior to the lien of the Deed of Trust on the Facility and the security interest in the Pledged Revenues granted by this Loan Agreement and the Deed of Trust.

**Section 8.14. No Default Certificate.** Within ninety (90) days after the end of each Fiscal Year, the Foundation shall furnish to the Authority and the Trustee certificates of an Authorized Representative of the Foundation stating that no Event of Default under Section 10.01 hereof has occurred and is continuing and that he has no knowledge of an event which with the passage of time or the giving of notice, or both, would constitute an Event of Default under Section 10.01 hereof or an Event of Default under the Indenture, or describing any such Event of Default or event known to him.

**Section 8.15. Release of Land.** The Foundation, with the consent of the Charter School so long as the Lease is in effect, shall have the right to release portions of the Land from the lien of this Loan Agreement provided that (a) no portion of the Building is located on such portion of the Land to be released, (b) such portion of the Land to be released is not necessary to the operation of the Building, (c) the Foundation pays to the Trustee for the payment or redemption of Bonds an amount (rounded up to the next \$5,000) equal to the fair market value (as determined in a written report of an independent appraiser who is a Member of the Appraisal Institute (“*MAI*”) (an “*Appraiser*”)) of such Land to be released and provides the Trustee with irrevocable written instructions to hold such funds in trust until the first available optional redemption date and pay or redeem Bonds in a principal amount equal to such payment on the



first available redemption date, (d) after such release the fair market value of the Facility (as determined in a written report by an Appraiser) is equal to or greater than the amount of Bonds Outstanding immediately after such release, (e) the Foundation provides the Authority and the Trustee with a Consultant's certificate that states that such release of the Land will not negatively impact the enrollment numbers at the Charter School and that such release will not impact access to the remaining portion of the Facility, and (f) the Foundation provides the Authority and the Trustee with a written opinion of nationally recognized municipal bond counsel selected by the Foundation and acceptable to the Authority to the effect that such disposition will not adversely affect the validity of the Bonds or the exclusion from gross income for federal income tax purposes of the interest paid on the Bonds which opinion may rely on the related opinion of independent counsel as to matters set forth therein. Any counsel fees incurred in obtaining any such opinion shall be paid by the Foundation. Upon compliance with the provisions of this Section, Exhibit A hereto shall be amended to reflect the removal of such portion of the Land and the Authority and the Trustee at the expense of the Foundation shall execute and deliver all necessary amendments hereto and releases necessary to remove such portion of the Land from the lien of this Loan Agreement.

The foregoing provisions notwithstanding, the Foundation may, with the consent of the Charter School while the Lease is in effect, release up to 2 acres of Land from the lien of this Loan Agreement and the Deed of Trust, if such Land is not being used by the Charter School or the Foundation without meeting the requirements of subsections (c) or (d) of this Section; provided, however, proceeds from the sale thereof, if any, shall be deposited in the Bond Principal Fund to pay principal on the Bonds.

**Section 8.16. Limitations on Liens.** The Foundation covenants that except as specifically provided in this Loan Agreement, it shall not create, assume, incur or suffer to be created, assumed or incurred any Liens on the Facility or the Pledged Revenues (other than Permitted Encumbrances).

**Section 8.17. Compliance With the Continuing Disclosure Agreement.** The Foundation shall comply with the disclosure requirements set forth in (i) the Continuing Disclosure Agreement, dated as of July 17, 2018, by and between the Foundation and Digital Assurance Certification, LLC, as dissemination agent thereunder; and (ii) the Continuing Disclosure Agreement, dated as of June [ ], 2025, by and between the Foundation and Digital Assurance Certification, LLC, as dissemination agent thereunder; provided, however, failure to comply with such agreement shall not be an Event of Default hereunder.

## ARTICLE IX

### ASSIGNMENT AND PLEDGING; REDEMPTION OF BONDS; ACKNOWLEDGEMENT OF LEASE

**Section 9.01. Assignment by Foundation.** This Loan Agreement may not be assigned by the Foundation.

**Section 9.02. Assignment and Pledge by Authority.** The Authority shall assign certain of its rights and interests in and under this Loan Agreement (without recourse and subject to the

Unassigned Rights), including the Pledged Revenues, to the Trustee pursuant to the Indenture as security for payment of the principal of, premium, if any, and interest on the Bonds. The Foundation hereby consents to such assignment.

**Section 9.03. Redemption of Bonds; Transfer of Facility.** Upon the agreement of the Foundation to deposit moneys into the Bond Principal Fund and the Bond Interest Fund in an amount sufficient to redeem Bonds subject to redemption, the Trustee, at the written request of the Foundation and subject to Article V of the Indenture, shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then Outstanding Bonds on the redemption date. At such time as the Bonds are no longer Outstanding, the Foundation covenants and agrees hereunder to transfer and convey fee simple title and its ownership interest in the Facility to the Charter School; provided however, if the Lease has been terminated or not renewed, or the Charter School is no longer existing and operating as a public charter school, the Foundation covenants and agrees to transfer and convey fee simple title and its ownership interest in the Facility to (a) a governmental unit or (h) an organization described under Section 501(c)(3) of the Code. Prior to the transfer and conveyance of fee simple title and ownership interest in the Facility to an organization, other than the Charter School, described under Section 501(c)(3) of the Code, the Foundation shall obtain an approving opinion of nationally recognized bond counsel stating that such transfer and conveyance will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes.

**Section 9.04. Acknowledgement of the Lease.** The parties to this Loan Agreement acknowledge the Lease and the terms and provisions thereof and the Foundation's present expectation that some or all of the requirements of this Loan Agreement will be complied with by action of the Charter School pursuant to the Lease and that the Charter School's compliance with the terms and provisions of the Lease will fulfill some or all of the Foundation's requirements under this Loan Agreement, and that the Foundation may also comply with such requirements by contract with future lessees under other leases; provided, however, such acknowledgements shall not in any way release the Foundation from any of its requirements under this Loan Agreement.

**Section 9.05. Assignment of the Lease.** The Foundation hereby assigns all of its rights and interests in the Lease to the Trustee, on behalf of the Authority, pursuant to the Indenture and the Deed of Trust as security for payment of the principal of, premium, if any, and interest on the Bonds.

## **ARTICLE X EVENTS OF DEFAULT AND REMEDIES**

**Section 10.01. Events of Default Defined.** The following shall be "Events of Default" under this Loan Agreement and the term "Event of Default" shall mean, whenever it is used in this Loan Agreement, any one or more of the following events:



(a) failure by the Foundation to pay the Loan Payments required to be paid under Section 5.02(a) hereof and continuation thereof for a period of five (5) days;

(b) failure by the Foundation to make payments into the Bond Reserve Fund required to be paid under Section 5.02(b) hereof, when the same shall become due and payable;

(c) the occurrence of an Event of Default under the Deed of Trust;

(d) failure by the Foundation to observe and perform any covenant, condition or agreement on its part to be observed or performed herein other than as referred to in subsections (a) through (c) of this Section, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Foundation by the Authority or the Trustee; provided, with respect to any such failure covered by this subsection (d), no Event of Default shall be deemed to be continuing so long as a course of action to remedy such failure shall have been commenced within such thirty (30) day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby; provided, however, that failure to correct such default within ninety (90) days after receipt of such notice shall constitute an Event of Default hereunder;

(e) the dissolution or liquidation of the Foundation, or failure by the Foundation promptly to lift any execution, garnishment, or attachment of such consequence as will materially impair its ability to meet its obligations with respect to the Facility or to make any payments under this Loan Agreement;

(f) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Foundation in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Foundation or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days;

(g) the commencement by the Foundation of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Foundation or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Foundation generally to pay its debts as such debts become due, or the taking of corporate action by the Foundation in furtherance of any of the foregoing;

(h) an “event of default” has occurred under the Lease, the Tax Compliance Certificate, or the Indenture; or

(i) material, inaccuracy, misrepresentation, or failure to comply regarding the statements and certifications made pursuant to the Project Fund Requisition Certificate, the form of which is attached to this Loan Agreement.

The foregoing provisions of subsection (d) of this Section are subject to the following limitations: If by reason of force majeure the Foundation is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Foundation contained in Article V and in Sections 4.07, 4.08, 6.02, 6.03, 8.06, 8.12 and 10.04 hereof, the Foundation shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority, including, without limitation, insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; any disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Foundation, but specifically excluding loss of the Charter Contract. The Foundation agrees, however, if possible, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Foundation, and the Foundation shall not be required to make settlement of strikes, lockouts or other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Foundation unfavorable to the Foundation.

**Section 10.02. Remedies on Default.** Whenever any Event of Default referred to in Section 10.01 hereof shall have occurred and is continuing, the Authority, or the Trustee where so provided herein, may (subject to the provisions of Section 10.06 hereof) take any one or more of the following remedial steps:

(a) The Trustee (acting as assignee of the Authority) or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may declare the Loan Payments payable hereunder for the remainder of the term of this Loan Agreement to be immediately due and payable, whereupon the same shall become due and payable.

(b) The Trustee may take any action permitted under the Indenture with respect to an Event of Default thereunder.

(c) The Trustee (acting as assignee of the Authority) or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture may exercise its rights under the Deed of Trust and any assignment of the Lease, including, without limitation, the right to foreclose on the Facility under the Deed of Trust, and may realize upon the security interest in the Pledged Revenues and may exercise all the rights and remedies of a secured party under the Colorado UCC with respect thereto.

(d) The Trustee or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture or the Deed of Trust may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements, or covenants of the Foundation under this Loan Agreement.

Notwithstanding the foregoing, prior to the exercise by the Authority or the Trustee of any remedy that would prevent the application of this paragraph, the Foundation may, at any time, pay all accrued payments hereunder (exclusive of any such payments accrued solely by virtue of declaration pursuant to subsection (a) of the first paragraph of this Section) and fully cure all defaults, and in such event, the Foundation shall be fully reinstated to its position hereunder as if such Event of Default had never occurred.

In the event that the Foundation fails to make any payment required hereby, the payment so in default shall continue as an obligation of the Foundation until the amount in default shall have been fully paid.

Any proceeds received by the Authority or the Trustee from the exercise of any of the above remedies, after reimbursement of any costs incurred by the Authority [or the Trustee] in connection therewith, shall be applied by the Trustee in accordance with the provisions of the Indenture.

If the Authority or the Trustee shall have proceeded to enforce their rights under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Authority or the Trustee, then and in every such case, the Foundation, the Authority and the Trustee shall be restored to their respective positions and rights hereunder, and all rights, remedies and powers of the Foundation, the Authority and the Trustee shall continue as though no such proceedings had been taken.

**Section 10.03. No Remedy Exclusive.** Subject to the provisions of Section 10.06 hereof, no remedy herein conferred upon or reserved to the Authority or the Trustee 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 or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein or by applicable law. Such rights and remedies given the Authority hereunder shall also extend to the Trustee and the Registered Owners of the Bonds, subject to the Indenture.

**Section 10.04. Agreement to Pay Attorneys' Fees and Expenses.** In the event the Foundation should breach any of the provisions of this Loan Agreement and the Authority or the Trustee should employ attorneys or incur other expenses for the collection of Loan Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Foundation herein contained, the Foundation agrees that it will on demand therefor pay to the

Authority or the Trustee, as the case may be, the reasonable fee of such attorneys and such other reasonable expenses incurred by the Authority or the Trustee. The obligations of the Foundation arising under this Section shall continue in full force and effect notwithstanding the final payment of the Bonds or the termination of this Loan Agreement for any reason.

**Section 10.05. Waiver.** If any agreement contained in this Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Authority's rights in and under this Loan Agreement to the Trustee under the Indenture, the Authority shall retain its rights under Sections 5.02(f), 8.06, 10.04, 12.10 and 12.11 hereof and its right to receive certain reports and perform certain discretionary acts as described herein, but shall have no power to waive any Event of Default hereunder without the consent of the Trustee. Notwithstanding the foregoing, a waiver of an Event of Default under the Indenture or a rescission of a declaration of acceleration of the Bonds and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under this Loan Agreement and a rescission and annulment of its consequences; provided, that no such waiver or rescission shall extend to or affect any subsequent or other default hereunder or impair any right consequent thereon.

**Section 10.06. Recovery Limited to Pledged Revenues and Facility.** Notwithstanding anything to the contrary in this Loan Agreement, recovery against the Foundation for any Event of Default under this Loan Agreement, other than amounts to be paid pursuant to Section 5.02(d) and (f) hereof and amounts payable pursuant to the indemnification provisions of Sections 8.06 and 10.04 hereof, which are general obligations of the Foundation, is limited to the Pledged Revenues and amounts received from the foreclosure on the Deed of Trust against the Facility and exercised against any personal property granted by this Loan Agreement and secured by any UCC Financing Statement. The obligations of the Foundation hereunder, other than amounts to be paid pursuant to Section 5.02(d) and (f) hereof and amounts payable pursuant to the indemnification provisions of Sections 8.06 and 10.04 hereof, are not general obligations of the Foundation, and none of the Trustee, the Authority or the Registered Owners shall have any recourse to any Property, funds or assets of the Foundation (other than the Pledged Revenues and the Facility) with respect to such obligations.

**Section 10.07. No Duty to Mitigate Damages.** The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Foundation if any Event of Default shall occur hereunder.

## **ARTICLE XI PREPAYMENT OF THE LOAN**

**Section 11.01. General Option to Prepay the Loan.** The Foundation shall have and is hereby granted the option exercisable at any time to prepay all or any portion of the Loan by depositing with the Trustee an amount of money or securities to the extent permitted by Section 7.01 of the Indenture the principal and interest on which when due, will be equal to (giving effect to the credit, if any, provided by Section 11.03 hereof) an amount sufficient to pay the principal of (in Authorized Denominations), premium, if any, and interest on any portion of the Bonds then Outstanding under the Indenture. The exercise of the option granted by this

Section shall not be cause for redemption of Bonds unless such redemption is permitted at that time under the provisions of the Indenture and the Foundation specifies the date for such redemption. In the event the Foundation prepays all of the Loan pursuant to this Section, pays all reasonable fees and expenses of the Trustee accrued and to accrue through final payment of the Bonds as a result of such prepayment and all of its liabilities accrued and to accrue hereunder to the Authority through final payment of the Bonds as a result of such prepayment, and all other amounts due hereunder have been paid in full, then this Loan Agreement shall terminate except as otherwise provided herein.

**Section 11.02. Obligation to Prepay the Loan.** All amounts due hereunder shall become immediately due and payable, without notice or demand, upon a Determination of Taxability and the Foundation shall thereafter have the immediate obligation to prepay all amounts due under this Loan Agreement and the Loan with respect to the Bonds in whole, and not in part.

**Section 11.03. Prepayment Credits.** In the event of prepayment by the Foundation of the Loan in whole, the amounts then contained in the Bond Principal Fund, Bond Interest Fund, Issuance Expense Fund and Bond Reserve Fund shall be credited first to the Rebate Fund so that it is fully funded for the final payment to the federal government and then against the Foundation's prepayment obligation.

**Section 11.04. Notice of Prepayment.** In order to exercise the option granted by Section 11.01, the Foundation shall give written notice to the Trustee with a copy to the Authority which shall specify therein the date of making the prepayment, which date shall be not less than forty-five (45) days nor more than ninety (90) days from the date the notice is mailed, unless such notice or time period is waived by the Trustee. In the case of any prepayment pursuant to this Article, the Foundation shall make arrangements with the Trustee for giving the required notice of redemption, if any, of any Bonds to be redeemed and, if applicable, shall pay to the Trustee an amount of money sufficient to redeem all of the Bonds called for redemption at the appropriate price.

**Section 11.05. Use of Prepayment Moneys.** By virtue of the assignment of the rights of the Authority under this Loan Agreement (without recourse and subject to the Unassigned Rights) to the Trustee, the Foundation agrees to and shall pay any amount required to be paid by it under this Article directly to the Trustee (other than amounts to be paid to the Authority for its own account). The Trustee shall use the moneys so paid to it by the Foundation (other than amounts to be paid to the Trustee for its own account) as provided in this Loan Agreement.

## **ARTICLE XII MISCELLANEOUS**

**Section 12.01. Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) provided by electronic means; (b) mailed by certified or registered mail, postage prepaid, (c) deposited with any nationally recognized overnight delivery service that routinely issues receipts, or (d) personally delivered by any courier service that routinely issues receipts: if to the Authority, at 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director; if to the Foundation, to

Stargate Foundation, 14530 Washington Street, Thornton, Colorado 80023, Attention: President; if to the Charter School, to Stargate Charter School, 14530 Washington Street, Thornton, Colorado 80023, Attention: President; and if to the Trustee, at 1001 17th Street; Suite 850, Denver, Colorado 80202, Attention: Corporate Trust Department. A duplicate copy of each notice, certificate or other communication given hereunder by the Authority or the Foundation shall also be given to the Trustee. The Authority, the Foundation or the Trustee may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. The Foundation agrees to the provisions of Section 9.01(x) and Section 11.07 of the Indenture relating to the delivery of notices and instructions to the Trustee by Electronic Means and the use of electronic signatures to sign documents delivered to the Trustee, respectively.

**Section 12.02. Binding Effect.** This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority and the Foundation, and their respective successors and assigns, subject, however, to the limitations contained in Sections 9.01, 9.02 and 12.10 hereof.

**Section 12.03. 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 12.04. Amounts Remaining in Funds.** It is agreed by the parties hereto that any amounts remaining in the Funds upon expiration of the term of this Loan Agreement and payment of all amounts owed hereunder shall belong to and be paid to the Foundation by the Trustee.

**Section 12.05. Amendments, Changes and Modifications.** Except as otherwise provided in this Loan Agreement or in the Indenture, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee. Any amendment to this Loan Agreement shall be executed in accordance with Section 10.08 of the Indenture.

**Section 12.06. Execution in Counterparts; Facsimile and PDF Signature.** This Loan 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. The exchange of copies of this Loan Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signature pages of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

**Section 12.07. Governing Law.** This Loan Agreement shall be governed and construed in accordance with the laws of the State.

**Section 12.08. Filing.** The Foundation shall cause the Deed of Trust on the Facility to be recorded with the Clerk and Recorder of Adams County, Colorado. In addition, the Foundation shall cause the security interest in the rights to receive the Pledged Revenues, the Funds and trust accounts referred to in Section 5.01 hereof granted to the Authority, the assignment of such security interest to the Trustee and the security interests otherwise described



in this Loan Agreement granted to the Trustee to be perfected by the filing of financing statements which fully comply with the Colorado UCC in the office of the Secretary of State, the office of the Clerk and Recorder of Adams County, Colorado, and in such other office as is at the time provided by law as the proper place for the filing thereof. The parties further agree that all necessary continuation statements shall be filed by the Trustee, at the expense of and with the cooperation of the Foundation within the time prescribed by the Colorado UCC in order to continue such security interests.

**Section 12.09. Cancellation at Expiration of Term of Loan Agreement.** Upon the expiration of the term of this Loan Agreement, the Authority shall deliver to the Foundation any documents and take or cause the Trustee to take such actions as may be necessary to evidence the termination of this Loan Agreement and the discharge of the lien hereof under the Deed of Trust.

**Section 12.10. No Pecuniary Liability of Authority.** No provision, covenant, or agreement contained in this Loan Agreement, or any obligations herein imposed upon the Authority, or the breach thereof, shall constitute an indebtedness or liability of the Authority within the meaning of any Colorado constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Authority or any director, official, member, officer, attorney, agent or employee of the Authority from time to time or a charge against the Authority's general credit. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Authority has not obligated itself except with respect to the application of the revenues, as hereinabove provided.

**Section 12.11. No Personal Liability of Officials of the Authority, the Foundation or the Trustee.** None of the covenants, stipulations, promises, agreements and obligations of the Authority or the Foundation contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any official, officer, agent, member, attorney or employee of the Authority or the Foundation in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds or for any claim based thereon or any claim hereunder against any director, official, officer, agent, member, attorney or employee of the Authority or the Foundation, or any natural Person executing any Bond, including any officer or employee of the Trustee.

**Section 12.12. Prior Agreements Superseded.** This Loan Agreement, together with all agreements executed by the parties concurrently herewith or in conjunction with the initial issuance of the Bonds, shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Authority and the Foundation relating to the Bonds, the lending of money and the Projects.

**Section 12.13. Covenant by the Foundation with Respect to Statements, Representations and Warranties.** It is understood by the Foundation that all such statements, representations and warranties made in this Loan Agreement shall be deemed to have been relied upon by the Authority as an inducement to issue the Bonds, and that if any such statements, representations and warranties were false at the time they were made or (with respect to those representations and warranties which are to continue) are breached during the term hereof, such



misrepresentation or breach shall constitute a breach of this Loan Agreement which may give rise to an Event of Default hereunder.

**Section 12.14. Captions.** The captions and headings in this Loan Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Loan Agreement.

**Section 12.15. Payments Due on Holidays.** If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Loan Agreement, is not a Business Day such payments may be made or act performed or right exercised on the next succeeding Business Day unless otherwise provided herein, with the same force and effect as if done on the nominal date provided in this Loan Agreement.

**Section 12.16. Consent.** Any consent or approval of the Authority or the Trustee required pursuant to this Loan Agreement shall be in writing and shall not be unreasonably withheld, conditioned, or delayed.

**Section 12.17. Effective Date.** This Loan Agreement has been dated for convenience purposes only. Notwithstanding the stated date of this Loan Agreement, this Loan Agreement shall be effective on the date of funding of the Loan.

**Section 12.18. No Violations of Law.** Any other term or provision in this Loan Agreement to the contrary notwithstanding, (a) in no event shall this Loan Agreement be construed as (i) depriving the Authority of any right or privilege or (ii) requiring the Authority or any member, official, officer, director, attorney, agent, employee, representative, or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else, which deprivation or requirement would violate, or result in the Authority's being in violation of the Act or any other applicable state or federal law; and (b) at no time and in no event will the Foundation permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

**Section 12.19. Maintenance of Records.** The Foundation will maintain records relating to the use and investment of the proceeds of the Bonds and the use and operation of the Facility for a period of four years after the later of (i) payment in full of the Bonds or (ii) payment in full of any bonds issued to refund the Bonds.

**Section 12.20. Electronic Storage.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12.21. Trustee.** Any provision governing the rights, immunities and protections of the Trustee under the Indenture is incorporated by reference into this Loan Agreement and shall be applied to the Trustee as though fully set forth herein. In the event any provision of this Loan Agreement requires the approval, consent, or action by the Trustee, the Trustee must undertake to grant or deny such approval or consent, or perform such action, only subject to and

as directed by the terms of the Indenture, and may, in the Trustee's sole discretion, require direction of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding prior to undertaking any such approval, consent, or action.

IN WITNESS WHEREOF, the Authority and the Foundation have caused this Loan Agreement to be executed in their respective corporate names and to be attested by their duly authorized officers, all as of the date first above written.

(SEAL)

COLORADO EDUCATIONAL AND  
CULTURAL FACILITIES AUTHORITY

By \_\_\_\_\_  
Executive Director

STARGATE FOUNDATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary

[Signature page to Loan and Security Agreement – Stargate Charter School]

STATE OF COLORADO )  
 ) ss.  
COUNTY OF JEFFERSON )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2025, by Mark Heller, as Executive Director of the Colorado Educational and Cultural Facilities Authority, an independent public body politic and corporate constituting a public instrumentality.

Witness my hand and official seal.

(SEAL)

Notary Public for the State of Colorado

[Notary page to Loan and Security Agreement – Stargate Charter School]



## **EXHIBIT A**

### **LEGAL DESCRIPTION OF THE LAND**

The legal description of the Land is as follows:

Tracts A, E and F,  
STARGATE CHARTER SCHOOL SUBDIVISION,  
according to the plat recorded April 9, 2015 as Reception No. 20150000025331  
County of Adams, State of Colorado.

## **EXHIBIT B**

### **DESCRIPTION OF THE PROJECTS**

EXHIBIT B to Amended and Restated Loan and Security Agreement, dated as of June 1, 2025 (the “*Loan Agreement*”), by and between the Colorado Educational and Cultural Facilities Authority (the “*Authority*”) and Stargate Foundation. Capitalized terms are defined in this Loan Agreement.

#### **2018 PROJECT**

In addition to the financing of costs of issuance of the Series 2018 Bonds, the funding of the Bond Reserve Fund with respect to the Series 2018 Bonds, the 2018 Project includes the current refunding of the Colorado Educational and Cultural Facilities Authority (Stargate Charter School Project) Charter School Improvement Revenue Bonds, Series 2015A, originally issued in the aggregate principal amount of \$42,010,000, and currently outstanding in the aggregate principal amount of \$41,380,000, the proceeds from which were used to finance the acquisition of approximately 40 acres of land located at 14530 Washington St. Thornton, Colorado 80023 (the “*Facility*”), and the construction of an educational facility thereon, consisting of 3 buildings, parking lots, athletic fields, and 2 playgrounds areas.

#### **2025 PROJECT**

In addition to the financing of costs of issuance of the Series 2025 Bonds, the funding of the Bond Reserve Fund with respect to the Series 2025 Bonds, the 2025 Project includes financing the design, construction, renovation, expansion and equipping of various improvements to the Facility.



**EXHIBIT C****FORM OF PROJECT FUND REQUISITION CERTIFICATE**

Request No. \_\_\_\_\_

Date: \_\_\_\_\_

**PROJECT FUND REQUISITION CERTIFICATE**

TO: ZIONS BANCORPORATION, NATIONAL ASSOCIATION (fka ZB, NATIONAL ASSOCIATION DBA ZIONS BANK) (THE “TRUSTEE”) AS TRUSTEE UNDER AND PURSUANT TO THE AMENDED AND RESTATED INDENTURE OF TRUST, DATED AS OF JUNE 1, 2025, BY AND BETWEEN THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY (THE “AUTHORITY”) AND THE TRUSTEE, AND THE AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT, DATED AS OF JUNE 1, 2025 (THE “LOAN AGREEMENT”), BY AND BETWEEN THE AUTHORITY AND STARGATE FOUNDATION (THE “FOUNDATION”).

The undersigned Authorized Representative of the Foundation or the Charter School, as the case may be, hereby requests that the following amounts be paid to the following payees for the following costs of the construction of improvements to the Facility (as defined in said Loan Agreement) (the “Costs”):

Payee and Address	Amount	Description	W-9
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The undersigned Authorized Representative of the Foundation or the Charter School, as the case may be, hereby states and certifies that: (i) none of the items for which the payment or reimbursement is proposed to be made has been the subject of any payment or reimbursement theretofore made from the Project Fund; (ii) the item(s) for which payment or reimbursement is sought is or was reasonable and necessary in connection with the costs of the construction of improvements to the Facility, and in all cases is a proper charge against the Project Fund; (iii) upon payment or reimbursement of the amount requested in this Requisition Certificate, the amount remaining in the Project Fund, together with other legally available moneys of the

Foundation, if any, will be sufficient to pay the portion of the costs of the construction of improvements to the Facility then unpaid; (iv) all previously disbursed amounts from the Project Fund have been spent, or used for reimbursement of amounts spent, in accordance with the related requisition thereto; and (v) no Event of Default under this Loan Agreement has occurred or is continuing or will occur as a result of the payment on this Requisition Certificate.

With respect to this requested disbursement, the Foundation or the Charter School, as the case may be, (i) certifies they have reviewed any wire instructions set forth in this written disbursement direction to confirm such wire instructions are accurate, (ii) agrees to the extent authorized by law and without waiving any rights under the Colorado Governmental Immunity Act to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees they will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with the disbursement direction.

[STARGATE FOUNDATION][STARGATE  
CHARTER SCHOOL]

By \_\_\_\_\_  
Authorized Representative

CASEY PARROT LLC – DRAFT  
06/05/2025**TAX COMPLIANCE CERTIFICATE**

\$[A-PAR]  
 COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
 CHARTER SCHOOL REVENUE BONDS  
 (STARGATE CHARTER SCHOOL PROJECT)  
 SERIES 2025A

June [ ], 2025

On June [ ], 2025 (the “Issue Date”), the Colorado Educational and Cultural Facilities Authority (the “Authority”) is issuing its Charter School Revenue Bonds (Stargate Charter School Project) Series 2025A, in the aggregate principal amount of \$[A-PAR] (the “Bonds”) under an Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the “Indenture”), by and between the Authority and Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), solely in its capacity as trustee (the “Trustee”). The proceeds of the sale of the Bonds will be loaned to the Stargate Foundation, a Colorado nonprofit corporation (the “Borrower”) pursuant to the terms of an Amended and Restated Loan and Security Agreement by and between the Authority and the Borrower dated as of June 1, 2025 (the “Loan Agreement”) to finance the costs of the Facility, as described below. The Facility will be leased by the Borrower to the Charter School, as defined below, pursuant to the terms of an Amended and Restated Lease Agreement by and between the Borrower, as Lessor, and the Charter School, as Lessee, dated as of June 1, 2025 (the “Lease Agreement”). The Borrower has assigned its rights and interests under the Lease Agreement to the Trustee for the Bonds.

The undersigned officer of the Authority responsible for issuing the Bonds and an authorized representative of the Borrower and the Charter School hereby certify, represent and covenant as follows with respect to the Bonds and related matters for purposes of the Internal Revenue Code of 1986, as amended (the “Code”). All statements in this Tax Compliance Certificate (this “Certificate”) are facts or reasonable expectations of events to occur in the future.

**I. DEFINITIONS**

1.01 Definitions. The following definitions apply to this Certificate and its exhibits (capitalized terms not defined in this Certificate are as defined in the Indenture):

“Annual Fee” means the annual fee required to be paid by the Borrower to the Authority under the terms of the Loan Agreement.

“Bond Year” means, the period commencing June [ ] of each calendar year and terminating on June [ ] of the succeeding calendar year, except that the final Bond Year may be a short year.

“Charter School” means Stargate Charter School, a Colorado nonprofit corporation. The Charter School is established pursuant to the Charter School Acts, Title 22, Article 30.5 C.R.S., as amended, that is an organization exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code

and is not a private foundation within the meaning of Section 509(a) of the Code. As of the Issue Date, the Charter School is the owner of the Facility for federal tax purposes.

“Costs of Issuance” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds, such as the Underwriter’s discount/fees (if any), certain counsel fees, including Underwriter’s, borrower’s and bond counsel; financial advisory fees (if any); trustee fees; paying agent fees; bond registrar, certification, and authentication fees; certain accounting fees (if any); public approval process costs; certain engineering and feasibility study costs (if any); and similar costs.

“Facility” means, collectively, the Land and the Buildings located at 14530 Washington St. Thornton, Colorado 80023, including the equipment therein, if any, or improvements thereto, financed with proceeds of the Bonds.

“Underwriter” means D.A. Davidson & Co.

1.02 Other References. Reference to a Section means a section of the Code. Reference by number only (for example, “2.01”) means that numbered paragraph of this Certificate. Reference to an exhibit means an exhibit attached to this Certificate.

## II. ISSUE DATA

2.01 Purpose of Bonds. The proceeds of the Bonds will be used to make a loan to the Borrower for the purpose of financing a certain project (the “Project”), consisting of (a) financing the acquisition of, construction of improvements to, and equipping of the Facility; (b) funding capitalized interest on the Bonds, if any; (c) funding a Bond Reserve Fund to secure the Bonds; and (d) paying costs associated with the issuance of the Bonds[, including the premium for a bond insurance policy]. The portion of the Bonds applied to pay costs of the Project, together with an allocable portion of the funding of the Bond Reserve Fund and the payment of costs incidental to the issuance of the Bonds, is hereinafter referred to as the “New Money Portion.”

2.02 Sale and Issue Date; Issue Price. The Bonds were sold to the Underwriter on June [ ], 2025 (the “Sale Date”) pursuant to a Bond Purchase Agreement, dated the Sale Date (the “Bond Purchase Agreement”), by and among the Authority, the Underwriter, the Borrower and the Charter School dated as of the Sale Date for an issue price of \$[ ], representing the par amount of the Bonds of \$[A-PAR].00, less net original issue discount of \$[ ] (the “Issue Price”), as certified to by the Underwriter in Exhibit A, attached hereto.

2.03 Sale Proceeds; Net Sale Proceeds. The sale proceeds of the Bonds are equal to the Issue Price (the “Sale Proceeds”). The net sale proceeds of the Bonds are equal to \$[ ], which is equal to the Sale Proceeds of the Bonds less proceeds of the Bonds in the amount of \$[ ] deposited into the Bond Reserve Fund (the “Net Sale Proceeds”).

2.04 Disposition of Sale Proceeds; No Overissuance. The Sale Proceeds of the Bonds are expected to be applied as indicated in Exhibit B. The original face amount of the Bonds, less net original issue discount, less all expenses of issuing the Bonds to be paid from the proceeds thereof, plus anticipated investment earnings, are not expected to exceed the amount necessary for the Project.

2.05 Higher Yielding Investments. Gross proceeds of the Bonds will not be invested in investments having a composite yield in excess of the yield on the Bonds except for (A) the lesser of 5% of the Sale Proceeds of the Bonds or an amount not to exceed \$100,000 (the “Minor Portion”), and (B) those gross proceeds identified in 3.01, 3.03 and 3.05 below, but only as described therein for those gross proceeds.

2.06 Cost of Issuance Limit. Sale Proceeds of the Bonds in the amount of \$[ ] will be applied to pay Costs of Issuance of the Bonds; such amount does not exceed 2% of the Sale Proceeds of the Bonds. Any Costs of Issuance in excess of such amount will be paid from sources other than proceeds of the Bonds.

2.07 Single Issue. On the Issue Date, the Authority is also issuing its Charter School Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2025B (the “Taxable Bonds”). Pursuant to Treas. Reg. §1.150-1(c)(2), the Taxable Bonds are not part of the same issue as the Bonds. Other than the Taxable Bonds, no other obligations have been or will be sold within 15 days before or after the Sale Date of the Bonds pursuant to the same plan of financing with the Bonds that are expected to be paid from substantially the same source of funds as the Bonds.

2.08 Taxable Bonds. Proceeds of the Taxable Bonds will be applied to pay a portion of the cost of acquisition of the Project, to pay costs of issuance of the Taxable Bonds, and to fund a reserve fund to secure the Taxable Bonds.

2.09 Tax Allocation. The allocations of Sale Proceeds and additional moneys set forth in this Tax Compliance Certificate shall govern the allocation of such amounts for tax purposes and shall supersede any contrary allocation set forth in another closing transcript document with respect to the Bonds.

### **III. ARBITRAGE (NON-REBATE) MATTERS**

3.01 Project Fund; Temporary Period. Proceeds of the New Money Portion of the Bonds in the amount of \$[ ] will be deposited in the Project Fund established under the Indenture. With respect to amounts in the Project Fund, each of the Charter School and the Borrower expects that:

(a) Substantial binding obligations have been, or within six (6) months of the Issue Date will be, entered into by the Charter School and the Borrower requiring payment of an amount equal to not less than 5% of the net sale proceeds for costs of the Project to be financed by the Bonds.

(b) Thereafter, acquisition of the Project and expenditure of the net sale proceeds of the New Money Portion will proceed with due diligence to completion;

(c) An amount equal to not less than 85% of the net sale proceeds of the New Money Portion will be expended on the costs of the Facility within three (3) years of the Issue Date;

(d) Any income derived from the investment of any net sale proceeds of the Bonds and from investment of such investment income will, at the direction of the Borrower, be

(i) used to pay additional costs of the Facility, (ii) paid into the Bond Principal Fund or Bond Interest Fund, or (iii) paid or used in any combination of the foregoing within three (3) years from the Issue Date, or within one (1) year after receipt of such investment income, whichever is later; and

(e) Based on the Charter School and Borrower's certifications of their expectations as set forth above, proceeds of the Bonds in the Project Fund are not subject to yield restriction during a three-year temporary period beginning on the Issue Date. Proceeds of the Bonds remaining after the three-year temporary period will be invested at a yield that does not exceed the yield on the Bonds, or may be invested at an unrestricted yield, with the Borrower, on behalf of the Authority, making yield reduction payments to the Internal Revenue Service pursuant to Treas. Reg. § 1.148-5(c).

3.02 Reimbursements. Prior to the date hereof, the Charter School has incurred and paid various expenditures relating to the Project Facility (collectively, the "Pre-Issuance Expenditures"). All Pre-Issuance Expenditures were capital expenditures within the meaning of Regulations § 1.150-1(b) (that is, expenditures properly chargeable to the capital account of the Project Facility, or that would be so chargeable with either a proper election to do so or the application of the placed-in-service rules in Treas. Reg. § 1.150-2). The Borrower expects the amount of such reimbursed expenditures to be approximately \$[ ] from proceeds of the Bonds. No proceeds of the Bonds will be used to reimburse costs paid by the Borrower prior to June [ ], 2025, the date that is 60 days prior to the date the Board of Directors of the Charter School adopted ([ ], 2025[PLEASE PROVIDE A COPY]) its official intent resolution as shown on Exhibit G attached hereto (the "Official Intent Declaration"), except to the extent that such expenditures qualify as preliminary expenditures within the meaning of Treas. Reg. § 1.150-2(f)(2). Additionally, no portion of the Project Facility to be financed with the Bonds has previously been financed with the proceeds of a borrowing. Debt Service Fund: Bond Principal Fund and Bond Interest Fund. The Bond Principal Fund and the Bond Interest Fund are established under the Indenture. Amounts deposited in the Bond Interest Fund and the Bond Principal Fund, will be used primarily to achieve a proper matching of revenues with debt service payments within each Bond Year and the Bond Principal Fund and the Bond Interest Fund are expected to be depleted at least once each Bond Year except for a reasonable carryover amount not to exceed the greater of the earnings on such Funds for the immediately preceding Bond Year or 1/12th of debt service payments for such year. The Bond Principal Fund and the Bond Interest Fund are collectively treated as a bona fide debt service fund (the "Bona Fide Debt Service Fund") and such fund is not subject to yield restriction. Bond Counsel has advised the Authority and the Borrower that the Bona Fide Debt Service Fund is not subject to rebate in any Bond Year in which the gross earnings on such fund are less than \$100,000.

3.04 Rebate Fund. The Rebate Fund is established under the Indenture. Amounts deposited in the Rebate Fund will be used to pay rebate if any, when due as required under Section 148(f) of the Code.

3.05 Bond Reserve Fund. The Indenture establishes a Bond Reserve Fund. On the date hereof, \$[ ] of proceeds of the Bonds and \$[ ] of proceeds of the Taxable Bonds will be deposited into the Bond Reserve Fund. The Underwriter has certified in Exhibit A attached hereto that the establishment and maintenance of the Bond Reserve Fund to secure the Bonds is a



vital factor in the marketing of the Bonds. Amounts in the Bond Reserve Fund will not exceed the least of: (i) 10% of the par amount of the Bonds, (ii) 125% of average annual debt service on the Bonds, or (iii) maximum annual debt service on the Bonds. To the extent amounts in the Bond Reserve Fund do not exceed the least of the three preceding tests, such amounts may be invested at an unrestricted yield. All amounts in the Reserve Fund are subject to rebate.

3.06 Issuance Expense Fund. The Indenture establishes the Issuance Expense Fund. On the date hereof, Sale Proceeds of the Bonds in the amount of \$ [\_\_\_\_], and sale proceeds of the Taxable Bonds in the amount of \$[\_\_\_\_] are being deposited in the Issuance Expense Fund. Amounts deposited in the Issuance Expense Fund will be used to pay for a portion of Costs of Issuance, the Authority's up-front administrative fee, and the title insurance premium. The Issuance Expense Fund is to be closed by the Trustee upon (a) receipt by the Trustee of a certificate signed by an Authorized Representative of the Borrower stating that all expenses incurred in connection with the issuance of the Bonds have been paid, or (b) 90 days following June [\_\_\_\_], 2025 (i.e., [\_\_\_\_], 2025), and any proceeds of the Bonds remaining in the Issuance Expense Fund will be transferred to the Project Fund and applied for the purposes set forth in Section 4.03 of the Loan Agreement.

3.07 Additional Application of Sale Proceeds. Sale Proceeds of the Bonds in the amount of \$[\_\_\_\_] are being applied directly to pay Underwriter's discount (\$[\_\_\_\_])[ and the premium on the Bond Insurance Policy (defined below) insuring the Bonds (\$[\_\_\_\_])].

3.08 No Other Replacement Fund. Except as described above, the Borrower has not established, and does not expect to establish or use, any sinking fund, debt service fund, redemption fund, reserve or replacement fund, pledged fund, or similar fund, or any other fund to pay debt service on the Bonds. No other money or investment property is or will be pledged as collateral or used for the payment of debt service on the Bonds, or is or will be restricted, dedicated, encumbered, or set aside in any way (including, without limitation, a "negative pledge", a liquidity maintenance covenant or other similar agreement or covenant) so as to afford the holders of the Bonds reasonable assurance of the availability of such money or investment property to pay debt service on the Bonds. If any moneys or investment property are pledged, restricted, dedicated, encumbered or set aside in any way as set forth above, at a later date, such moneys or investment property will not be invested at a yield higher than the yield on the Bonds unless the Trustee receives an opinion of nationally recognized bond counsel permitting investment at a higher yield.

3.09 Minor Portion. Except as described above, not more than the lesser of 5% of the Sale Proceeds of the Bonds or \$100,000 (subject to the yield adjustment provisions of Treas. Reg. §1.148-5(c)) of the proceeds of the Bonds will be invested in higher yielding investments.

3.10 Governmental Program. (a) The Authority certifies that the Bonds are part of a governmental program in which (1) the Authority makes loans to borrowers described in Section 501(c)(3) of the Code, (2) at least 95% of the cost to the Authority of the loans under the program is with respect to loans to borrowers described in Section 501(c)(3) of the Code, (3) at least 95% of the receipts from the loans are used to pay debt service or redemption prices on bond issues that financed the program, to pay or reimburse administrative costs of those issues or of the program, to pay or reimburse anticipated future losses directly related to the program, to finance additional purpose investments for the same general purposes of the program, or to redeem and retire bonds



at the next earliest possible date of redemption, and (4) no borrower under the program or any related party may purchase bonds in an amount related to the amount of that borrower's loan.

(b) The Authority represents that the yield to the Authority from the loan of proceeds of the Bonds to the Borrower, treating the Authority's initial fee and the Annual Fee as payments under the loan, is not expected to exceed the yield on the Bonds by more than 1.5%.

3.11 Allocation of Bond Proceeds. The Charter School will allocate the proceeds of the Bonds to the costs of the Facility, in a form substantially similar to Exhibit C attached hereto, no later than 18 months after the date all portions of the Facility have been placed in service, and, in any event, by the date sixty days after the fifth anniversary of the Issue Date or the date sixty days after the Bonds are retired, if earlier. The Charter School will maintain records of such allocations throughout the term of the Bonds.

### 3.12 Qualified Guarantee.

#### (a) General.

(i) The Authority has arranged for Build America Mutual (the "Bond Insurer") to issue a Bond Insurance Policy (the "Bond Insurance Policy") for the benefit of the bondholders, in order to guarantee the payments of principal of and interest on the Bonds as the same become due.

(ii) The Authority has no knowledge of any facts or circumstances that would cause it to believe that the premium is not a reasonable fee for the transfer of the credit risk on the Bonds to the Bond Insurer.

(b) [Guarantee Fees. In consideration of the issuance of the Bond Insurance Policy, the Borrower and the Charter School will pay an upfront fee (the "Qualified Guarantee Fee"), in the amount of \$[ ] from proceeds of the Bonds to the Bond Insurer on the date of this Tax Compliance Certificate.]

(c) [Certifications. In connection with the Bond Insurance Policy, the Authority has received the following certifications from the Underwriter and the Bond Insurer.

(i) Underwriter's Certifications Regarding Interest Savings. In the Certificate of the Underwriter, the Underwriter certified that the Bond Insurance Policy was a vital factor in marketing the Bonds. The Underwriter has advised the Authority that the estimated present value savings on the Bonds as a result of the Bond Insurance Policy are in excess of the present value of the Qualified Guarantee Fee.

(ii) Bond Insurer Certifications. The Bond Insurer has certified that:

(1) unless the Borrower defaults in its obligation to make the payments on the Bonds when due, the Bond Insurer does not expect to make any payments of principal of or interest on the Bonds without immediate reimbursement for amounts paid in accordance with the Bond Insurance Policy; and

(2) the Qualified Guarantee Fee required to be paid for the Bond Insurance Policy (i) is the result of an arm's length transaction between the Borrower and the Bond Insurer; (ii) does not include any payments for any direct or indirect services to be provided to the Authority or the Borrower other than the guarantee of the Bonds in accordance with the Bond Insurance Policy; (iii) does not include any payments for the costs of underwriting the Bonds or for the cost of insurance for casualty to the Facility or other property of the Borrower or the Charter School; and (iv) is not refundable upon redemption of the Bonds before final maturity.

(d) Accordingly, the Bond Insurance Policy constitutes a qualified guarantee of the Bonds, within the meaning of Treasury Regulations Section 1.148-4(f)(1); therefore, the Qualified Guarantee Fee will be taken into account in calculating the yield on the Bonds as set forth in Section 5.01 hereof.]

#### IV. OTHER TAX MATTERS

4.01 Ownership of the Facility. The Borrower represents and covenants that, as of the Issue Date, it is the holder of fee simple title to the Facility. Pursuant to the Lease Agreement, the Charter School is and will be the owner of the Facility for Federal income tax purposes. Neither the Borrower nor the Charter School intends to sell or otherwise dispose of the Facility.

4.02 Maintenance of Tax-Exempt Status of the Charter School. The Charter School represents and warrants that (i) it is an organization described in Section 501(c)(3) of the Code and it is not a "private foundation" as defined in Section 509 of the Code (or corresponding provisions of prior law); (ii) it has received a letter from the Internal Revenue Service to that effect; (iii) such letter has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter; (v) the facts and circumstances which form the basis of such letter continue substantially to exist as represented to the Internal Revenue Service; and (vi) it is exempt from federal income tax under Section 501(a) of the Code. The Charter School covenants that it (1) will take whatever actions are necessary for the Charter School, to continue to be organized and operated in a manner which will preserve and maintain the status of the Charter School as an organization which is (i) described in Section 501(c)(3) of the Code; and (ii) is exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated trade or business income); and (2) will not perform any acts nor enter into any agreements which would cause any revocation or adverse modification of such federal income tax status.

4.03 Use of the Facility. At least 95% of the use of the Facility will be used for the Charter School's exempt purposes ("Qualified Use") throughout the term of the Bonds, and no more than 5% of the proceeds of the Bonds will be used for uses which are not Qualified Use (the "Nonqualified Use").

(a) Nonqualified Use includes proceeds of the Bonds used to pay Costs of Issuance.

(b) Nonqualified Use includes any activity by the Charter School constituting an unrelated trade or business described in Section 513 of the Code.

(c) Nonqualified Use includes private use of the Facility by an entity other than a 501(c)(3) organization or state or local government unit or natural persons not engaged in a trade or business pursuant to (1) leases, (2) certain management contracts that do not meet the safe harbors of Rev. Proc. 2017-13 or any subsequent guidance issued by the Internal Revenue Service, (3) certain sponsored research agreements, or (4) any other agreement creating a special legal entitlement to the use of the Facility.

(d) Qualified Use includes short-term uses (other than ownership or those constituting use in an unrelated trade or business) which meet any of the following requirements:

- (i) the term of use under the arrangement, including all renewal options, does not exceed 50 days and the arrangement is a negotiated arm's-length arrangement and compensation under the arrangement is at fair market value; or
- (ii) the term of use under the arrangement, including all renewal options is not longer than 100 days and the arrangement would be treated as general public use, except that it is not available for use on the same basis by natural persons not engaged in a trade or business because generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business; or
- (iii) the term of use under the arrangement, including all renewal options, is not longer than 200 days and use is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied.

(e) Qualified Use includes certain "incidental uses" of the Facility, to the extent those uses, in the aggregate, do not exceed 2.5% of the proceeds of the Bonds.

(f) [The Borrower and the Charter School expect to pay at least \$[ ] of the costs of the Project from sources other than the Bonds including the Taxable Bonds. The Borrower is treating the Project as a "Mixed-Use Project" pursuant to Treas. Reg. § 1.141-6. The Borrower expects to allocate the Taxable Bonds to any use of the Project that is not Qualified Use.][ANY?]

(g) The Authority, the Borrower and the Charter School expect that the Nonqualified Use limitation will not be exceeded for the term of the Bonds. If such Nonqualified Use limitation is exceeded, the Borrower and the Charter School will take such remedial actions as permitted under Treasury Regulations Section §1.141-12 and 1.145-2 and other guidance of the Internal Revenue Service as necessary to preserve the tax-exempt status of interest on the Bonds.

#### 4.04 Maturity; Weighted Average Maturity of the Bonds.

(a) Exhibit D sets forth (A) the assets expected to be financed with the Bonds, and (B) the Borrower's computation of the weighted average of the reasonably expected economic lives of the assets to be financed by the Bonds ([ ] years).

(b) The weighted average maturity of the Bonds is [ ] years, as certified by the Underwriter and set forth in Exhibit A, attached hereto, and does not exceed 120% of the weighted average of the reasonably expected economic lives of the assets expected to be financed with the Bonds.

4.05 Applicable Elected Representative Approval. In accordance with the requirements of Section 147(f), the issuance of the Bonds was approved by the State Treasurer, a statewide elected official, as designated by the Governor of the State of Colorado to have the authority for the public approval of private activity bonds, as the “applicable elected representative” on May [ ], 2025. A public hearing with respect to the issuance of the Bonds was held on May [ ], 2025, following reasonable public notice thereof, all as set forth in the transcript of proceedings for the Bonds. A copy of the public notice and elected official approval are attached as Exhibit E.

4.06 Bonds Not Federally Guaranteed. No portion of the debt service on the Bonds was or will be guaranteed, directly or indirectly by the United States federal government or any agency or instrumentality of the federal government.

4.07 Not Hedge Bonds. The Borrower reasonably expects that at least 85% of the Net Sale Proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within three years from the Issue Date. Not more than 50% of the proceeds of the Bonds will be invested in investments having a substantially guaranteed yield for four years or more, including but not limited to any investment contract or fixed yield investment having a maturity of four years or more.

4.08 Internal Revenue Service Information Return. The Charter School expects that, and the Authority agrees that, by [ ] 15, 2025, the Authority will file with the Internal Revenue Service an information return (IRS Form 8038) setting forth the required information relating to the Bonds. The information reported on that information return will be true, correct and complete to the best of the knowledge and belief of the undersigned and as to the Authority in reliance on the Borrower, the Charter School and the Underwriter.

4.09 \$150,000,000 Limit Inapplicable. At least 95% of the proceeds of the Bonds will be used to finance capital costs under general federal tax accounting principles which were paid or incurred on or after August 5, 1997. Therefore, the \$150,000,000 limitation of Section 145(b) of the Code is inapplicable.

4.10 Use of Facility. The Charter School periodically allows for use of the Facility by unaffiliated organizations. The Charter School hereby agrees to maintain records of use of the Facility by unaffiliated members of the community and monitor such use to ensure it is within the Charter School’s exempt purposes and within applicable limits of Nonqualified Use.

## V. REBATE

5.01 Yield on the Bonds. The yield on the Bonds is [ ]% (truncated at the fourth decimal place) for arbitrage and rebate purposes as calculated by the Underwriter and set forth on Exhibit A, attached hereto. Attached hereto as Exhibit H is the proof of yield prepared by the Underwriter, prepared in accordance with Treas. Reg. 1.148-4(b)(2)(ii).

(a) The Borrower and the Charter School expects that the proceeds of the New Money Portion may qualify for the 18-month spending exception to the rebate requirement, as described in Treas. Reg. §1.148-7(d). The Bonds will meet such exception if all of the gross proceeds of the Bonds are allocated to expenditures for the Facility in accordance with the following schedule, measured from the date hereof:

- (i) At least 15 percent within six months;
- (ii) At least 60 percent within twelve months; and
- (iii) 100 percent within eighteen months.

(b) Notwithstanding the foregoing, the Borrower has covenanted in the Loan Agreement, and the Charter School has covenanted in the Lease Agreement, and each hereby covenants and agrees pursuant to this Certificate, to determine and pay any rebate amount required to be paid to the United States at the times and in the amounts required under Section 148(f) of the Code with respect to the Bonds or, if applicable, “yield reduction” payments allowable under Treas. Reg. § 1.148-5(c) will be made. If such rebate payments are required to be made, the first rebate payment will be paid within 60 days of the end of the fifth Bond Year, and thereafter rebate payments will be paid within 60 days after the end of every fifth Bond Year, and within 60 days after the retirement of the last of the Bonds, or, if applicable, “yield reduction” payments allowable under Treas. Reg. §1.148-5(c) will be made. The obligation of the Borrower and the Charter School to make such rebate payments is unconditional and is not limited to funds representing proceeds of the Bonds or income from the investment thereof or any other particular source.

## VI. MISCELLANEOUS

6.01 Reliance. All representations and estimates made by the Authority herein with respect to the Borrower, the Charter School and the Facility are based solely on the representations and estimates made or provided by the Borrower or the Charter School. With respect to future facts and events regarding the Bonds, the use of the proceeds of the Bonds, any price, yield and average maturity calculations with respect to the Bonds and the use and operation of the Facility and other matters not directly related to the Authority, the Authority, in making the certifications and representations herein, is relying exclusively on the certifications and representations of (i) the Borrower and the Charter School set forth in this Certificate and (ii) the Underwriter in the Certificate of the Underwriter. The Authority is not aware of any facts or circumstances that would cause the Authority to question the accuracy or reasonableness of any representation or certification made in this Certificate. The Authority shall not be required to expend any money or take any action pursuant to this Certificate unless it is reimbursed by the Borrower for the expense or the cost of taking such action. The certifications and representations made in this Certificate and in the exhibits are intended to be relied upon as certifications described in Treas. Reg. § 1.148-2(b). Each of the Borrower, the Charter School and the Authority acknowledges that any change in the facts or expectations from those set forth in this Certificate or in the exhibits may result in different requirements or a change in status of the Bonds or interest thereon under the Code, and that Bond Counsel should be contacted if such changes are to occur.

6.02 Limitation on Liability. Obligations under this Certificate shall never constitute nor give rise to any pecuniary liability of, or a charge against the general credit or taxing powers of, the Authority, the State or any county, municipality or political subdivision of the State and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the Authority under Article X, Section 20 of the Constitution of the State. The Authority has no power to levy taxes or assessments.

6.03 No Religious Use. No portion of the proceeds of the Bonds will be applied to construct, equip, improve or otherwise to benefit space used for religious or sectarian purposes.

6.04 Post-Issuance Compliance and Recordkeeping. The Authority has established written post-issuance compliance procedures. Each of the Borrower and the Charter School hereby adopts the written post-issuance compliance procedures attached hereto as Exhibit F. The Borrower and the Charter School will monitor, or arrange for others to monitor, the use of the Bond proceeds and the Facility, the source of payments of debt service, the investment of proceeds of the Bonds, and the maintenance of records of the foregoing.

6.05 Tax Questionnaire. Each of the Borrower and the Charter School certifies that the responses in the Tax Questionnaire, together with supplemental responses and materials, provided to Bond Counsel, are true, accurate, and complete.

To the best of the knowledge, information and belief of the Authority, the foregoing expectations are reasonable. This Certificate is being executed and delivered as of the date first set forth above.

**COLORADO EDUCATIONAL AND  
CULTURAL FACILITIES AUTHORITY**

By: \_\_\_\_\_  
Mark Heller, Executive Director



To the best of the knowledge, information and belief of the Charter School, the foregoing expectations are reasonable. This Certificate is being executed and delivered as of the date first set forth above.

**STARGATE CHARTER SCHOOL**

By: \_\_\_\_\_  
President

To the best of the knowledge, information and belief of the Borrower, the foregoing expectations are reasonable. This Certificate is being executed and delivered as of the date first set forth above.

**STARGATE FOUNDATION**

By: \_\_\_\_\_  
President

## EXHIBIT A

**§[A-PAR]  
COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
CHARTER SCHOOL REVENUE BONDS  
(STARGATE CHARTER SCHOOL PROJECT)  
SERIES 2025A**

### CERTIFICATE OF THE UNDERWRITER

The undersigned, on behalf of D.A. DAVIDSON & CO. (the “D.A. Davidson”), hereby certifies as set forth below with respect to the purchase of the above-captioned obligations (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 each such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. *DEFINED TERMS.*

(a) *Authority* means the Colorado Educational and Cultural Facilities Authority.

(b) *Charter School* means Stargate Charter School.

(c) *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.

(d) *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.

(e) *Related Party* means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *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 June [ ], 2025.

(g) *Underwriter* means (i) 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 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).

(h) *Weighted Average Maturity* means the sum of the products of the issue price of each Maturity and the number of years to Maturity (determined separately for each Maturity and taking into account mandatory redemptions), divided by the aggregate Initial Offering Price of the Bonds as of the date hereof.

(i) *Yield* means the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal, interest and fees

for qualified guarantees on the Bonds and amounts reasonably expected to be paid as fees for qualified guarantees on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate Initial Offering Price of the Bonds as of the issue date.

Capitalized terms used and not defined herein shall have the respective meanings given them in the Tax Compliance Certificate to which this Underwriter's Certificate is attached as Exhibit A.

3. *ISSUE PRICE.* The Issue Price of the Bonds is \$[ ] representing the par amount of \$[A-PAR].00, less a net original issue discount in the amount of \$[ ].

4. *YIELD.* The Yield on the Bonds calculated in the manner described in this paragraph and truncated at the fourth decimal place is [ ]%. For purposes hereof, Yield has been calculated on a three hundred sixty (360) day basis with interest compounding semiannually.

5. *WEIGHTED AVERAGE MATURITY AND REMAINING WEIGHTED AVERAGE MATURITY.* The Weighted Average Maturity of the Bonds is [ ] years.

6. *RESERVE FUND.* The establishment and maintenance of the Bond Reserve Fund, as defined in the Tax Compliance Certificate for the Bonds was a vital factor in marketing of the Bonds.

7. *QUALIFIED GUARANTEE.* The Bond Insurance Policy provided by Bond Insurer was essential in marketing the Bonds, the absence of such insurance would have materially affected in an adverse manner the interest rates at which the Bonds could have been sold, and the present value of the premium on the Bond Insurance Policy is less than the present value of the interest reasonably expected to be saved as a result of using the insurance to secure the Bonds, using as a discount rate the yield on the Bonds calculated with treating the premium as interest. The premium on the Bond Insurance Policy paid to the Bond Insurer on the date hereof from proceeds of the Bonds, in the amount of \$[ ], for the Bond Insurance Policy represents a reasonable charge for the transfer of credit risk as a result of arm's-length negotiations, and, to D.A. Davidson's knowledge, no portion of the premium on the Bond Insurance Policy represents the indirect payment of costs of issuance, including rating agency fees, or the provision of additional services by the Bond Insurer.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the D.A. Davidson'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 Authority, the Charter School and the Borrower with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded 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 Authority, the Charter School and the Borrower from time to time relating to the Bonds.

D.A. DAVIDSON & CO., as Underwriter

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: June [ ], 2025

## **SCHEDULE A**

### **SALE PRICES OF THE GENERAL MATURITIES**

**EXHIBIT B**  
**SOURCES AND USES**

**SOURCES:**

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Par Amount of Bonds	\$[A-PAR].00
Net Original Issue Discount	( )
Total	\$[ ]

**USES**

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Project Fund	\$[ ]
Deposit to Bond Reserve Fund	[ ]
[Bond Insurance Premium	[ ]]
Costs of Issuance (Including Underwriter’s Discount)	[ ]
Authority Fee and Title Fee (portion)	[ ]
Total	\$[ ]



**EXHIBIT C**

**FORM OF FINAL ALLOCATION OF BOND PROCEEDS**

FINAL SOURCES

Sale Proceeds	\$
Earnings on Bond Proceeds	
TOTAL	\$

FINAL USES ALLOCATION

Cost	Bond Proceeds	Equity	Placed in Service Date	Economic Life
Building	\$			__ years
Land				
Equipment				
Interest during Construction				
Costs of Issuance	\$			
Authority’s Annual Fee				
Bond Reserve Fund				
Bond Fund				
Other (Describe)				

Date: \_\_\_\_\_

**EXHIBIT D**

**REASONABLY EXPECTED ECONOMIC LIFE OF BOND-FINANCED PROPERTY**

**EXHIBIT E**

**PUBLIC HEARING NOTICE**  
**AND**  
**ELECTED OFFICIAL APPROVAL**

## **EXHIBIT F**

### **BORROWER'S AND CHARTER SCHOOL'S POST ISSUANCE COMPLIANCE PROCEDURES**

#### **Tax Compliance Procedures for 501(c)(3) Bonds**

##### **1. Purpose**

Borrowers of the proceeds of tax-exempt qualified 501(c)(3) bonds must comply with federal tax rules relating to expenditure of proceeds for qualified costs, rate of expenditure, use of bond- financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following procedures are intended to establish compliance with these rules.

In each case, compliance responsibility is assigned to the indicated officer or employee within the administration of Stargate Foundation (the “*Borrower*”) and Stargate Charter School (the “*Charter School*”). The Borrower and Charter School’s oversight efforts will be led by the [Director of Finance] of the Charter School (an “*Oversight Officer*”).

##### **2. Delegation of Responsibility**

To the extent that any of the responsibilities set forth in these Tax Compliance Procedures are delegated in writing to the issuer, a trustee or any other party, the Borrower and the Charter School will keep a record of such delegations with respect to each bond issue.

##### **3. Schedule of Reviews**

The Borrower and the Charter School will establish routines for monitoring on-going compliance that are consistent with discovering any noncompliance in a timely manner so that it may be corrected. While specific review processes are described in detail below, timing for such reviews will be as follows:

(a) Non-Exempt Use. All contracts, leases or other arrangements providing special legal entitlement to use of bond-financed facilities will be reviewed prior to execution to ensure that they will not cause private use limits to be exceeded with respect to any issue of bonds.

(b) Arbitrage Compliance: With respect to each bond issue, the Borrower and the Charter School will ensure that it understands at the time of bond closing which funds and accounts containing bond proceeds may become subject to yield-restriction investment rules and will keep a record of the dates upon which such rules will begin to apply.

(c) Rebate Compliance: While rebate calculations may be performed more often, the Borrower and the Charter School will ensure upon the fifth anniversary date of

the issuance date of the bonds, every five years thereafter, and upon final retirement of the bonds, that either no rebate is owed or provision has been made for the payment of any rebate owed within 60 days.

(d) Change in Use/Ownership: Prior to executing any contract, lease or other document which would materially change the use of the bond-financed project or selling of any bond-financed property, the Borrower and the Charter School will (i) confirm that such change will not require a remedial action to be taken with respect to any bond issue, (ii) take a remedial action, if necessary, or (iii) discuss with bond counsel whether a voluntary closing agreement with the Internal Revenue Service is appropriate.

#### **4. Tax Requirements Associated with Sale and Issuance of Bonds**

Review and retention of tax documents related to the sale and issuance of bonds will be supervised by the Oversight Officer.

(a) The “issue price”, as defined in the Internal Revenue Code of 1986, as amended (the “Code”), of the bonds will be documented at the time of issuance. Certifications of an underwriter, placement agent or purchaser and a final numbers package will establish “issue price” and will be reviewed and included in the bond transcript or other records maintained for the bond issue.

(b) The weighted average maturity (taking into account the various issue prices of the maturities of the bonds) will be documented at the time of issuance.

(c) An estimated average economic life of the expected bond-financed projects will be documented at the time of issuance.

(d) Form 8038 will be reviewed and filed not later than the 15<sup>th</sup> day of the 2<sup>nd</sup> calendar month following the quarter in which the bonds were issued. Filing of the Form 8038 will be confirmed with the issuer and/or bond counsel.

#### **5. Expenditure of Proceeds**

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

(a) The Borrower and the Charter School will establish form and procedure for preparation and review of requisitions of bond proceeds.

(b) Requisitions must identify the financed property in conformity with the “TEFRA” public approval for the bonds and the tax certificate executed by the Borrower and the Charter School at closing, including certifications as to the location and character of the bond-financed property.

(c) Investment earnings on sale proceeds of the bonds will be tracked and will be requisitioned only for appropriate expenditures.

(d) The Borrower and the Charter School will verify that all costs for which it submits requisitions are capital expenditures, except as otherwise permitted under the Tax Compliance Certificate.

(e) The Borrower and the Charter School will verify directly, or through its accountants, that the average economic life of the bond-financed projects, taking into account actual expenditures, complies with the requirement that the weighted average maturity of the bonds is not more than 120% of the average economic life of the bond-financed projects.

(f) Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to capital costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by an authorized officer of the Borrower or by the issuer.

(g) No more than 2% of proceeds may be requisitioned to pay costs of issuing the bonds, including any underwriting discount or placement fee.

(h) Bond-funded reserve funds cannot exceed the least of (i) 10% of the par amount of the bonds (or the issue price of the bonds, if there is more than a de minimis amount of original issue discount or premium), (ii) maximum annual debt service, and (iii) 125% of average annual debt service. The initial funding of any reserve fund will be measured against this limit.

(i) Requisitions will be summarized in a “final allocation” of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the bonds). The format of this allocation will conform to the use of proceeds reported on Schedule K of Form 990 and identify amounts spent on different projects and properties.

(j) Expenditure of proceeds should be measured against the tax certificate expectation to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. To the extent that the Borrower is unable to comply with the above expectations, the reason for delay should be documented and retained with records regarding the bond issue.

(k) Expenditure of proceeds will be monitored for compliance with spending exceptions to the rebate requirement, as follows:

(i) If the six-month spending exception applies, expenditure of gross proceeds will be monitored against the following schedule.

100% within 6 months

(ii) If the 18-month spending exception applies, expenditure of gross proceeds will be monitored against the following schedule.

15% within 6 months  
60% within 12 months  
100% within 18 months

(iii) If the two-year spending exception applies, expenditure of “available construction proceeds” will be measured against the following schedule.

10% within 6 months  
45% within 12 months  
75% within 18 months  
100% within 24 months

## **6. Use and Ownership of Bond-Financed Property**

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

(a) Average non-exempt use of bond-financed property over the life of the issue cannot exceed 5% of the proceeds. For this purpose, non-exempt use includes use by business users, use by the Borrower or the Charter School (or any other 501(c)(3) organization) in an unrelated trade or business subject to unrelated business income tax, and use of proceeds to pay costs of issuance. For this purpose, “proceeds” do not include amounts deposited in a reasonably required reserve fund.

(b) Non-exempt use in each category will be determined annually as a percentage of total use of proceeds of the issue and will be reported on Form 990 Schedule K or recorded separately if Schedule K is not applicable.

(c) Agreements with business users for lease, management, sponsored research, or any other potential non-exempt use of bond-financed property will be reviewed prior to execution for compliance with the 5% limit and reporting on Form 990 Schedule K. This review will include a determination of whether any arrangement meets the safe harbors of Internal Revenue Service Revenue Procedure 97-13, as modified by Rev. Proc. 2001-39 and Notice 2014-67, with respect to agreements entered into prior to August 18, 2017, or Rev. Proc. 2017-13 for agreements entered into, materially modified or renewed on or after August 18, 2017, or other such guidance as may be issued by the Internal Revenue Service. It will also include a determination of whether any arrangement meets the exception for incidental use under Treas. Reg. § 1.141-3(d)(5), the exception for general public use under Treas. Reg. § 1.141-3(c), or the exception for certain short-term arrangements under Treas. Reg. § 1.141-3(d)(3).

(d) Unrelated trade or business will be reviewed annually for compliance with the 5% limit and reporting on Schedule K.

(e) All bond-financed property will be owned by a 501(c)(3) organization or a state or local governmental entity.



(f) No item of bond-financed property will be sold or transferred to a non-exempt party without advance arrangement of a “remedial action” under the applicable Treasury Regulations (see Treas. Reg. §§ 1.141-12 and 1.145-2).

## 7. Investments

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

(a) Guaranteed investment contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Treasury Regulations (*see* Treas. Reg. § 1.148-5(d)(6)(iii)), in compliance with fee limitations on GIC brokers (see Treas. Reg. § 1.148-5(e)(2)(iii)); provided, however, that to the extent that the safe harbor provisions cannot be met, the Borrower and the Charter School will consult with bond counsel..

(b) Other investments will be purchased only in market transactions.

(c) Calculations of rebate liability will be performed by outside consultants at the end of construction and at least every fifth bond year.

(d) Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

(e) The date for the first rebate payment will be identified and entered in the records for the issue at time of issuance of the bonds.

## 8. Refunding Issues

When tax-exempt bonds are used to refund other bonds (“*Refunded Bonds*”), the new bonds (“*Refunding Bonds*”) will be treated as having financed the property originally financed with the Refunded Bonds (or any bonds refunded by the Refunded Bonds), such that financed property must be tracked until the last bonds (whether Refunded Bonds or Refunding Bonds) attributable to that property are retired. The Oversight Officer will continue reviewing the use of the any bond-financed property until the last bonds attributable to that property are retired; except to the extent that tracking is no longer required due to the economic life of the property coming to an end.

## 9. Correction of Violations

Each of the Borrower and the Charter School expects that its compliance with the procedures outlined above will prevent any violations of federal tax rules pertaining to its outstanding tax-exempt bonds (including any Refunded Bonds). However, if the Borrower or the Charter School discovers a potential violation through its ongoing monitoring or otherwise, it will determine in conjunction with their bond counsel whether a violation actually exists. If it is found that a violation actually exists, the Borrower and the Charter School will determine whether (i) any remedial actions are available, or (ii) a voluntary

closing agreement with the Internal Revenue Service is appropriate. Common examples of violations are as follows:

- (i) Failure to purchase 0% SLGs at the appropriate time.
- (ii) Non-exempt use of bond-financed property resulting in overall non-exempt use in excess of the 5% de minimis limit.
- (iii) Failure to pay rebate in a timely manner.
- (iv) Improper reimbursement of expenditures (too old or not capital).

## **10. Records**

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

(a) Records will be retained for the life of the bonds plus any Refunding Bonds plus three years. This means that the Borrower and the Charter School will maintain records regarding Refunded Bonds until three years after the final Refunding Bond (including through a series of refundings) is retired. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

(b) Retainable records pertaining to bond issuance include transcript of documents executed in connection with the issuance of the bonds and any amendments, and copies of rebate calculations and records of payments including Forms 8038-T.

(c) Retainable records pertaining to expenditures of bond proceeds include requisitions, account statements and final allocation of proceeds.

(d) Retainable records pertaining to use of property include all agreements reviewed for non-exempt use and any reviewed documents relating to unrelated business activity.

(e) Retainable records pertaining to investments include GIC documents under the Treasury Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

## **11. Training**

Each of the Borrower and the Charter School will use its best efforts to ensure that any officers and employees responsible for carrying out these procedures are properly trained for that responsibility. Such training will include:

- (a) Ensuring access to the necessary records.

(b) Ensuring that such persons have reviewed a copy of these Tax Compliance Procedures, the tax certificates and Forms 8038 related to the relevant bond issues and filed Forms 990 - Schedule K.

(c) Permitting attendance on free educational conference calls or webinars sponsored by the Internal Revenue Service, bond-related professional associations or law firms.

(d) Permitting access to free educational websites, such as:

<http://www.irs.gov/taxexemptbond/index.html>

Cost permitting, such training may also include attendance at educational conferences and maintaining tax-exempt bond-related reference materials.

## 12. Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

## 13. Additional Tax Compliance as Required by the Authority.

(a) Procedures for the Assuring Compliance with Arbitrage Yield Restriction and Rebate Requirements. The Oversight Officer will create a system to ensure that, not less than six months prior to each five year anniversary of the closing date, the Charter School will retain an arbitrage rebate consultant to prepare a report determining the yield of the Bonds under the Code, and whether there is any amount owed to the IRS under Section 148 of the Code. The Oversight Officer will submit to the bond trustee and the Authority the completed arbitrage rebate report no later than 30 days prior to each five year anniversary of the closing date.

(b) Procedures to comply with Remediation Requirements. The Charter School agrees that the Oversight Officer will establish a system for tracking and monitoring the use of the facilities financed with the proceeds of the Bonds to ensure that the use of those facilities will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance of the Bonds, the use of the facilities financed with the proceeds of the Bonds 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 Charter School will notify the Authority and, in connection with consulting bond counsel, undertake a closing agreement through the Tax-Exempt Bonds Voluntary Closing Agreement Program or take one of the actions permitted by the Code and associated regulations.

(c) Ongoing Procedures. The Oversight Officer will review these procedures, the Tax Compliance Certificate, the IRS Form 8038, the instructions for the IRS Form 8038, and the status and use of the Bond financed facilities on at least an annual basis and at the following intervals: (i) six months prior to each five-year anniversary of the issue date of the Bonds; (ii) within 30 days of the date the last Bond is retired, defeased or

refunded; (iii) when any rebate payment is made; (iv) when a facility financed with proceeds of the Bonds is placed in service; (v) if the Charter School determines that a facility planned to be financed with proceeds of the Bonds will not be completed; and (vi) if any of the representations, statements, circumstances or expectations of the Charter School that are set forth in the Tax Compliance Certificate are no longer true, have changed, or have not come to pass as described in the Tax Compliance Certificate. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to the Bonds, and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined above or through the Tax-Exempt Bonds Voluntary Closing Agreement Program. If any possible violation is identified, the Oversight Officer will notify the Authority and the Authority's counsel so that any existing or expected violation can be corrected.

**EXHIBIT G**  
**OFFICIAL INTENT RESOLUTION**

**EXHIBIT H**  
**PROOF OF YIELD**

**H-1**

CASEY PARROT LLC  
DRAFT 06/05/2025

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**AMENDED AND RESTATED  
INDENTURE OF TRUST**

By and Between

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY,**  
as Issuer

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION**  
**(fka ZB, NATIONAL ASSOCIATION DBA ZIONS BANK),**  
as Trustee

**\$40,585,000**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Refunding Revenue Bonds**  
**(Stargate Charter School Project)**  
**Series 2018A**

**\$195,000**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Refunding Revenue Bonds**  
**(Stargate Charter School Project) Federally**  
**Series 2018B Federally Taxable**

and

**[\$A-PAR]**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Revenue Bonds**  
**(Stargate Charter School Project)**  
**Series 2025A**

**[\$B-PAR]**  
**Colorado Educational and Cultural**  
**Facilities Authority**  
**Charter School Revenue Bonds**  
**(Stargate Charter School Project) Federally**  
**Series 2025B Federally Taxable**

Dated as of June 1, 2025

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## AMENDED AND RESTATED INDENTURE OF TRUST

**THIS AMENDED AND RESTATED INDENTURE OF TRUST**, dated as of June 1, 2025 (this “*Indenture*”), is by and between the **COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY**, an independent public body politic and corporate constituting a public instrumentality (the “*Authority*”), and **ZIONS BANCORPORATION, NATIONAL ASSOCIATION** (fka ZB, NATIONAL ASSOCIATION DBA ZIONS BANK), a national banking association duly organized and existing under the laws of the United States of America, solely in its capacity as trustee (the “*Trustee*”), being authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, which amends and restates the Indenture of Trust, dated as of July 1, 2018, by and between the Authority and the Trustee.

### WITNESSETH:

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Indenture, and if not defined below, shall have the definition or the same meaning set forth in the Amended and Restated Loan and Security Agreement, dated as of June 1, 2025, by and between the Authority and Stargate Foundation (the “*Foundation*”), a duly organized and validly existing Colorado nonprofit corporation, which amends and restates the Loan and Security Agreement, dated as of July 1, 2018, by and between the Authority and the Foundation; and

WHEREAS, the Foundation has previously requested that the Authority finance the cost of: (a) currently refunding the Colorado Educational and Cultural Facilities Authority (Stargate Charter School Project) Charter School Improvement Revenue Bonds, Series 2015A, originally issued in the aggregate principal amount of \$42,010,000, the proceeds from which were used to finance the acquisition of land located at 14530 Washington St. Thornton, Colorado 80023, and the construction of an educational facility thereon (collectively, the “*Facility*”); (b) funding a Bond Reserve Fund; and (c) paying the costs of issuance of the Series 2018 Bonds (collectively, the “*2018 Project*”); and

WHEREAS, the Foundation requests that the Authority finance the cost of: (a) financing the design, construction, renovation, expansion and equipping of various improvements to the Facility; (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying the costs of issuance of the Series 2025 Bonds (collectively, the “*2025 Project*” and together with the 2018 Project, the “*Projects*”); and

WHEREAS, the Facility is expected to continue to be leased to Stargate Charter School (the “*Charter School*”), a Colorado nonprofit corporation and public charter school authorized by Adams 12 Five Star Schools, Colorado, duly organized and validly existing under the Charter Schools Act, Article 30.5 of Title 22 of the Colorado Revised Statutes, as amended (the “*Charter Schools Act*”), pursuant to the terms and provisions of an Amended and Restated Lease Agreement, dated as of June 1, 2025 (the “*Lease*”), by and between the Foundation and the Charter School, which amends and restates the Lease Agreement, dated as of July 1, 2018, by and between the Foundation and the Charter School; and

WHEREAS, the Act and the Supplemental Act authorize the Authority to issue revenue bonds to finance the Projects; and

WHEREAS, the Authority has authorized the issuance of the Bonds (as more particularly defined herein), and has entered into the Loan Agreement and this Indenture specifying the terms and conditions of a loan by the Authority to the Borrower of the proceeds of the Bonds to provide for financing and refinancing of the Projects and of the payment by the Borrower to the Authority of amounts sufficient for the payment of the principal of, premium, if any, or interest on the Bonds and costs incidental thereto; and

WHEREAS, the Authority has previously issued its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A in the original aggregate principal amount of \$40,585,000 (the “*Series 2018A Bonds*”) and its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2018B in the original aggregate principal amount of \$195,000 (the “*Series 2018B Bonds*”) and together with the Series 2018A Bonds, the “*Series 2018 Bonds*”) pursuant to and secured by this Indenture; and

WHEREAS, the Authority proposes to issue its Charter School Revenue Bonds (Stargate Charter School Project), Series 2025A in the original aggregate principal amount of \$[A-PAR] (the “*Series 2025A Bonds*”) and its Charter School Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2025B in the original aggregate principal amount of \$[B-PAR] (the “*Series 2025B Bonds*”) and together with the Series 2025A Bonds (the “*Series 2025 Bonds*”) and together with the Series 2018 Bonds, the “*Bonds*”) pursuant to and secured by this Indenture; and

WHEREAS, the Bonds and the authentication certificates are to be substantially in the following form, with such necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture:

### **[FORM OF BONDS]**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“*DTC*”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

### **COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY CHARTER SCHOOL [REFUNDING] REVENUE BOND (STARGATE CHARTER SCHOOL PROJECT) [FEDERALLY TAXABLE] SERIES [2018][2025][A][B]**

No. R[A][B]-\_\_\_\_

\$ \_\_\_\_\_

<b>Maturity Date</b>	<b>Dated Date</b>	<b>Interest Rate</b>	<b>CUSIP</b>
December 1, 20__	[July 17, 2018] [June __], 2025]	___ % per annum	19645[R][U] ____

REGISTERED OWNER: CEDE & CO.

Tax Identification Number: 13-2555119

PRINCIPAL AMOUNT: \*\*DOLLARS\*\*

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY, an independent public body politic and corporate constituting a public instrumentality (the “*Authority*”), for value received, hereby promises to pay, from the sources hereinafter described, the principal amount stated above in lawful money of the United States of America to the Registered Owner named above, or registered assigns, on the maturity date stated above (unless this bond shall have been called for prior redemption, in which case on such redemption date), upon the presentation and surrender hereof at the operations office of Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), as trustee, presently located in Denver, Colorado, or at such other location as it shall designate, or at the principal office of its successor in trust (the “*Trustee*”) under the Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the “*Indenture*”), by and between the Authority and the Trustee, and to pay, from like sources, to the person who is the Registered Owner hereof on the fifteenth day of the month immediately preceding the month in which an interest payment date occurs (the “*Regular Record Date*”) by check or draft mailed on such payment date to such Registered Owner (except that Registered Owners of at least \$500,000 in aggregate principal amount of the Series [2018][2025] Bonds (as defined below) outstanding may, by written request received by the Trustee at least ten (10) Business Days (as defined in the Indenture) prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States of America) at his or her address as it last appears on the registration books kept for that purpose at the offices of the Trustee, interest on said sum in lawful money from the date hereof at the interest rate set forth above, payable semiannually on June 1 and December 1 of each year, commencing December 1, [2018][2025], until payment of the principal hereof has been made or provided for. Any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner hereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten (10) days prior thereto.

This bond is one of a duly authorized series of the Authority’s “*Colorado Educational and Cultural Facilities Authority Charter School [Refunding] Revenue Bonds (Stargate Charter School Project) [Federally Taxable] Series [2018][2025][A][B]*” (the “*Series [2018][2025][A][B] Bonds*”) in the original aggregate principal amount of \$[40,585,000][195,000][[A-PAR]][[B-PAR]]. The Series [2018][2025][A][B] Bonds are being



issued on a parity with the “*Colorado Educational and Cultural Facilities Authority Charter School [Refunding] Revenue Bonds (Stargate Charter School Project) [Federally Taxable] Series [2018][2025][B][A]*” (the “*Series [2018][2025][B][A] Bonds*” and together with the Series [2018][A][B] Bonds, the “*Series [2018][2025] Bonds*”) in the original aggregate principal amount of \$[195,000][40,585,000][[B-PAR]][[A-PAR]]. The Series [2018][2025] Bonds are issued under and equally and ratably secured by the Indenture. The Series 2018 Bonds have been issued under the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23, of Colorado Revised Statutes, as amended and the Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11 of Colorado Revised Statutes, as amended (collectively, the “*Act*”), to finance for Stargate Foundation, a Colorado nonprofit corporation (the “*Foundation*”), the cost of (a) currently refunding the Colorado Educational and Cultural Facilities Authority (Stargate Charter School Project) Charter School Improvement Revenue Bonds, Series 2015A, originally issued in the aggregate principal amount of \$42,010,000, and currently outstanding in the aggregate principal amount of \$41,380,000, the proceeds from which were used to finance the acquisition of land located at 14530 Washington St. Thornton, Colorado 80023, and the construction an educational facility thereon (the “*Facility*”); (b) funding a bond reserve fund; and (c) paying the costs of issuance of the Series 2018 Bonds (collectively, the “*2018 Project*”). The Series 2025 Bonds have been issued under the Act, to finance for the Foundation, the cost of (a) financing the design, construction, renovation, expansion and equipping of various improvements to the Facility; (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying the costs of issuance of the Series 2025 Bonds (collectively, the “*2025 Project*”).

This bond is a special limited obligation of the Authority payable solely from and secured by (a) a pledge of certain rights of the Authority under and pursuant to the (i) Amended and Restated Loan and Security Agreement, dated as of June 1, 2025 (the “*Loan Agreement*”), by and between the Authority and the Foundation; (ii) Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2025, from the Foundation to the Public Trustee in and for the County of Adams, Colorado for the benefit of the Trustee (the “*Deed of Trust*”); and (iii) the Lease (as hereinafter defined), (b) a pledge of the Funds and Revenues as defined in the Indenture (other than the Rebate Fund) and (to the extent provided in the Indenture) all trust accounts created under the Indenture and the Loan Agreement. The Loan Payments (as defined in the Loan Agreement) required by the Foundation under the Loan Agreement do not constitute general obligations of the Foundation (other than with respect to certain fees and indemnities owed the Authority and the Trustee), but are limited special obligations of the Foundation payable upon an event of default solely from the Pledged Revenues or from amounts received from the foreclosure of the Deed of Trust on the Facility and the exercise of rights against any personal or other intangible property in which a security interest was granted by the Loan Agreement; the registered owners of the herein defined Series [2018][2025] Bonds shall not have any recourse to any other property, funds or assets of the Foundation with respect to such payments. The Facility is expected to continue to be leased by the Foundation to Stargate Charter School (the “*Charter School*”), a Colorado nonprofit corporation and a charter school duly organized and validly existing under the Charter Schools Act, Article 30.5 of Title 22 of the Colorado Revised Statutes, as amended (the “*Charter Schools Act*”), pursuant to the terms and provisions of an Amended and Restated Lease Agreement, dated as of June 1, 2025 (the “*Lease*”), by and between the Foundation and the Charter School. The

Pledged Revenues are expected to consist of the payments received by the Foundation from the Lease.

The financing of the [2018][2025] Project has been authorized by the Bond Resolution (as defined in the Indenture) duly adopted by the Authority pursuant to the laws of the State of Colorado (the “State”). This bond shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Authority (but only to the extent of the Revenues pledged in the Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Authority to the extent provided above shall be liable hereon; nor shall this bond constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds pledged therefor. The issuance of this bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Authority to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Authority to create a debt of the State within the meaning of the Constitution or statutes of the State or authorize the Authority to levy or collect taxes or assessments. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on this bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Authority. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

By enactment of Section 23-15-124 of the Act, the State has pledged to and agreed with the owners of bonds, notes and other obligations issued under the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter, restrict or impair the rights vested in the Authority to acquire, construct, reconstruct, maintain and operate any facility as defined in the Act or to establish, revise, charge and collect rates, rents, fees and other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the owners of bonds, notes or other obligations authorized and issued by the Act and with the parties who may enter into contracts with the Authority pursuant to the Act and will not in any way impair the rights or remedies of the owners of such bonds, notes or other obligations of such parties until such bonds, notes and other obligations, together with interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such owners, are fully met and discharged and such contracts are fully performed on the part of the Authority. Nothing in the Act precludes such limitation or alteration if and when adequate provision is made by law for the protection of the owners of such bonds, notes or other obligations of the Authority or those entering into such contracts with the Authority.

[The Series [2018][2025]A Bonds maturing on and after December 1, 20[29][\_\_] are subject to redemption prior to maturity, at the option of the Authority, as a whole or in Authorized Denominations, in any order of maturity and in whole or partial maturities, on December 1, 20[28][\_\_], and on any date thereafter, upon direction by the Foundation and upon payment of par, plus accrued interest through the date of redemption. The Series [2018][2025] Bonds are subject to mandatory sinking fund redemption as more particularly set forth in the Indenture.][The Series [2018][2025]B Bonds are not subject to optional redemption prior to maturity.]

The Series [2018][2025] Bonds are also redeemable at the option and upon the written direction of the Foundation in whole at any time or in part on any interest payment date from and to the extent of funds on deposit under the Indenture and available for this purpose at a redemption price equal to the principal amount of each Series [2018][2025] Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(a) The Facility shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee, (i) the Facility cannot reasonably be restored within a period of six (6) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) the Foundation or its lessee are thereby prevented from carrying on its normal operations for a period of six (6) consecutive months, or (iii) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.03 of the Loan Agreement.

(b) Title to, or the temporary use of, all or any substantial part of the Facility shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority or because of a defect in title.

(c) As a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Foundation in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the Foundation in respect to the Facility, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement. Redemption pursuant to this subsection (c) shall be in whole only.

The Series [2018][2025] Bonds are also redeemable on or before the sixtieth (60<sup>th</sup>) day following the occurrence of a Determination of Taxability at a redemption price equal to the principal amount of each Series [2018][2025] Bond redeemed and accrued interest to the redemption date as set forth in the Indenture.

The Series [2018][2025] Bonds are subject to mandatory sinking fund redemption, on the dates and in the principal amounts set forth in the Indenture, at a redemption price equal to 100% of the principal amount of such Series [2018][2025] Bonds being redeemed and accrued interest to the redemption date.

In the event less than all of the Series [2018][2025] Bonds are to be redeemed, they shall be selected in such manner as the Foundation may determine (less than all of the Series [2018][2025] Bonds of a single maturity to be selected by lot in such manner as the Trustee may determine). Notice of the call for redemption shall be given by the Trustee by transmitting a copy of the redemption notice by electronic means or first-class mail or by electronic means to DTC or its successors, not less than thirty (30) days prior to the redemption date, to the Registered Owner of the Series [2018][2025] Bond to be redeemed in whole or in part at the address last showing on the registration books. Failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series [2018][2025] Bonds. All Series [2018][2025] Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their payment are on deposit at the place of payment at the time. Any notice of redemption by the Trustee may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to the pay the redemption price of the Series [2018][2025] Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Series [2018][2025] Bonds called for redemption in the same manner as the original redemption notice was delivered or mailed, as the case may be.

Series [2018][2025] Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Series [2018][2025] Bonds.

This Series [2018][2025] Bond is fully transferable by the Registered Owner hereof in person or by his or her duly authorized attorney on the registration books kept by the Trustee, upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Trustee; subject, however, to the terms of the Indenture which limit the transfer and exchange of Series [2018][2025] Bonds during certain periods. Upon such transfer a new fully registered bond of Authorized Denomination or Denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor, all subject to the terms, limitations and conditions set forth in the Indenture. The Trustee and the Authority shall require the payment by any Registered Owner of this bond requesting exchange or transfer of the reasonable expenses of the Authority, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Authority and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof, whether or not this bond shall be overdue, for the purpose of receiving payment and for all other purposes, except to the extent otherwise provided herein and in the Indenture with respect to Regular Record Dates and Special Record Dates for the payment of interest, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

To the extent permitted by, and as provided in, the Indenture, modifications or amendments of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Authority and of the Registered Owners of the Bonds may be made by the Authority and the Trustee but without the consent of the Registered Owners of the Bonds in certain cases described in the Indenture, including any change which does not materially adversely affect the interests of the Registered Owners of the Bonds. Certain other amendments may be made by the Authority and the Trustee with the consent of the Registered Owners of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding; provided, however, that no such modification or amendment shall be made which will constitute an extension of the maturity of, or a reduction in the principal amount of, or a reduction of the rate of interest on or extension of the time of payment of interest on, or a reduction of any premium payable upon redemption of, any Bond, which are unconditional unless consented to by all registered owners adversely affected by such change. Any such consent by the Registered Owner of this bond shall be conclusive and binding upon such Registered Owner and upon all future registered owners of this bond and of any bond issued upon the transfer or exchange of this bond whether or not notation of such consent is made upon this bond.

The Registered Owner of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in, or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture. In case an event of default under the Indenture shall occur, the principal of all the Bonds at any such time Outstanding may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the Trustee, with the consent of the Registered Owners of a requisite principal amount of the Bonds then Outstanding.

None of the members of the board of directors of the Foundation, the members of the board of directors of the Authority or any Person executing the Series [2018][2025] Bonds shall be liable personally on the Series [2018][2025] Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability of the Authority and obligations of the Authority under the Loan Agreement and the Indenture with respect to all or any portion of the Series [2018][2025] Bonds may be discharged at or prior to the maturity or redemption of the Series [2018][2025] Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Loan Agreement and the Indenture.

No covenant or agreement contained in the Bonds or in the Indenture shall be deemed to be the covenant or agreement of any appointed official, officer, director, agent, servant or employee of the Authority in his or her individual capacity or of any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.



No covenant or agreement contained in the Loan Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, director, agent, servant or employee of the Authority or the Foundation in his or her individual capacity, and the members of the governing bodies of the Authority and the Foundation shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed.

The Series [2018][2025] Bonds are issued pursuant to the Supplemental Act, the Act, the Indenture, and the Bond Resolution. This recital shall conclusively impart full compliance with all of the provisions of the Supplemental Act and shall be conclusive evidence of the validity and regularity of the issuance of the Series [2018][2025] Bonds after their delivery for value and that all of the Series [2018][2025] Bonds issued are incontestable for any cause whatsoever after their delivery for value. No legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Series [2018][2025] Bonds shall be commenced more than thirty (30) days after the authorization of the Series [2018][2025] Bonds.

Copies of the Indenture, the Loan Agreement, the Lease and other documents relating to the Series [2018][2025] Bonds are on file at the designated office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the limited liability of the Authority and the Foundation, the terms of and security for the Series [2018][2025] Bonds, the custody and application of the proceeds of the Series [2018][2025] Bonds, the rights and remedies of the Registered Owners of the Series [2018][2025] Bonds, amendments, and the rights, duties and obligations of the Authority and the Trustee to all of which the Registered Owner hereof, by acceptance of this bond, assents.

This bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Trustee shall have signed the certificate of authentication hereon.

NONE OF THE AUTHORITY, THE FOUNDATION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE SERIES [2018][2025] BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE TIMELY OR ULTIMATE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES [2018][2025] BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO REGISTERED OWNERS;

(5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES [2018][2025] BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

IN WITNESS WHEREOF, the COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair and a facsimile of its corporate seal to be affixed hereon and attested by the manual or facsimile signature of its Executive Director.

[SEAL]

COLORADO EDUCATIONAL AND  
CULTURAL FACILITIES AUTHORITY

By \_\_\_\_\_  
Chair

Attest:

By \_\_\_\_\_  
Executive Director

**[FORM OF CERTIFICATE OF AUTHENTICATION]**

This is one of the Series [2018][2025][A][B] Bonds described in the within mentioned Indenture of Trust.

Date of Authentication: \_\_\_\_\_

ZIONS BANCORPORATION,  
NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Signatory

**[END OF FORM OF CERTIFICATE OF AUTHENTICATION]**

**[FORM OF LEGAL OPINION CERTIFICATE]**

**LEGAL OPINION CERTIFICATE**

STATE OF COLORADO )  
 )  
CITY AND COUNTY OF DENVER ) ss. LEGAL OPINION CERTIFICATE



COLORADO EDUCATIONAL AND  
CULTURAL FACILITIES AUTHORITY

)  
)  
)

I, Mark Heller, Executive Director of the Colorado Educational and Cultural Facilities Authority do hereby certify that the attached legal opinion of Casey Parrot LLC, Denver, Colorado, is a true, perfect and complete copy of a manually executed and dated copy thereof on file in the records of the Authority.

By /s/ Mark Heller  
Executive Director

**[END OF FORM OF LEGAL OPINION CERTIFICATE]**

**[FORM OF ASSIGNMENT]**

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within bond on the books kept for registration thereof with full owner of substitution in the premises.

Please insert social security or other identifying number of assignee:

\_\_\_\_\_

Dated: \_\_\_\_\_

NOTICE; The signature to this Assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature must be guaranteed by a member of a Medallion Signature Program. Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

**[END OF FORM OF ASSIGNMENT]**

**[END OF FORM OF BONDS]**

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Authority and to constitute this Indenture a valid, binding and legal instrument for the security of the Bonds in accordance with its terms, have been done and performed.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained and of the purchase and acceptance of the Bonds by the Registered Owners thereof and of the sum of One Dollar to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding under this Indenture, according to their tenor and effect, to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, alienated, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, alien, assign, pledge, set over and confirm unto Zions Bancorporation, National Association, as Trustee, for the benefit of the Registered Owners from time to time of the Bonds, and to its successors and assigns forever, all and singular the following described property, franchises and income, without recourse and subject to the Unassigned Rights:

(a) The rights and interests of the Authority, if any, under the Loan Agreement, except all Unassigned Rights including but not limited to Sections 4.08, 5.02(f), 8.06, 10.04, 12.10 and 12.11 of the Loan Agreement and all of its rights, without limiting the Trustee's obligation to exercise its rights and remedies under Sections 4.08, 5.02(1), 8.06, 10.04, 12.10 and 12.11 of the Loan Agreement, and its right to receive certain reports and perform certain discretionary acts pursuant to the Loan Agreement.

(b) The rights and interests of the Authority in the Facility (as defined in the Loan Agreement), subject to Permitted Encumbrances (as defined in the Loan Agreement), except as to all Unassigned Rights including but not limited to Sections 4.08, 5.02(f), 8.06, 10.04, 12.10 and 12.11 of the Loan Agreement.

(c) The Pledged Revenues (as defined in the Loan Agreement) and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except as to all Unassigned Rights of the Authority to such Pledged Revenues under Sections 4.08, 5.02(f), 8.06, 10.04, 12.10 and 12.11 of the Loan Agreement.

(d) The rights and interests of the Trustee, and the Foundation under the Lease (except the rights of the Authority and the Foundation under Sections 10.07 and 13.01 of the Lease).

(e) All Funds created in this Indenture (other than the Rebate Fund), except for moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Bonds that are no longer deemed to be Outstanding hereunder, and all trust accounts containing all insurance and condemnation proceeds and all Revenues payable to the Trustee by or for the account of the Authority pursuant to the Loan Agreement and this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture.

(f) Any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security hereunder by the Authority or by anyone on its behalf or with its written consent in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same, subject to the terms hereof.

TOGETHER WITH the rights and interests of the Trustee in the Lease and the rights and interests of the Trustee under and pursuant to the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2025, from the Foundation to the Public Trustee in and for the County of Adams, Colorado, for the benefit of the Trustee, encumbering the Facility (said property, along with the property described in clauses (a) through (f) above being herein referred to as the “*Trust Estate*”).

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever.

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds except (a) as otherwise provided in Article VII hereof, (b) with respect to moneys otherwise held to redeem or pay particular Bonds hereunder, and ( c) with respect to moneys received pursuant to the provisions of the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program for payment of the Bonds.

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of the Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Principal Fund and the Bond Interest Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, or certain securities as herein permitted and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Authority and the United States of America all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture

and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture to be and remain in full force and effect.

IT IS HEREBY EXPRESSLY ACKNOWLEDGED that the Authority has entered into this Indenture and issued the Bonds to fulfill the public purposes of the Act, and the Trustee hereby accepts such Trust Estate and covenants to enforce the provisions of this Indenture, the Loan Agreement and the Deed of Trust so as to effect the public purposes of the Act.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights, interests, and revenues and funds hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant with the Trustee for the benefit of the Registered Owners from time to time of the Bonds as follows:

## ARTICLE I

### DEFINITIONS; INDENTURE TO CONSTITUTE CONTRACT

**Section 1.01. Definitions.** All words and phrases defined in Article I of the Loan Agreement shall have the same meaning in this Indenture. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

“*Act*” means the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23, of Colorado Revised Statutes, as amended.

“*Additional Bonds*” means bonds which may be issued under Section 2.11 below.

“*Authority Fees and Expenses*” means (i) payment or reimbursement to the Authority for any expenses or indemnification, including Additional Payments; and (ii) any other reasonable expense that may be incurred by the Authority, plus any Authority late fees incurred with respect to any of the foregoing.

“*Authorized Denomination*” means (a) with respect to the Series 2018 Bonds, \$5,000 and any integral multiple thereof; (b) with respect to the Series 2025 Bonds, \$5,000 and any integral multiple thereof; and (b) with respect to any Additional Bonds as provided any supplemental indenture.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Bond Purchase Agreement*” means (a) with respect to the Series 2018 Bonds, the Bond Purchase Agreement, dated June 27, 2018, by and among the Authority, the Foundation, the Charter School and D.A. Davidson & Co., as the underwriter for the Series 2018 Bonds; and (b) with respect to the Series 2025 Bonds, the Bond Purchase Agreement, dated June [ ], 2025, by and among the Authority, the Foundation, the Charter School and D.A. Davidson & Co., as the underwriter for the Series 2025 Bonds.

“*Bond Resolution*” means (a) with respect to the Series 2018 Bonds, the resolution duly adopted by the Authority on May 23, 2018 authorizing among other things, the issuance of the Series 2018 Bonds; and (b) with respect to the Series 2025 Bonds, the resolution duly adopted by the Authority on May 28, 2025 authorizing among other things, the issuance of the Series 2025 Bonds.

“*Business Day*” means any day other than a Saturday or Sunday or a day on which banking institutions in the State are authorized to close.

“*Cede*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

“*Colorado Charter School Debt Reserve Fund Program*” means that certain debt reserve fund program described in § 22-30.5-407, Colorado Revised Statutes, as amended, or any successor statute thereto.

“*Colorado Charter School Intercept Program*” means that certain intercept program described in § 22-30.5-406, Colorado Revised Statutes, as amended, or any successor statute thereto.

“*Colorado Charter School Intercept Program Application*” means the application required under the Colorado Charter School Intercept Program.

“*Colorado Charter School Moral Obligation Program*” means that certain moral obligation program described in § 22-30.5-408, Colorado Revised Statutes, as amended, or any successor statute thereto.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns.

“*DTC Participants*” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds bonds as securities depository.

“*Electronic Means*” or “*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 Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*Fitch*” means Fitch Ratings.

“*Government Obligations*” means (a) State and Local Government Series issued by the United States Treasury (“*SLGS*”); (b) United States Treasury bills, notes and bonds, as traded on the open market; and (c) Zero Coupon United States Treasury Bonds.

“*Investment Obligations*” means any investment permitted under Section 23-15-122, Colorado Revised Statutes, as amended, whether or not any such investment or reinvestment is authorized under any other law of the State, including but not limited to the following: money market funds, bonds or other obligations of the United States; bonds or other obligations, the

payment of the principal and interest of which is unconditionally guaranteed by the United States; obligations issued or guaranteed as to principal and interest by any agency or person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the congress of the United States; obligations issued or guaranteed by any state of the United States or any political subdivision of any such state; prime commercial paper; prime finance company paper; bankers' acceptances drawn on and accepted by commercial banks; repurchase agreements fully secured by obligations issued or guaranteed as to principal and interest by the United States or by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the congress of the United States; or certificates of deposit or time deposits issued by commercial banks or savings and loan associations, and other interest bearing deposits that are insured by the federal deposit insurance corporation or its successor.

*"Moody's"* means Moody's Investors Service.

*"Nominee"* means Cede & Co., as nominee of DTC, the initial securities depository for the Bonds, and any successor nominee of DTC and, if another securities depository replaces DTC as securities depository hereunder, any nominee of such substitute securities depository.

*"Outstanding"* means when used with respect to the Bonds, as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds (or securities to the extent permitted in Section 7.01 hereof) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee;

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.05 or 2.06 hereof; and

(d) Bonds for which the conditions enumerated in Section 5.06 hereof have been met.

*"Participants"* means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as a securities depository.

*"Rating Agency"* or *"Rating Agencies"* means either Moody's, Standard Poor's or Fitch.

*"Registered Owner"* or *"Owner"* means the holders and owners of the Bonds on the registration books of the Trustee, as registrar.



“*Regular Record Date*” means the close of business on the fifteenth day of the month immediately preceding the month in which an interest payment date occurs.

“*Representation Letter*” means the representation letter from the Authority to DTC, dated May 29, 2025.

“*Revenues*” means all payments received by the Trustee for the account of the Authority pursuant to the Loan Agreement and this Indenture.

“*Special Record Date*” means a special record date, which shall be a Business Day, fixed to determine the names and addresses of the Registered Owners, for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.03 hereof.

“*S&P*” means S&P Global Ratings.

“*State*” means the State of Colorado.

“*Supplemental Act*” means the Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11 of Colorado Revised Statutes, as amended.

“*Trust Estate*” means the property pledged, assigned and mortgaged to the Trustee pursuant to the granting clauses hereof.

“*Unassigned Rights*” means the rights of the Authority under Sections 4.08, 5.02(f), 8.04, 8.05, 8.06, 10.04, 12.01, 12.10, 12.11 and 12.20 of the Loan Agreement and, to the extent not expressly provided in said sections (or in any other sections hereof or thereof) the Authority’s rights thereunder and under this Indenture to (a) inspect books and records; (b) give or receive notices, approvals, consents, requests, and other communications; (c) receive payment or reimbursement for expenses, including without limitation “Additional Rents” as defined in the Loan Agreement and the Annual Fee; (d) immunity from and limitation of liability; (e) indemnification by the Foundation or any other Person; and (f) to enforce, in its own name and on its own behalf, those provisions hereof and of the Loan Agreement and any other document, instrument or agreement entered into with respect to the Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Authority. For avoidance of doubt, the “Unassigned Rights” referenced in clauses (d), (e) and (f), above, shall include (but not be limited to) the rights of the Authority to immunity from and limitation of liability and indemnification by the Foundation as provided in the Loan Agreement and the right of any Authority Indemnified Party to enforce such rights in his, her or its own name.

“*Underwriter*” means D.A. Davidson & Co., its successors and assigns.

**Section 1.02. Indenture to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time, the provisions of this Indenture shall be part of the contract of the Authority with the owners of the Bonds, and shall be deemed to be and shall constitute contracts among the Authority, the Trustee and the owners from time to time of the Bonds. The pledge made in this Indenture and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the



Authority shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, except (a) as otherwise provided in Article VII hereof, (b) with respect to moneys otherwise held to redeem or pay particular Bonds hereunder, and (c) with respect to moneys received pursuant to the provisions of the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program for payment of the Bonds.

**Section 1.03. Pledge and Agreement of the State.** By the enactment of Section 23-15-124 of the Act, the State has pledged to and agreed with the Registered Owners of any bonds, notes, and other obligations issued under the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter, restrict or impair the rights vested in the Authority to acquire, construct, reconstruct, maintain and operate any facility as defined in the Act or to establish, revise, charge and collect rates, rents, fees and other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the Registered Owners of bonds, notes or other obligations authorized and issued pursuant to the Act, and with the parties who may enter into contracts with the Authority pursuant to the Act, and will not in any way impair the rights or remedies of the Registered Owners of such bonds, notes or other obligations of such parties until such bonds, notes or other obligations, together with interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding by or on behalf of such Owners, are fully met and discharged and such contracts are fully performed on the part of the Authority. Nothing in the Act precludes such limitation or alteration if and when adequate provision is made by law for the protection of the Registered Owners, of such bonds, notes or other obligations of the Authority or those entering into such contracts with the Authority.

## ARTICLE II

### AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

**Section 2.01. Authorized Amount of Bonds.** No Bonds may be issued under this Indenture except in accordance with this Article. The total principal amount of Series 2018 Bonds that may be issued hereunder is hereby expressly limited to \$40,780,000, except as provided in Sections 2.05, 2.06 and 2.11 hereof. The total principal amount of Series 2025 Bonds that may be issued hereunder is hereby expressly limited to \$[COMBINED PAR], except as provided in Sections 2.05, 2.06 and 2.11 hereof.

**Section 2.02. All Bonds Equally and Ratably Secured by Trust Estate; Limited Obligation of Bonds and Pledges Securing the Same.** Except as provided herein, all Bonds issued under this Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority or distinction on account of the date or dates or the actual time or times of the issue or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture, and shall all be equally and ratably secured hereby.

The Bonds shall be special limited obligations of the Authority payable solely out of the security specified in this Indenture. The Bonds shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the

General Assembly of the State, or of any county, city, city and county, town, school district or other subdivision of the State, or of any other political subdivision or body corporate and politic within the State other than the Authority (but only to the extent provided in this Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Authority to the extent provided above shall be liable thereon; nor shall the Bonds constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds herein provided therefor. The issuance of the Bonds shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Authority to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for their payment, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Authority to create a debt or multiple-fiscal year obligation of the State within the meaning of the Constitution or statutes of the State or authorize the Authority to levy or collect taxes or assessments. Neither the members of the Authority nor any Person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Authority. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

**Section 2.03. Authorization of Bonds.** There is hereby authorized to be issued hereunder and secured hereby (i) an issue of bonds designated as the “Colorado Educational and Cultural Facilities Authority Charter School Refunding Revenue Bonds (Stargate Charter School Project) Series 2018A” in the original aggregate principal amount of \$40,585,000 and “Colorado Educational and Cultural Facilities Authority Charter School Refunding Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2018B” in the original aggregate principal amount of \$195,000; and (ii) an issue of bonds designated as the “Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Series 2025A” in the original aggregate principal amount of \$[A-PAR] and “Colorado Educational and Cultural Facilities Authority Charter School Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2025B” in the original aggregate principal amount of \$[B-PAR]. The Bonds shall be issuable as fully registered bonds in the Authorized Denominations. The Bonds shall be numbered separately and lettered, if at all, in such manner as the Trustee shall determine.

The Series 2018 Bonds shall be dated as of July 17, 2018. The Series 2018 Bonds shall bear interest on the basis of a 360-day year, consisting of twelve 30-day months, from their date until payment of principal has been made or provided for, payable on each June 1 and December 1 of each year, commencing December 1, 2018, except that Series 2018 Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Series 2018 Bonds.

The Series 2025 Bonds shall be dated as of June [ ], 2025. The Series 2025 Bonds shall bear interest on the basis of a 360-day year, consisting of twelve 30-day months, from their date until payment of principal has been made or provided for, payable on each June 1 and December 1 of each year, commencing December 1, 2025, except that Series 2025 Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Series 2025 Bonds.

The Series 2018A Bonds shall mature on December 1 in the years and shall bear interest at the per annum interest rates set forth below:

<b>Year (December 1)</b>	<b>Amount</b>	<b>Interest Rate</b>
2019	\$ 380,000	5.000%
2020	650,000	5.000
2021	680,000	5.000
2022	715,000	5.000
2023	755,000	5.000
2024	790,000	5.000
2025	835,000	5.000
2026	875,000	5.000
2027	920,000	5.000
2028	970,000	5.000
2029	1,020,000	5.000
2030	1,070,000	5.000
2031	1,125,000	5.000
2032	1,180,000	5.000
2033	1,245,000	5.000
2038	7,240,000	5.000
2048	20,135,000	4.000

The Series 2018B Bonds shall mature on December 1 in the years and shall bear interest at the per annum interest rates set forth below:

<b>Year (December 1)</b>	<b>Amount</b>	<b>Interest Rate</b>
2018	\$195,000	3.250%

The Series 2025A Bonds shall mature on December 1 in the years and shall bear interest at the per annum interest rates set forth below:

<b>Year (December 1)</b>	<b>Amount</b>	<b>Interest Rate</b>
20[ ]	\$	%

The Series 2025B Bonds shall mature on December 1 in the years and shall bear interest at the per annum interest rates set forth below:

Year (December 1)	Amount	Interest Rate
20[ ]	\$	%

The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee in Denver, Colorado, or at such other location as it shall designate, or at the principal office of its successor in trust, upon presentation and surrender of the Bonds. Payment of interest on any Bond shall be made to the Registered Owner thereof by check or draft mailed on each interest payment date by the Trustee to the Registered Owner at his or her address as it last appears on the registration records kept by the Trustee at the close of business on the Regular Record Date for such interest payment date (except that the Registered Owners of at least \$500,000 in aggregate principal amount of Bonds Outstanding may, by written request received at least ten (10) Business Days prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States of America), but any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner thereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of such Special Record Date shall be given to the Registered Owners of the Bonds not less than ten (10) days prior thereto by first-class mail or electronic means to each such Owner as shown on the registration records on the date selected by the Trustee stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of, premium, if any, and interest on any Bonds that are subject to the book-entry system as provided in Article II of this Indenture shall be made in accordance with the rules, regulations and procedures established by DTC in connection with its book-entry system.

The Bonds are subject to sinking fund redemption provisions of Section 5.03 hereof. The Bonds are otherwise subject to prior redemption as herein set forth. The Bonds shall be substantially in the form and tenor hereinabove recited with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture.

**Section 2.04. Execution of Bonds.** The Bonds shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of the Chair, Vice-Chair or Executive Director or any Assistant Vice-Chair of the Authority and its corporate seal or a facsimile thereof shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. Any Bond may be signed (manually or by facsimile), sealed or attested on behalf of the Authority by any Person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such Person may have ceased to hold such office.

**Section 2.05. Registration, Transfer and Exchange of Bonds; Persons Treated as Registered Owners.** The Authority shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee. Upon surrender for transfer of

any Bond at the designated corporate trust operations office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds for a like series and aggregate principal amount of the same maturity.

The Bonds may be exchanged at the designated operations office, or at such other location as it shall designate of the Trustee, for a like series and aggregate principal amount of Bonds of the same maturity and interest rate in Authorized Denominations. The Authority shall execute and the Trustee shall authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding. The execution by the Authority of any Bond of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required to transfer or exchange any Bond subject to redemption during the period of five (5) days next preceding the mailing of notice of redemption as herein provided except that Bonds not subject to redemption pursuant to Section 5.03 hereof may be transferred or exchanged during such period in the event of redemption pursuant to Section 5.03 hereof. After the giving of such notice the Trustee shall not be required to transfer or exchange any Bond, which Bond or portion thereof has been called for redemption.

As to any Bond, the Person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, except to the extent otherwise provided herein with respect to Regular Record Dates and Special Record Dates for the payment of interest, and payment of either principal or interest on any Bond shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Trustee and the Authority shall require any Registered Owner requesting exchange or transfer to pay the reasonable expenses of the Authority, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

**Section 2.06. Lost, Stolen, Destroyed and Mutilated Bonds.** Upon receipt by the Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to the Trustee and the Authority, and upon surrender and cancellation of the Bond in accordance with the customary practices of the Trustee, if mutilated, (a) the Authority shall execute, and the Trustee shall authenticate and deliver, a new Bond of the same series, date, maturity, interest rate and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the Authority and of the Trustee in connection with the issuance of such Bond. All

Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

**Section 2.07. Delivery of Bonds.** Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the initial purchasers thereof as directed by the Authority and as hereinafter in this Section provided. The Trustee shall be entitled to conclusively rely upon such direction and authorization from the Authority as to the names of the purchasers and the amount of such purchase price.

Prior to the delivery by the Trustee of any of the Bonds, there shall have been filed with or delivered to the Trustee the following:

- (a) The Bond Resolution duly adopted by the Authority, certified by the Executive Director thereof, authorizing the execution and delivery of the Loan Agreement, the Tax Compliance Certificate, and this Indenture and the issuance of the Bonds.
- (b) A duly executed copy of this Indenture, the Tax Compliance Certificate, the Loan Agreement, the Deed of Trust and the Lease.
- (c) The written order of the Authority as to the delivery of the Bonds, signed by an Authorized Representative of the Authority.
- (d) Opinions of nationally recognized municipal bond counsel substantially to the effect that the Bonds constitute legal, valid and binding obligations and the interest on the Series 2018A Bonds and the Series 2025A Bonds is excludable from gross income for federal income tax purposes.
- (e) An opinion of counsel to the Authority, the Foundation and Charter School acceptable to nationally recognized municipal bond counsel.
- (f) A commitment for title insurance naming the Trustee as an insured party.

**Section 2.08. Authentication Certificate.** The authentication certificate upon the Bonds shall be substantially in the form and tenor hereinbefore provided. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Trustee; and such certificate of the Trustee upon any Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized signatory of the Trustee, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Bonds issued hereunder.

**Section 2.09. Cancellation and Destruction of Bonds.** Whenever any Outstanding Bonds shall be delivered to the Trustee for the cancellation thereof pursuant to this Indenture, upon payment of the principal amount thereof or for replacement pursuant to Section 2.06



hereof, such Bonds shall be promptly cancelled and destroyed by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

**Section 2.10. Reserved.**

**Section 2.11. Additional Bonds.** Additional Bonds secured by and payable solely from the Trust Estate may be issued in the Authority's sole discretion in one or more additional series, provided the following terms and conditions have been met:

(a) the Trustee has received a certificate of an Authorized Representative of the Foundation to the effect that (i) the Foundation is not in default under the Loan Agreement, the Deed of Trust or this Indenture, (ii) the Foundation is not aware of any Events of Default under the Loan Agreement, the Lease, the Deed of Trust or this Indenture and (iii) that the requirements for additional Indebtedness of the Foundation as set forth in Section 8.13 of the Loan Agreement have been met;

(b) the Authority has consented to the issuance of Additional Bonds pursuant to this Section 2.11;

(c) the Trustee has received a copy, duly certified by the Executive Director of the Authority, of the resolution adopted by the Authority authorizing the issuance of such Additional Bonds and the execution and delivery of a supplemental indenture, supplementing and amending this Indenture, providing the date, interest rates and maturities of such Additional Bonds, options and requirements for redemption prior to maturity with respect to such Additional Bonds, deposit of proceeds to the various funds and accounts, and such other terms as may be required by reason of the foregoing and which adopts the applicable provisions of this Indenture, and of an agreement supplementing and amending the Loan Agreement, the Lease and the Deed of Trust;

(d) the Authority and the Trustee have received an opinion of nationally recognized municipal bond counsel to the effect that the issuance of such Additional Bonds will not affect adversely the exclusion from gross income for federal income tax purposes of interest on any Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes;

(e) the Trustee has received original executed counterparts of the agreements supplementing and amending the Loan Agreement, the Lease and the Deed of Trust, and the supplemental indenture supplementing and amending this Indenture;

(f) the Trustee has received a request and authorization to the Trustee on behalf of the Authority and signed by its Executive Director or any other Authorized Representative of the Authority to authenticate and deliver such Additional Bonds to the purchasers therein identified, upon payment to the Trustee, but for the account of the Authority, of a sum specified in such request and authorization, plus accrued interest thereon, if any, to the date of delivery;

(g) the Trustee will receive from the proceeds of the Additional Bonds or otherwise on the date of delivery of the Additional Bonds an amount equal to the



additional reserve requirement for deposit into the bond reserve fund designated for such Additional Bonds;

(h) the Authority and the Trustee have received an executed opinion of nationally recognized municipal bond counsel to the effect that (i) the Additional Bonds have been duly authorized, executed and delivered and constitute the binding limited obligations of the Authority, enforceable in accordance with their terms, subject to normal bankruptcy exceptions; and (ii) the interest on such Additional Bonds is excluded from gross income for federal income tax purposes (unless it is intended that such interest be taxable); and

(i) the Base Rents of the Lease, as recalculated pursuant to the Lease, shall be equal to the amounts necessary to make the principal, premium, if any, and interest payments on the Outstanding Bonds and the Additional Bonds when due.

The provisions, covenants and agreements herein set forth to be performed by, or on behalf of the Authority or the Trustee, and in the Loan Agreement and Deed of Trust to be performed by the Foundation shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in this Indenture.

## **Section 2.12. Book-Entry System; Limited Obligation of Authority.**

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity of each series. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a depository, neither the Authority nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or Person other than the Registered Owner, of any notice concerning the Bonds, including notice of redemption; and (iii) the payment to any Participant, Beneficial Owner, or Person other than the Registered Owner, of the principal of, premium if any, and interest on the Bonds. The Authority and the Trustee may treat the Registered Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Registered Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the payment of the same. No Person, other than a Registered

Owner, shall receive a certificated Bond evidencing the obligations of the Authority pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as depository with respect to the Bonds at any time by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the Authority or, if the Authority determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the Authority that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

(d) The Authority, in its sole discretion and without the consent of any other Person, may terminate the services of DTC with respect to the Bonds if the Authority determines that:

(i) DTC is unable to discharge its responsibilities with respect to the Bonds; or

(ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration records kept by the Trustee in the name of Cede or any other nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds.

(e) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsections 2.12(c) or (d) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Trustee is obligated at the written direction of the Authority to deliver Bond certificates at the expense of the Beneficial Owners of the Bonds and the Bonds shall no longer be restricted to being registered in the registration records kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

**Section 2.13. Supplemental Public Securities Act Provisions.** Pursuant to the Bond Resolution, the Authority has elected to apply the provisions of the Supplemental Act to the Bonds. Pursuant to said Section 11-57-210, each Bond shall recite that it is issued under the authority of the Bond Resolution and the Supplemental Act and that it is the intention of the Authority that such recital shall be conclusive evidence of the validity and the regularity of the issuance of such Bond after its delivery for value. Pursuant to said Section 11-57-208, the assets pledged under this Indenture for the payment of the Bonds, as received by or otherwise credited to the Authority, shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge and the obligation to perform the

contractual provisions made in the Bond Resolution and this Indenture shall have priority over any or all other obligations and liabilities of the Authority. The lien of such pledge shall be valid, binding and enforceable as against all persons having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such persons have notice of such lien.

### **ARTICLE III**

#### **REVENUES AND FUNDS**

**Section 3.01. Pledge of Trust Estate.** Subject only to the rights of the Authority to apply amounts under the provisions of this Article; a pledge of the Trust Estate to the extent provided herein is hereby made, and the same is pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds. The pledge hereby made shall be valid and binding from and after the time of the delivery by the Trustee of the first Bond authenticated and delivered under this Indenture. The security so pledged and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Authority with respect to the Trust Estate and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

**Section 3.02. Establishment of Funds.** The Authority hereby establishes and creates the following funds, which shall be special trust funds held by the Trustee:

- (a) Bond Principal Fund.
- (b) Bond Interest Fund.
- (c) Bond Reserve Fund.
- (d) Project Fund.
- (e) Issuance Expense Fund.
- (f) Rebate Fund.

The Trustee shall apply the proceeds of the Bonds in the manner set forth in Section 4.01 of the Loan Agreement.

**Section 3.03. Payments into the Bond Principal Fund and the Bond Interest Fund.** There shall be deposited into the Bond Principal Fund or the Bond Interest Fund, as appropriate, in a pro rata portion as appropriate, and as and when received (a) all payments by the Foundation pursuant to Sections 5.02(a) and 5.05 of the Loan Agreement, (b) all moneys transferred to the Bond Principal Fund or Bond Interest Fund pursuant to Sections 3.07, 3.13, 3.15, 3.18 or 6.03 hereof, (c) all other moneys to be deposited into the Bond Principal Fund or Bond Interest Fund pursuant to the Loan Agreement, the Deed of Trust, the Lease or this Indenture, and (d) all other moneys received by the Trustee when accompanied by directions from the Foundation not inconsistent with the Loan Agreement or this Indenture that such moneys are to be paid into the

Bond Principal Fund or Bond Interest Fund. There shall also be retained within the accounts of the Bond Principal Fund and Bond Interest Fund, respectively, interest and other income received on investment of moneys in the accounts of the Bond Principal Fund and Bond Interest Fund to the extent provided in Section 6.03 hereof.

If the Trustee does not receive payments into the Bond Principal Fund and the Bond Interest Fund pursuant to Section 5.02(a) of the Loan Agreement by the fifth day after any required payment date pursuant to Section 5.02(a) of the Loan Agreement, the Trustee will immediately notify the Authority and the Foundation of such nonpayment; and if such payments are not received within five (5) Business Days thereafter, the Trustee shall notify the Registered Owners of the Bonds.

**Section 3.04. Use of Moneys in the Bond Principal Fund and the Bond Interest Fund.** Any accrued or capitalized interest deposited into an account of the Bond Interest Fund pursuant to Section 3.03 hereof shall be used to pay interest on the Bonds. Except as provided in this Section and in Sections 3.18, 3.23, 6.03 and 8.05 hereof, moneys in the Bond Principal Fund shall be used, subject to the provisions of this Section, solely for the payment of the principal of and premium, if any, on the Bonds, and moneys in the Bond Interest Fund shall be used, subject to the provisions of this Section, solely for the payment of the interest on the Bonds. Whenever the total amount in the Bond Principal Fund, the Bond Interest Fund and the Bond Reserve Fund is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption, and redemption premium, if any, the Trustee, subject to the requirements of the Loan Agreement and written direction from the Foundation, covenants to take and cause to be taken the necessary steps to redeem all of the Bonds on the redemption date for which the required redemption notice has been given.

Subject to the provisions of Section 6.03 hereof, the Trustee shall calculate on June 30 of each year, commencing June 30, 2019 or upon the written request of the Foundation, the amount held in the Bond Principal Fund and Bond Interest Fund, and shall transfer to the Charter School as soon as reasonably possible following the Trustee's calculation that any such moneys exist, all or such portion of any moneys deposited with the Trustee by or on behalf of the Charter School pursuant to Section 6.02 of the Lease, which are not necessary to meet the monthly Loan Payments required pursuant to Sections 5.02(a) and 5.05 of the Loan Agreement because moneys from the State have been deposited with the Trustee by the Charter School pursuant to Section 6.02(a) of the Lease. Further, so long as (a) there has been no Event of Default hereunder, (b) the Lease Term has not expired, ended or been terminated, (c) none of the moneys in the Bond Principal Fund or Bond Interest Fund are necessary or required for payment of all or any portion of the Bonds for a redemption pursuant to Article V hereof, and (d) the Trustee is not in possession of any Net Proceeds, the Trustee shall, within five (5) Business Days following the date of maturity or sinking fund redemption of any of the Bonds, transfer to the Charter School the balance of any moneys on deposit in the Bond Principal Fund and the Bond Interest Fund which is not required to be held pursuant to Section 3.20 hereof.

The Trustee shall, during the Lease Term (as defined in the Lease), take or cause to be taken such actions, in accordance with the terms of the Loan Agreement and this Indenture, as necessary and appropriate, upon the written direction of the Charter School, the Charter Authorizer or the State Treasurer, to cause direct payment of Base Rents to be made to the

Trustee by the State Treasurer or, if the State Treasurer does not so agree, by the Charter Authorizer pursuant to and in accordance with the Colorado Charter School Intercept Program.

**Section 3.05. Custody of the Bond Principal Fund and the Bond Interest Fund.** The Bond Principal Fund and the Bond Interest Fund shall be in the custody of the Trustee, but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Bond Principal Fund to pay the principal of and premium, if any, on the Bonds as the same become due and payable, to withdraw sufficient funds from the Bond Interest Fund to pay the interest on the Bonds as the same becomes due and payable and to withdraw sufficient excess funds from the Bond Interest Fund or the Bond Principal Fund to make permissible transfers to the Charter School authorized in Section 3.04 hereof.

**Section 3.06. Payments into the Bond Reserve Fund.** There shall be deposited into an account within the Bond Reserve Fund pursuant to Section 4.01 of the Loan Agreement, (i) proceeds from the sale of the Series 2018 Bonds an amount equal to the Bond Reserve Fund Requirement, which shall secure the Series 2018 Bonds; and (ii) proceeds from the sale of the Series 2025 Bonds an amount equal to the Bond Reserve Fund Requirement, which shall secure the Series 2025 Bonds. There shall be deposited into the Bond Reserve Fund all moneys required to be paid by the Foundation to the Trustee pursuant to Section 5.02(b) of the Loan Agreement. In addition, there shall also be deposited into the Bond Reserve Fund (a) all moneys transferred to the Bond Reserve Fund from the Bond Principal Fund or the Bond Interest Fund, pursuant to Section 6.03 hereof; (b) all other moneys required to be deposited therein pursuant to the Loan Agreement or this Indenture, including, without limitation, moneys received pursuant to the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program; and (c) all other moneys received by the Trustee when accompanied by written directions from the Foundation not inconsistent with the Loan Agreement, the Deed of Trust or this Indenture that such moneys are to be paid into the Bond Reserve Fund. There also shall be retained in the Bond Reserve Fund interest and other income received on investments of Bond Reserve Fund moneys to the extent provided in Section 6.03 hereof. Additional accounts shall be created in the Bond Reserve Fund for each additional series of Bonds issued pursuant to a supplement to this Indenture as specified therein.

**Section 3.07. Use of Moneys in the Bond Reserve Fund.** Except as provided in Sections 3.18 and 3.23 hereof, moneys in the Bond Reserve Fund shall be used by the Trustee promptly and solely for the payment of the principal of, premium, if any, and interest on the Bonds in the event moneys in the Bond Principal Fund and Bond Interest Fund are insufficient to make such payments when due, whether on an interest payment date, sinking fund redemption date, maturity date or otherwise in an amount necessary to cure such Event of Default and notwithstanding any other provision of this Indenture. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 10.02(a) of the Loan Agreement or under the Deed of Trust and under Section 8.02(a) hereof, any moneys in the Bond Reserve Fund shall be transferred by the Trustee to the Bond Interest Fund, and with respect to any moneys in excess of the amount required to be transferred to the Bond Interest Fund, to the Bond Principal Fund and applied in accordance with Section 8.05 hereof; provided, however, that the amounts on deposit in the Bond Reserve Fund shall be used to pay only the series of Bonds for which the Authority has determined that a deposit to the Bond Reserve Fund shall be made in accordance with Section 2.11 hereof. On the final maturity date of the series of

Bonds for which the Authority has determined that a deposit to the Reserve Fund shall be made in accordance with Section 2.11 hereof any moneys in applicable account of the Bond Reserve Fund may be used to pay the principal of and interest on such Bonds on such final maturity date. In the event of the redemption of the series of Bonds for which the Authority has determined that a deposit to the Reserve Fund shall be made in accordance with Section 2.11 hereof, in whole, any moneys in the Bond Reserve Fund from such deposit shall be transferred to the Bond Principal Fund and applied to the payment of the principal of and premium, if any, on such Bonds. The Trustee shall value the Investment Obligations in the Bond Reserve Fund semiannually on June 1 and December 1 of each year at their market value. If on any valuation date the amount in the Bond Reserve Fund (determined pursuant to this Section) is greater than the Bond Reserve Fund Requirement for the series of Bonds for which the Authority has determined that a deposit to the Reserve Fund shall be made in accordance with Section 2.11 hereof, such excess shall be transferred by the Trustee to the Bond Interest Fund and applied to the payment of the interest on such Bonds; provided, however, that the amount remaining in the Bond Reserve Fund (determined pursuant to this Section) immediately after such transfer shall not be less than the Bond Reserve Fund Requirement for such Bonds on that date. If on any valuation date the amount in the Bond Reserve Fund (determined pursuant to this Section) is less than the Bond Reserve Fund Requirement, the Trustee shall notify the Foundation of its obligation pursuant to Section 5.02(b) of the Loan Agreement.

At such times as moneys are to be transferred out of the Bond Reserve Fund for deposit into the Bond Principal Fund or the Bond Interest Fund pursuant to this Section or to the Rebate Fund pursuant to Section 3.18 hereof, the Trustee shall use cash, Investment Obligations or amounts derived from or drawn on a Reserve Fund Insurance Policy in such order of priority as the Foundation shall direct in writing. The Trustee shall apply amounts in the Bond Reserve Fund first to interest due and owing on the Bonds and second to principal on the Bonds. Any Reserve Fund Insurance Policy shall be valued for all purposes of this Indenture at the amount available to be drawn under such policy.

Within five (5) Business Days of any transfer of funds from the Bond Reserve Fund to the Bond Principal Fund or the Bond Interest Fund as provided in this Section, the Trustee shall notify the Foundation and the Authority in writing of such transfer and of the amount of the deficiency, if any, of amounts then on deposit in the Bond Reserve Fund as of such date.

With respect to (i) the account within the Bond Reserve Fund for the Series 2018 Bonds, the Trustee agrees to cooperate with the Authority and the directives of the Authority to utilize the provisions of the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program for the Series 2018 Bonds; and (ii) the account within the Bond Reserve Fund for the Series 2025 Bonds, the Trustee agrees to notify the Authority in writing of any draw upon the Bond Reserve Fund and cooperate with the Authority and the directives of the Authority to utilize the provisions of the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program for the Series 2025 Bonds.

Furthermore, the Trustee agrees to notify the State Treasurer if the Trustee hasn't received payment of debt service on the Bonds on the tenth business day immediately prior to the



date on which such payment is due and the respective account within the Reserve Fund has been depleted, in accordance with Sections 22-30.5-407, et seq., Colorado Revised Statutes.

Anything contained herein to the contrary notwithstanding, \$[ ] (the amount of the Bond Reserve Fund Requirement initially funded with the proceeds of the Series 2025B Bonds) on deposit in the Bond Reserve Fund, plus any interest earned thereon, to the extent such amounts do not consist of the proceeds of the Series 2025A Bonds, shall be transferred by the Trustee to the Debt Service Fund, as needed, to cure a deficiency, and, if, on any Interest Payment Date, the amount then on hand in the Debt Service Fund is not sufficient to pay the principal and interest then due on the Series 2025B Bonds, whether at maturity or upon redemption or by acceleration. No amounts in the Bond Reserve Fund funded with proceeds of the Series 2025A Bonds, or any interest earnings on such amounts, may be used to pay the amounts due on the Series 2025B Bonds.

**Section 3.08. Custody of the Bond Reserve Fund.** The Bond Reserve Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Reserve Fund to pay the principal of, premium, if any, and interest on the Bonds and for the purpose described in Section 3.18 hereof, which authorization and direction the Trustee hereby accepts. In the event there shall be a deficiency in the Bond Principal Fund or the Bond Interest Fund on any payment date for the Bonds, the Trustee shall promptly make up such deficiency from the Bond Reserve Fund so that the amount therein is equal to such deficiency.

**Section 3.09. Reserved.**

**Section 3.10. Reserved.**

**Section 3.11. Payments into and Use of Moneys in the Project Fund.** There shall be deposited into the Project Fund from the Bond proceeds of any Additional Bonds as specified in a supplement to this Indenture.

The Project Fund shall be in the custody of the Trustee but in the name of the Authority, and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Project Fund for the purposes set forth in Section 4.03 of the Loan Agreement, which authorization and direction the Trustee hereby accepts.

**Section 3.12. Payments Into and Use of Moneys in the Issuance Expense Fund.**

There shall be deposited into the Issuance Expense Fund from the Bond proceeds, pursuant to Section 4.01 of the Loan Agreement, an amount which shall not be less than the Issuance Expense Fund Initial Deposit (provided that such amount may be reduced by amounts allocated to issuance expenses but paid directly by the Underwriter). There shall also be retained in the Issuance Expense Fund interest and other income received on investments of Issuance Expense Fund moneys as provided in Section 6.03 hereof. Except as provided in Sections 3.13 and 3.18 hereof, such moneys shall be expended to pay issuance expenses in accordance with the provisions of Section 4.04 of the Loan Agreement; provided however, amounts necessary to pay for invoiced fees of nationally recognized municipal bond counsel, the Authority and the Trustee may be paid by the Trustee without additional documentation. The Trustee is hereby authorized



and directed to issue its checks on or make wire payments from the Issuance Expense Fund for each payment in accordance with Section 4.04 of the Loan Agreement.

The Trustee shall keep and maintain accurate records pertaining to the Issuance Expense Fund and all payments therefrom, which shall be open to inspection by the Foundation or their duly authorized agents during normal business hours of the Trustee. After all expenses incurred in connection with the issuance of the Bonds have been paid, the Trustee shall file a statement of income in the form of its customary trust statement and disbursements with respect thereto with the Foundation and the Authority.

**Section 3.13. Termination of Issuance Expense Fund.** Upon the earlier of: (a) receipt by the Trustee of a certificate signed by an Authorized Representative of the Foundation stating that all expenses incurred in connection with the issuance of the Bonds have been paid, or (b) ninety (90) days following July 17, 2018, any moneys remaining in the Issuance Expense Fund shall be transferred to the Bond Interest Fund and applied to the payment of the interest on the Bonds.

**Section 3.14. Custody of the Issuance Expense Fund.** The Issuance Expense Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Issuance Expense Fund for the purposes set forth in Section 4.04 of the Loan Agreement and Section 3.12 hereof, which authorization and direction the Trustee hereby accepts.

**Section 3.15. Reserved.**

**Section 3.16. Reserved.**

**Section 3.17. Reserved.**

**Section 3.18. Rebate Fund.** The Trustee shall establish a Rebate Fund, if requested by the Foundation, or if the Foundation is required to pay or cause to be paid to the Trustee any amounts required to be paid pursuant to the Tax Compliance Certificate at the times and in the manner specified therein.

If the Rebate Fund is required to be established hereunder, there shall be deposited into the Rebate Fund investment income on moneys in the Funds to the extent provided in the written direction of the Foundation subject to the limitations in Section 6.03 hereof, moneys received from the Foundation pursuant to Section 5.02(e) of the Loan Agreement, moneys transferred to the Rebate Fund from the Issuance Expense Fund, the Bond Reserve Fund, the Project Fund, the Bond Principal Fund or the Bond Interest Fund pursuant to the provisions of this Section and all other moneys received by the Trustee when accompanied by written directions from the Foundation that such moneys are to be paid into the Rebate Fund. The Trustee shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Foundation's written direction pursuant to Section 4.07 of the Loan Agreement. The Trustee shall be fully protected in relying upon such written direction of the Foundation without inquiry or investigation. The Trustee shall have no responsibility for making any determinations as to the

amount to be deposited to or withdrawn from the Rebate Fund or the amount required to be rebated to the United States.

If, upon receipt of the certification pursuant to Section 4.07 of the Loan Agreement, the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, notwithstanding Section 6.03 hereof, the Trustee shall transfer moneys to the Rebate Fund from the following Funds in the following order of priority: the Issuance Expense Fund, the Project Fund, the Bond Principal Fund, the Bond Interest Fund, and the Bond Reserve Fund. The Trustee shall provide notice to the Authority if the certificate referred to in Section 4.07 of the Loan Agreement is not received by the Trustee as provided in Section 4.07 of the Loan Agreement. Upon receipt by the Trustee and the Authority of an opinion of Rebate Analyst acceptable to the Authority to the effect that the amount in the Rebate Fund is in excess of the amount required to be therein, such excess shall be transferred to the Bond Interest Fund.

**Section 3.19. Custody of the Rebate Fund.** The Rebate Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw funds from the Rebate Fund for the purposes set forth in Section 3.18 hereof, which authorization and direction the Trustee hereby accepts.

**Section 3.20. Nonpresentment of Bonds.** In the event any Bonds, or portions thereof, shall not be presented for payment when the principal thereof becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof, including accrued interest thereon, shall have been deposited into the Bond Principal Fund and Bond Interest Fund or otherwise made available to the Trustee for deposit therein, then on and after the date said principal becomes due, all interest thereon shall cease to accrue and all liability of the Authority to the Registered Owner or Registered Owners thereof for the payment of such Bonds, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds in a separate trust account for the benefit of the Registered Owner or Registered Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her or their part under this Indenture with respect to said Bond or on, or with respect to, said Bond and the Trustee will hold such fund or funds without liability for interest thereon. Such moneys shall not be required to be invested during such period by the Trustee. If any Bond shall not be presented for payment within the period of three years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall return to the Foundation the funds theretofore held by it for payment of such Bond and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Foundation. The obligations of the Trustee under this Section shall be subject, however, to any law applicable to the unclaimed funds or the Trustee providing other requirements for the disposition of unclaimed property.

**Section 3.21. Moneys to be Held in Trust.** All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and, except for moneys deposited with or paid to the Trustee for the payment or redemption of specific Bonds and moneys held by the Trustee in the Rebate Fund and in the separate trust accounts pursuant to Section 3.20, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien hereof. Moneys held in the

Rebate Fund shall be held in trust by the Trustee and shall be applied as provided in Section 3.18 hereof.

**Section 3.22. Insurance and Condemnation Proceeds.** Reference is hereby made to the provisions of the Loan Agreement wherein it is provided that under certain circumstances the Net Proceeds of insurance payments and condemnation awards are to be paid to the Trustee and to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform such duties and obligations of the Trustee specified in the Loan Agreement with respect to insurance payments and condemnation awards. The Trustee shall reasonably cooperate with the Foundation in the handling and conduct of any prospective or pending insurable event or condemnation proceeding with respect to the Facility or any part thereof.

**Section 3.23. Repayment to the Foundation from the Funds.** Any amounts remaining in the Funds after payment in full of the following: (a) the Bonds (or making provision for such payment), (b) the fees and expenses of the Trustee, the Annual Fees, and payments due in respect of the Unassigned Rights, and (c) all other amounts required to be paid hereunder and under the Loan Agreement to the Authority and all other amounts required to be paid hereunder and under the Loan Agreement (including payments into the Rebate Fund and to the United States of America) shall be paid to the Foundation upon the expiration of the term of the Loan Agreement.

## ARTICLE IV

### COVENANTS OF THE AUTHORITY

**Section 4.01. Performance of Covenants.** The Authority covenants that it will, to the extent within its control, faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond and in all proceedings of the Authority pertaining thereto. The Authority covenants, represents, warrants and agrees that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act and the Supplemental Act, to issue the Bonds and to execute this Indenture, to pledge the Trust Estate in the manner and to the extent herein set forth, that all actions on its part required for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken or will be duly taken as provided herein, and that this Indenture is a valid and enforceable instrument of the Authority and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Authority according to the terms thereof, except as the enforceability thereof may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally or against public corporations such as the Authority and by the application of general principles of equity.

**Section 4.02. Instruments of Further Assurance.** The Authority covenants that it will, to the extent within its control, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging and hypothecating unto the Trustee all and singular the Trust Estate to the payment of the principal of, premium, if any, and interest on the Bonds; provided, however, that

the Authority shall not be required to expend any money or take any action unless it is reimbursed by the Foundation for the expense or the cost of taking such action. The Authority shall be under no obligation to prepare, record, or file any such instruments or transfers.

**Section 4.03. Payment of Principal, Premium, if any, and Interest.** The Authority will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from the Trust Estate, which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this Indenture shall be considered or construed as pledging any funds or assets of the Authority other than those pledged hereby or creating any liability of the Authority's directors, employees, attorneys or other agents.

**Section 4.04. Conditions Precedent.** Upon the date of issuance of any of the Bonds, the Authority hereby covenants that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or by this Indenture to exist, to have happened, or to have been performed precedent to or in the issuance of the Bonds shall exist, have happened and have been performed.

**Section 4.05. Rights Under the Loan Agreement and Deed of Trust.** The Trustee and the Authority will observe all of the obligations, terms and conditions required on its part to be observed or performed under the Loan Agreement and the Deed of Trust. The Authority, except in respect of the Unassigned Rights, agrees that whenever the Loan Agreement or Deed of Trust gives the Trustee some right or privilege, or in any way attempts to confer upon the Trustee the ability for the Trustee to protect the security for payment of the Bonds, that such part of the Loan Agreement or Deed of Trust, as applicable, shall be as though it were set out in this Indenture in full.

The Authority agrees that the Trustee as assignee of the Loan Agreement and beneficiary under the Deed of Trust may enforce, in its name or in the name of the Authority, all rights of the Authority and all obligations of the Foundation under and pursuant to the Loan Agreement (subject to certain other exceptions, including the Unassigned Rights, stated in the granting clauses hereof) or Deed of Trust for and on behalf of the Registered Owners, whether or not the Authority is in default hereunder.

**Section 4.06. Actions Under the Charter School Facilities Financing Act.** The Authority and the Trustee (at the direction of the Authority) shall take all permissible actions necessary pursuant to the provisions of the Charter School Facilities Financing Act, when applicable, in order to (i) reserve money from the Colorado Charter School Debt Reserve Fund for payment on the Bonds pursuant to this Indenture; (ii) request replenishment of the Bond Reserve Fund, pursuant to this Indenture from the Governor of the State pursuant to the Colorado Charter School Moral Obligation Program; and (iii) make application for the direct payment of the Bonds by the State Treasurer pursuant to the Colorado Charter School Intercept Program.

## ARTICLE V

### REDEMPTION OF BONDS PRIOR TO MATURITY

**Section 5.01. Optional Redemption of Bonds.** The Series 2018A Bonds maturing on and after December 1, 2029 are subject to redemption prior to maturity, at the option of the Authority, as a whole or in part in Authorized Denominations, in any order of maturity and in whole or partial maturities, on December 1, 2028 and on any date thereafter, upon direction by the Foundation and upon payment of par plus accrued interest through the date of redemption.

The Series 2018B Bonds are not subject to optional redemption prior to maturity.

The Series 2025A Bonds maturing on and after December 1, 20[ ] are subject to redemption prior to maturity, at the option of the Authority, as a whole or in part in Authorized Denominations, in any order of maturity and in whole or partial maturities, on December 1, 20[ ] and on any date thereafter, upon direction by the Foundation and upon payment of par plus accrued interest through the date of redemption.

The Series 2025B Bonds are not subject to optional redemption prior to maturity.

### **Section 5.02. Redemption of Bonds Upon Occurrence of Certain Events.**

(a) The Bonds are also redeemable at the option and upon the written direction of the Foundation in whole at any time or in part (only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Bonds pursuant to paragraphs (i) or (ii) of this Section) on any interest payment date from and to the extent of funds on deposit under this Indenture and available for this purpose at a redemption price equal to the principal amount of each Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(i) The Facility shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee (a) the Facility cannot reasonably be restored within a period of six (6) consecutive months to the condition thereof immediately preceding such damage or destruction, or (b) the Foundation or its lessee are thereby prevented from carrying on its normal operations for a period of six (6) consecutive months, or (c) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.03 of the Loan Agreement.

(ii) Title to, or the temporary use of, all or any substantial part of the Facility shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority or because of a defect in title.

(iii) As a result of any changes in the Constitution of the State or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court

or administrative body (whether state or federal) entered after the contest thereof by the Foundation in good faith, the Loan Agreement or Deed of Trust shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the Foundation in respect to the Facility, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement. Redemption pursuant to this paragraph (iii) shall be in whole only.

(b) The Bonds are also redeemable on or before the 60th day following the occurrence of a Determination of Taxability at a redemption price equal to the principal amount of each Bond redeemed and accrued interest to the redemption date. Redemption pursuant to this paragraph (b) shall be in whole only.

**Section 5.03. Sinking Fund.** The Series 2018A Bonds maturing December 1, 2038 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Foundation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to redeem the following principal amount of the Series 2018A Bonds maturing December 1, 2038, plus accrued interest thereon to the redemption date:

<b>Year (December 1)</b>	<b>Principal Amount</b>
2034	\$1,305,000
2035	1,375,000
2036	1,445,000
2037	1,520,000
2038 <sup>1</sup>	1,595,000

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<sup>1</sup> Maturity Date

The Series 2018A Bonds maturing December 1, 2048 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Foundation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to redeem the following principal amount of the Series 2018A Bonds maturing December 1, 2048, plus accrued interest thereon to the redemption date:

<b>Year (December 1)</b>	<b>Principal Amount</b>
2039	\$1,670,000
2040	1,740,000
2041	1,810,000
2042	1,885,000
2043	1,960,000
2044	2,040,000
2045	2,125,000



2046	2,210,000
2047	2,300,000
2048 <sup>1</sup>	2,395,000

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<sup>1</sup> Maturity Date

The Series 2025A Bonds maturing December 1, 20[ ] are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Foundation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to redeem the following principal amount of the Series 2025A Bonds maturing December 1, 20[ ], plus accrued interest thereon to the redemption date:

**Year (December 1)    Principal Amount**

20__	\$
20__	
20__	
20__	
20__ <sup>1</sup>	

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<sup>1</sup> Maturity Date

Not more than forty-five (45) days nor less than thirty (30) days prior to the sinking fund payment date for the Bonds, the Trustee is required to proceed to select for redemption (by lot in such manner as the Trustee may determine) from all outstanding Bonds, a principal amount of Bonds equal to the aggregate principal amount of Bonds, redeemable with the required sinking fund payment and is required to call such Bonds for redemption from the sinking fund on the next December 1 and give notice of such call.

**Section 5.04. Method of Selecting Bonds.** In the event that less than all of the Outstanding Bonds shall be redeemed, the Bonds redeemed shall be selected in such manner as the Foundation may determine (less than all of the Bonds of a single maturity and interest rate to be redeemed shall be selected by lot in such manner as the Trustee may determine).

**Section 5.05. Notices of Redemption.** Bonds shall be called for optional redemption by the Trustee as herein provided upon receipt by the Trustee, unless otherwise waived by the Trustee, at least forty-five (45) days prior to the redemption date of a certificate of the Foundation specifying the principal amount of the Bonds to be called for redemption, the applicable redemption price or prices, the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption, and, in the case of redemption of less than all of the Outstanding Bonds pursuant to Section 5.01 hereof, the method of selection of Bonds chosen by the Foundation, provided that such certificate shall not be required with respect to a sinking fund redemption pursuant to Section 5.03 hereof and Bonds shall be called for redemption by the Trustee pursuant to such Section without the necessity of any action by the Foundation. In the case of every redemption, or in the case of any defeasance, the Trustee shall cause notice of such redemption or defeasance by electronic delivery or mailing by first-class mail a copy of the redemption notice or defeasance notice to the Authority and the Registered



Owners of the Bonds designated for redemption or defeasance in whole or in part, at their addresses as the same shall last appear upon the registration records or by electronic means to DTC or its successors, in each case not less than thirty (30) days prior to the redemption date or defeasance date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption or defeasance of such Bonds. Any notice of redemption by the Trustee may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to the pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Bonds called for redemption in the same manner as the original redemption notice was delivered or mailed, as the case may be.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof to be redeemed. If less than all of the Outstanding Bonds are redeemed, the Trustee shall, as may be necessary, calculate the revised sinking fund schedule based on a pro rata share of the Bonds then Outstanding.

**Section 5.06. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue.** On or before the thirtieth day prior to the redemption date specified in any notice of redemption of the Foundation delivered pursuant to Section 5.05 hereof (provided that such notice shall not be required with respect to a sinking fund redemption pursuant to Section 5.03 hereof), hereof, an amount of money sufficient to redeem all the Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Trustee by the Foundation; unless a conditional notice of redemption has been provided by the Trustee as provided for in Section 5.05 above. On the redemption date the principal amount of each Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article (except the last sentence of the first paragraph of Section 5.05 hereof), then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and such deposit having been made) the Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Authority shall be under no further liability in respect thereof, as provided in Section 3.20 hereof.

**Section 5.07. Cancellation.** All Bonds which have been redeemed and all Bonds delivered to the Trustee by the Foundation for cancellation shall be cancelled by the Trustee and destroyed as provided in Section 2.09 hereof.

**Section 5.08. Partial Redemption of Bonds.** Upon surrender of any Bond for redemption in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Registered Owner thereof, the cost of which shall be paid by the Foundation, a new Bond or Bonds of the same series, maturity, interest rate and of Authorized Denominations, in an

aggregate principal amount equal to that portion of the Bond not redeemed. The Trustee or the Foundation, at the cost of the Foundation, shall subscribe for new CUSIP numbers, if necessary, in connection with such partial redemption of Bonds.

**Section 5.09. No Partial Redemption in Event of Default.** Notwithstanding any provisions of this Article, the Bonds shall not be subject to partial redemption pursuant to Section 5.01 hereof if an Event of Default has occurred hereunder and has not been cured or otherwise waived by the Trustee for the purpose of making any such redemption payment.

## ARTICLE VI

### INVESTMENTS

**Section 6.01. Investment of Bond Principal Fund, Bond Interest Fund, Bond Reserve Fund, the Project Fund, Issuance Expense Fund, and Rebate Fund.** On instructions signed by an Authorized Representative of the Foundation and delivered to the Trustee, any moneys held as part of the Funds shall be invested by the Trustee in Investment Obligations (a) with respect to the Issuance Expense Fund and the Project Fund maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable as estimated by an Authorized Representative of the Foundation filed with the Trustee, (b) with respect to the Bond Principal Fund, the Bond Interest Fund and the Rebate Fund maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable as determined by the Trustee, and (c) with respect to the Bond Reserve Fund maturing at such times as determined in writing by an Authorized Representative of the Foundation. All such Investment Obligations purchased shall mature or be redeemable on a date or dates prior to the time when the moneys so invested will be required for expenditure. In the event the Trustee does not receive written investment instructions from the Foundation, the Trustee is directed to invest moneys held as part of the Funds in money market funds permitted pursuant to this Indenture. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the Foundation shall confirm that the investment transactions identified therein accurately reflect the investment directions of the Foundation, unless the Foundation notifies the Trustee in writing to the contrary within thirty (30) days of the date of such statement. The Trustee is specifically authorized to purchase or invest in, shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee or its affiliate may provide advisory, administrative, custodial, or other services for compensation); (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States; and (iii) maintains a constant asset value per share; provided that at the time of such investment therein, such investments are Investment Obligations; and, provided further that, the Trustee may implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

The Trustee shall value the Investment Obligations held within the Funds on each June 1 and December 1 of each year, commencing December 1, 2018. In computing for any purpose hereunder the amount in any Fund on any date, Investment Obligations purchased shall be

valued at the lesser of their market value or cost (with the exception of the Bond Reserve Fund, which shall be valued at its market value). The Trustee shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in a Fund is insufficient for the purposes of such Fund. The Trustee shall not be responsible for any depreciation in the value of any Investment Obligation or for any loss resulting from the sale of any Investment Obligation. The Trustee may make any and all investments permitted by the provisions of this Section through its trust departments or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees.

The Trustee hereby agrees to retain the documentation with respect to investments of moneys in the Funds as required by and as described in the Tax Compliance Certificate.

The Trustee may conclusively rely upon the written investment instructions of the Authorized Representative of the Foundation as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification to the Trustee that such directed investments constitute Investment Obligations and that such investments meet the requirements of 6.01(a), (b), and (c) above.

The Trustee may credit the Funds hereunder with amounts expected to be received from the sale or redemption of, or the earnings on, the investments in such Funds, prior to actual receipt of final payment thereof, and may advance funds to purchase directed investments in anticipation of receipt of such final payments. Any such credit or advance shall be conditional upon actual receipt by the Trustee of final payment and may be reversed if final payment is not actually received in full. The Foundation 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 Trustee's rights as a securities intermediary under Uniform Commercial Code § 9-206.

Although the Foundation recognizes that it may obtain brokerage confirmations or written statements containing comparable information at no additional cost, the Foundation agrees that brokerage confirmations are not required to be issued by the Trustee for each month in which a monthly statement of investments is provided by the Trustee.

Market values of Investment Obligations may be determined in accordance with the price provided by pricing services and sources relied upon by the Trustee, and the Trustee does not have any duty to independently value any asset or obligation other than the price provided by pricing services and sources relied upon by Trustee.

**Section 6.02. Tax Status of the Interest on the Bonds.** The Authority hereby acknowledges that in order to insure that the tax status of the interest on the Bonds is not adversely affected, it has secured from the Foundation the covenant set forth in Section 4.08 of the Loan Agreement.

**Section 6.03. Allocation and Transfers of Investment Income.** Any investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund from which the investment was made. Any loss resulting from such investments shall be charged to such Fund. Any interest or other gain from any Fund from any investment or

reinvestment pursuant to Section 6.01 hereof realized shall be retained therein or shall be allocated and transferred as follows:

(a) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Bond Principal Fund and the Bond Interest Fund shall be retained in the respective Fund unless a deficiency exists at the time such interest is received or other gain is realized in the Bond Reserve Fund, in which case such interest or other gain shall be paid into the Bond Reserve Fund forthwith.

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Bond Reserve Fund shall be credited to the Bond Reserve Fund if the amount therein is less than the Bond Reserve Fund Requirement. If the amount in the Bond Reserve Fund is equal to or greater than the Bond Reserve Fund Requirement immediately subsequent to any valuation required pursuant to Section 3.07 hereof, such amount in excess of the Bond Reserve Fund Requirement shall be paid into the Bond Interest Fund.

(c) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Project Fund shall be retained in the Project Fund unless a deficiency exists at the time such interest is received or other gain is realized in the Bond Reserve Fund, in which case such interest or other gain shall be paid in the Bond Reserve Fund forthwith.

(d) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Issuance Expense Fund shall be retained in the Issuance Expense Fund, until transferred pursuant to Section 3.13 hereof.

Notwithstanding the provisions of this Section, any interest or other gain from any Fund shall be transferred to the Rebate Fund to the extent required by the written direction of the Foundation pursuant to Section 4.07 of the Loan Agreement, except that no such transfer shall be made from any Fund if such transfer would cause the amount then on deposit in such Fund to be less than required by the provisions of this Indenture. Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Rebate Fund shall be retained in the Rebate Fund.

## ARTICLE VII

### DISCHARGE OF INDENTURE

**Section 7.01. Discharge of this Indenture.** If, when the Bonds secured hereby shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), together with all other sums payable hereunder, all amounts payable to the Authority and the Trustee under the Loan Agreement and/or under the Deed of Trust, as the case may be, and all amounts payable to the United States of America pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the “*Code*”), then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. Also if all Outstanding Bonds

secured hereby shall have been purchased by the Foundation and delivered to the Trustee for cancellation, and all other sums payable hereunder, all amounts payable to the Authority under the Loan Agreement, and all amounts payable to the United States pursuant to Section 148 of the Code have been paid, or provision shall have been made for the payment of the same, then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such events, upon the written request of the Foundation, the Trustee shall assign and transfer to the Foundation all property then held by the Trustee hereunder and shall execute such documents as may be reasonably required by the Foundation and shall turn over to the Foundation any surplus in any Fund pursuant to Section 3.23 hereof, except to the extent otherwise required by Section 4.08 of the Loan Agreement and Section 3.20 hereof.

Payment of any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if: (a) in case said Bond is to be redeemed on any date prior to its maturity, the Foundation shall have given to the Trustee irrevocable instructions to give on a date in accordance with the provisions of Section 5.05 hereof notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 5.05 hereof; (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be; (c) there shall have been delivered to the Trustee and the Authority a certificate from a firm of certified public accountants certifying as to the sufficiency of the deposit made pursuant to the preceding clause (b); (d) there shall have been delivered an opinion of nationally recognized bond counsel satisfactory to the Authority that such payment does not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes, and the defeasance is in accordance with the requirements of this Indenture; and (e) in the event said Bond is not by its terms subject to redemption within the next forty-five (45) days, the Foundation shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.05 hereof, a notice to the Authority and the Registered Owner of such Bond that the deposit required by clause (b) above has been made with the Trustee and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bond and stating whether any redemption provisions relating to the Bonds will remain in effect. Neither such securities nor moneys deposited with the Trustee pursuant to this Section or principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bond; provided any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in clause (b) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and premium, if

any, and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of any payment from such moneys or securities deposited with the Trustee.

The release of the obligations of the Authority and Foundation under this Section shall be without prejudice to the right of the Trustee or of the Authority to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

**Section 7.02. Liability of Authority Not Discharged.** Upon compliance with the provisions of Section 7.01 hereof with respect to all Bonds then Outstanding, this Indenture may be discharged in accordance with the provisions of this Article but the liability of the Authority in respect of such Bonds shall continue provided that the Registered Owners thereof shall thereafter be entitled to payment only out of the moneys or securities deposited with the Trustee as provided in Section 7.01 hereof.

## ARTICLE VIII

### DEFAULTS AND REMEDIES

**Section 8.01. Events of Default.** Each of the following is hereby defined as and shall be deemed an “*Event of Default*”:

- (a) default in the payment by the Authority of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, on a sinking fund payment date or upon proceedings for redemption;
- (b) default in the payment by the Authority of any installment of interest on any Bond when the same shall become due and payable;
- (c) default shall be made in the observance or performance of any covenant, agreement, contract or other provision in the Bonds or this Indenture contained (other than as referred to in subsections (a) or (b) of this Section) and such default shall continue for a period of thirty (30) days after written notice to the Authority, the Foundation and the Trustee from the Registered Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding or to the Authority and the Foundation from the Trustee, subject to Section 9.01(h) hereof, specifying such default and requiring the same to be remedied, provided, with respect to any such failure covered by this subsection (c), no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby; provided further, however, that failure to correct such default within ninety (90) days of receipt of such notice shall constitute an Event of Default; or



(d) the occurrence of an “event of default” under Section 10.01 of the Loan Agreement.

The foregoing provisions of this Section or any other provision of this Indenture or any other financing document notwithstanding, any Event of Default under this Section 8.01 (each a “*Foundation Related Default*”) shall not be deemed an Event of Default of the Authority, and the Authority shall not be considered to be in default of any of its obligations hereunder with respect thereto under any circumstances, as the Authority is merely acting in a conduit capacity hereunder and the Bonds are secured by and payable solely from amounts received from the Foundation or the Projects and the Trust Estate, consisting of the Pledged Revenues and other assets pledged hereto, and is not a debt or indebtedness of the Authority. Any remedial action hereunder with respect to a Foundation Related Default is therefore limited to action against the Trust Estate.

**Section 8.02. Remedies on Events of Default.** Upon the occurrence of an Event of Default, the Trustee shall have the following rights and remedies:

(a) ***Acceleration.*** The Trustee (i) may by notice in writing given to the Authority and the Foundation or (ii) shall, upon the written request of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, declare the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Authority and the Trustee shall immediately declare all Loan Payments under the Loan Agreement to be immediately due and payable as provided in Section 10.02 of the Loan Agreement.

(b) ***Receivership.*** Upon the filing of foreclosure under the Deed of Trust or the filing of a separate action for receivership (whether or not concurrent with foreclosure and not dependent upon the filing of any such foreclosure to enforce the rights of the Trustee and of the Registered Owners), the Trustee shall be entitled as a matter of right (on an *ex parte* basis and without notice) to the appointment of a receiver or receivers of the Trust Estate, and of the rents, revenues, income, products and profits thereof, pending such proceedings, but, notwithstanding the appointment of any receiver, trustee or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities or other instruments at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.

(c) ***Foreclosure.*** Foreclosure under the Deed of Trust on or against all or any portion of the Facility or any interest of the Authority or the Trustee therein with the power of sale as and to the extent permitted of a mortgagee or beneficiary by the laws of the State and exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto, and to realize upon the security interest in the Pledged Revenues and exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto.



(d) ***Suit for Judgment on the Bonds.*** The Trustee shall be entitled to sue for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture, for the enforcement of any of its rights, or the rights of the Registered Owners, but any such judgment against the Authority shall be enforceable only against the Trust Estate. No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the Registered Owners of the Bonds, but such lien, rights, powers and remedies of the Trustee, and of the Registered Owners shall continue unimpaired as before. Pursuant to the Loan Agreement, other than amounts to be paid pursuant to Section 5.02(d) and (f) of the Loan Agreement and amounts payable pursuant to the indemnification provisions of Section 8.06 of the Loan Agreement which are general obligations of the Foundation, any recovery against the Foundation is limited to the Pledged Revenues and amounts realized from the foreclosure of the Deed of Trust on the Facility granted by the Loan Agreement and the Deed of Trust. The obligations of the Foundation under the Loan Agreement, other than amounts to be paid pursuant to Section 5.02(d) and (f) of the Loan Agreement and amounts payable pursuant to the indemnification provisions of Section 8.06 of the Loan Agreement, are not general obligations of the Foundation; and none of the Trustee, the Authority or the Registered Owners of the Bonds shall have any recourse to any Property, funds or assets of the Foundation (other than the Pledged Revenues and the Facility) with respect to such obligations.

If written notice is given by the Registered Owners or the Trustee under Section 8.01(c) hereof, the Trustee shall immediately give written notice with respect to such default to the Foundation under Section 10.01(d) of the Loan Agreement.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

If any Event of Default shall have occurred and if requested by the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and indemnified as provided in Section 9.01 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Registered Owners.

**Section 8.03. Direction of Remedies.** Anything in this Indenture to the contrary notwithstanding, the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, with the exception of the Trustee's exercise of remedies, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, or any other proceedings or remedies hereunder, provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee shall not be required to act on any direction given to it pursuant to this Section unless indemnified as provided in Section 9.01 hereof.

**Section 8.04. Rights and Remedies of Registered Owners.** No Registered Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which by Section 9.01(h) hereof it is deemed to have notice, nor unless such default shall have become an Event of Default and the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless they have also offered to the Trustee indemnity as provided in Section 9.01 hereof nor unless the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time (not to exceed thirty (30) days) the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request, and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Registered Owners of the Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Registered Owner of Bonds to enforce the payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of, premium, if any or interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Bonds to the respective Registered Owners of the Bonds at the time and place, from the source and in the manner herein and in the Bonds expressed. For purposes of this Section, so long as the Bonds are held by DTC pursuant to the provisions of Section 2.12 hereof, the Trustee shall be permitted to accept direction from the Beneficial Owners of the Bonds, rather than the Registered Owner, upon receipt of appropriate certification of such beneficial ownership by the Beneficial Owners satisfactory to the Trustee.

**Section 8.05. Application of Moneys.** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate shall, after payment of first, the actual and reasonable costs and expenses of the proceedings resulting in the collection of such moneys and the fees and expenses, liabilities and advances incurred or made by the Trustee or the Authority, including any unpaid fees, costs or expenses or attorneys' fees, as well as the payment of fees, costs and expense of the Authority and any other payments due to the Authority in respect of the Unassigned Rights (including, without limitation, indemnification payments) provided, that payment of amounts due to the Authority under this Section 8.05 shall not absolve the Foundation from liability therefor except of the amounts received from the Trustee, be held or deposited into the Bond Principal Fund and the Bond Interest Fund during the continuance of an Event of Default and shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

SECOND, to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been 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 the Bonds 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 pursuant to the provisions of this Section, subject to the terms of Section 3.07 above, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, in its reasonable discretion, 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 Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) 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 Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds, the premium, if any, and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Trustee and the Annual Fee and all other amounts to be paid to the Authority hereunder or under the Loan Agreement have been paid, any balance remaining in the Funds shall be applied as provided in Section 3.23 hereof.

**Section 8.06. Trustee May Enforce Rights Without Bonds.** All rights of action and claims under this Indenture or any of the Bonds Outstanding may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds.

**Section 8.07. Trustee to File Proofs of Claim in Receivership, Etc.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Trust Estate or the Foundation, the Authority or the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and the Authority, and of the Registered Owners allowed in such proceedings for the entire amount due and payable by the Authority (but solely and exclusively from the Trust Estate) under this Indenture, or by the Foundation, as the case may be, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Registered Owner to file a claim in his or her own behalf.

**Section 8.08. Delay or Omission No Waiver.** No delay or omission of the Trustee or of any Registered Owner to exercise any right or power accruing upon any default shall exhaust or 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 Indenture may be exercised from time to time and as often as may be deemed expedient.

**Section 8.09. No Waiver of One Default to Affect Another.** No waiver of any default hereunder, whether by the Trustee or the Registered Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

**Section 8.10. Discontinuance of Proceedings on Default; Position of Parties Restored.** In case the Trustee or the Registered Owners shall have proceeded to enforce any rights under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Registered Owners, then and in every such case the Authority, the Trustee and the Registered Owners shall be restored to their former position and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Authority, the Trustee and the Registered Owners shall continue as if no such proceedings had been taken.

**Section 8.11. Waivers of Events of Default.** The Trustee may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity

of principal of and interest on the Bonds, and shall do so upon the written request of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding in respect of which a default exists; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of or premium on any Outstanding Bonds at the date of maturity or redemption thereof or any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of the principal and premium, if any, and all reasonable fees and expenses of the Trustee, and all amounts to be paid to the Authority hereunder and under the Loan Agreement, in connection with such default shall have been paid or provided for or (b) any default in the payment of amounts set forth in Section 5.02(e) of the Loan Agreement. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon. No waiver of any Event of Default in respect of the Unassigned Rights may be made except upon the express written consent of the Authority.

## ARTICLE IX

### CONCERNING THE TRUSTEE

**Section 9.01. Duties of the Trustee.** The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In the case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any right or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts hereof or powers hereunder and perform any of its duties by or through attorneys, agents, employees or receivers but shall be answerable for the conduct of the same in accordance with the standard specified in subsection (g) of this Section, and shall be entitled to rely and act upon the advice or an Opinion of Counsel concerning all matters of the trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or



omitted to be taken in good faith in reliance upon such legal advice or Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for insuring the Facility or for evaluating the sufficiency of any policies of insurance or self insurance, or collecting any insurance moneys or for the validity of the execution by the Authority of this Indenture, financing statement (other than continuation statements as provided in subsection (q) of this Section) or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of UCC financing statements as provided in subsection (q) of this Section) or for the value of or title to the Facility, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority, or on the part of the Foundation, except as hereinafter expressly set forth; but the Trustee may require of the Foundation full information and advice as to the performance of the covenants, conditions, and agreements contained herein, and as to the condition of the Facility, in the Loan Agreement or under the Deed of Trust. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.01 hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee), or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its individual or any other capacity, may become the Registered Owner or Beneficial Owner of the Bonds with the same rights which it would have if not Trustee. The Trustee shall not be accountable for the use or application by the Authority or the Foundation of the proceeds of any of the Bonds or of any money paid to or upon the order of the Authority or Foundation under any provision of this Indenture, the Lease or the Loan Agreement.

(e) The Trustee may conclusively rely on and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this

Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Authority by an Authorized Representative of the Authority or on behalf of the Foundation by an Authorized Representative of the Foundation or such other Person as may be designated for such purpose by the Authority or the Foundation as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Foundation to cause to be made any of the payments to the Trustee required to be made hereunder unless the Trustee has actual notice thereof or the Trustee shall be specifically notified in writing of such default by the Authority or the Registered Owners of at least a majority in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the designated office of the Trustee, or at such other location as it shall designate, and, in the absence of such notice so delivered, the Trustee may conclusively assume that there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder.

(j) At any and all reasonable times the Trustee, and its duly authorized attorneys, experts, engineers, accountants, agents and representatives, shall have the right, but shall not be required, to inspect any and all of the Trust Estate, including all books, papers and records of the Authority and Foundation pertaining to the Facility, the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.



(l) Notwithstanding anything in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Authority or the Foundation to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(m) Before taking any action under this Indenture, other than payment of monies on deposit in any of the funds as provided for herein, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses (including reasonable attorneys' fees and expenses) which it may incur and to protect it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

(n) The Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder unless it has received assurances satisfactory to it that it will be repaid.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum, remarketing circular or other disclosure material prepared or distributed with respect to the Bonds, except for written information provided by the Trustee specifically for inclusion in such document, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(p) The Trustee makes no representations as to the validity or sufficiency of this Indenture, the Loan Agreement, the Deed of Trust, the Lease or the Bonds, assumes no responsibility for the correctness of the same, and shall incur no responsibility in respect to such validity or sufficiency.

(q) The Trustee shall be responsible for filing any UCC continuation statements necessary to preserve the security interest securing payment of the Bonds. The Authority shall have no responsibility for the filing, perfection or continuation of any security interest created under this Indenture or the Loan Agreement. Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interest, 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 the UCC. In addition, unless the Trustee shall have been notified in writing by the Authority or the Corporation that any such initial filing or description of collateral was or has become defective, the 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 paragraph and (b) filing any continuation statements in the same

filing offices as the initial filings were made. The Trustee shall file continuation statements with respect to each UCC financing statement relating to the Trust Estate filed by the Authority or the Foundation at the time of the issuance of the Bonds; provided that a copy of the filed initial financing statement is timely delivered to the Trustee. The Foundation shall be responsible for the customary fees charged by the Trustee for the preparation and filing of continuation statements and for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder.

(r) The Trustee shall provide any information to the dissemination agent under the Continuing Disclosure Agreement, received pursuant to Section 10.11 of the Lease or Section 8.05 of the Loan Agreement, upon the request of the dissemination agent. The Trustee shall have no duty or obligation to monitor compliance by the Foundation with in the Continuing Disclosure Agreement.

(s) The Trustee may inform the Registered Owners of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for the Trustee to foreclose upon, manage, maintain or operate the Facility, if the Trustee in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

(t) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, 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 indemnity satisfactory to it against such risk or liability is not assured to it.

(u) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services.

(v) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it be deemed to be in its capacity as Trustee, registrar, or paying agent.

(w) The Trustee shall be under no responsibility to approve or evaluate any Consultant, Consulting Architect, Insurance Consultant, counsel, expert or other skilled person selected by the Foundation, the Charter School or the Authority for any of the purposes expressed in any of the Bond Documents.

(x) The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture or other Bond Documents sent by Electronic Means; provided, however, that the Foundation and the Charter School shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions (“*Authorized Officers*”), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Foundation or the Charter School elects to give the Trustee instructions by Electronic Means and the Trustee in its discretion elects to act upon such instructions, the Trustee’s understanding of such instructions shall be deemed controlling. Each of the Foundation and the Charter School agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Foundation and the Charter School shall be responsible for ensuring that only their respective Authorized Officers transmit such instructions to the Trustee, and the Foundation, the Charter School and their Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. Each of the Foundation and the Charter School agrees (i) to assume all risks arising out of the use of such Electronic Means to submit instructions and direction to the Trustee, including without limitation the risk of the 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 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 Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

**Section 9.02. Fees and Expenses of Trustee.** The Trustee shall be entitled to payment and reimbursement for its reasonable fees for its ordinary services rendered hereunder as and when the same become due (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances, agent fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such services, including legal fees and expenses, as and when the same become due. If it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefore. The Trustee shall have a first lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred. The Trustee’s right to compensation and indemnification shall

survive the satisfaction and discharge of this Indenture or its resignation or removal hereunder and payment in full of the Bonds.

**Section 9.03. Resignation or Replacement of Trustee.** The present or any future Trustee may resign by giving to the Authority, the Foundation and the Registered Owners thirty (30) days' notice of such resignation. Such resignation shall take effect immediately on the appointment of a successor. The present or any future Trustee may be removed at any time by an instrument in writing by the Authority or by the Registered Owners of a majority in aggregate principal amount of the Bonds and such removal shall take effect immediately on the appointment of a successor. The Trustee may also be removed at any time for any breach of the trust set forth herein. If no successor is appointed within thirty (30) days following the date designated in the notice for the Trustee's resignation to take effect, the resigning or removed Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding by an instrument or concurrent instruments signed by such Registered Owners, or their attorneys-in-fact duly appointed; provided that the Authority (with the consent of the Foundation so long as the Foundation is not in default under the Loan Agreement) may appoint a successor until a new successor shall be appointed by the Registered Owners as herein authorized. The Authority upon making such appointment shall forthwith give notice thereof to the Registered Owners and the Foundation, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Authority shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Every successor shall always be a bank or trust company in good standing, be qualified to act hereunder, be subject to examination by a federal or state authority and have capital and surplus of not less than seventy-five million dollars. Any successor appointed hereunder shall execute, acknowledge and deliver to the Authority an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein and thereupon the duties and obligations of the predecessor shall cease and terminate; but the Trustee retiring shall, nevertheless, on the written demand of its successor, and upon payment of the fees and expenses owed to the predecessor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, who shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Authority be reasonably required by any successor for such vesting and confirming, the Authority shall execute, acknowledge and deliver the said deeds, conveyances and instruments on the request of such successor.

The notices provided for in this Section to be given to the Registered Owners shall be given by the Trustee by mailing to the Registered Owners of the Bonds at their addresses as the

same shall last appear upon the registration records. The notices provided for in this Section to be given to the Authority, the Foundation and the retiring Trustee shall be given in accordance with Section 11.07 hereof.

The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded.

**Section 9.04. Conversion, Consolidation or Merger of Trustee.** Any bank or trust company into which the Trustee or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or transfer its municipal corporate trust business as a whole or substantially as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds to be issued hereunder shall have been authenticated, but not delivered, any successor Trustee may adopt the certificate of any predecessor Trustee, and deliver the same as authenticated; and, in case any of such Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of such successor Trustee.

**Section 9.05. Direct Payment by State Treasurer or Charter Authorizer to Trustee.** The Trustee shall, during the Lease Term (as defined in the Lease), take or cause to be taken such actions, in accordance with the terms of the Loan Agreement and this Indenture, as appropriate to cause direct payment of Base Rents to be made to the Trustee by the State Treasurer or, if the State Treasurer does not so agree, by the Charter Authorizer, pursuant to and in accordance with the Colorado Charter School Intercept Program.

**Section 9.06. Notices to Registered Owners.** If an Event of Default occurs of which the Trustee is, pursuant to Section 9.01(h) hereof, deemed to have notice or is required to take notice, or if notice of an Event of Default is given as provided in said Section, then the Trustee shall, within thirty (30) days, give written notice thereof to the Registered Owners of all Bonds then Outstanding, unless such Event of Default has been cured or waived.

## **ARTICLE X**

### **SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE LOAN AGREEMENT, DEED OF TRUST AND THE LEASE**

**Section 10.01. Supplemental Indentures Not Requiring Consent of Registered Owners.** The Authority may and, at the written direction of the Foundation, the Trustee may, without the consent of, or notice to, the Registered Owners, enter into such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) for any one or more or all of the following purposes:

(a) to add to the covenants and agreements in this Indenture contained other covenants and agreements thereafter to be observed for the protection or benefit of the Registered Owners;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision, including revisions to the legal description of the Facility, contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Registered Owners of the Bonds;

(c) to provide for the issuance of Additional Bonds issued pursuant to Section 2.11 hereof;

(d) to subject to the lien of this Indenture additional revenues, properties or collateral; or

(e) to modify, alter, amend or supplement this Indenture in such a manner as shall permit the qualification hereof under the Trust Indenture Act of 1939, as from time to time amended.

**Section 10.02. Supplemental Indentures Requiring Consent of Registered Owners.**

Exclusive of supplemental indentures covered by Section 10.01 hereof, the Registered Owners of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Authority and the Trustee, at the written direction of the Foundation, of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Registered Owners whose approval is required under this Section 10.02 and the Authority for the purpose of modifying altering amending adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that without the consent of the Registered Owners of all the Bonds at the time Outstanding and adversely affected thereby nothing herein contained (exclusive of supplemental indentures covered by Section 10.01 hereof) shall permit, or be construed as permitting:

(a) an extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Bond;

(b) the deprivation of the Registered Owner of any Bond then Outstanding of the lien created by this Indenture (other than as permitted hereby when such Bond was initially issued);

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or

(d) a reduction in the aggregate principal amount of the Bonds, if any, required for consent to such supplemental indenture or amendment to the Loan Agreement, the Lease or the Deed of Trust.



If at any time the Authority shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being reasonably indemnified by the Foundation with respect to expenses, mail by first-class mail notice of the proposed execution of such supplemental indenture to the Registered Owners of the Bonds at their addresses as the same shall last appear upon the registration records or by electronic notice to DTC or its successors. Such notice shall be prepared by or on behalf of the Authority or the Foundation, briefly set forth the nature of the proposed supplemental indenture and state that copies thereof are on file at the designated office of the Trustee for inspection by all Registered Owners. If, within sixty (60) days following the mailing or sending of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding on the dated date of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Registered Owner of any Bond shall have any right 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 Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

**Section 10.03. Execution of Supplemental Indentures.** The Trustee is authorized to join with the Authority in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any such supplemental indenture which materially adversely affects its rights, duties, or immunities under this Indenture. The Trustee shall require delivery of an opinion of nationally recognized municipal bond counsel addressed to the Trustee and the Authority to the effect that each such supplemental indenture (a) has been validly authorized and duly executed by the Authority and is enforceable against the Authority in accordance with its terms, (b) will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act, (c) will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes, and (d) is permitted pursuant to the terms of this Indenture. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Bonds issued thereafter, if any.

**Section 10.04. Consent of Foundation.** Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Foundation shall have consented to the execution and delivery of such supplemental indenture, unless an Event of Default has occurred and is continuing under the Loan Agreement.

**Section 10.05. Consent of Charter School.** Anything herein to the contrary notwithstanding, so long as the Lease is in effect and no Event of Default or Event of Nonappropriation (each as defined therein) has occurred and is continuing thereunder, a supplemental indenture under this Article shall not become effective unless and until the Charter School shall have consented to the execution and delivery of such supplemental indenture unless an Event of Nonappropriation or an Event of Default shall have occurred under the Lease.



**Section 10.06. Amendments, Etc., of the Loan Agreement or Deed of Trust Not Requiring Consent of Registered Owners.** The Authority and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of the Loan Agreement or the Deed of Trust as such amendment may be required (a) by the provisions of the Loan Agreement or this Indenture, (b) to conform such documents or otherwise for the purpose of curing any ambiguity or formal defect or omission, or (c) in connection with any other change therein which is not to the material adverse prejudice of the Trustee or the Registered Owners of the Bonds.

**Section 10.07. Amendments, Etc., of the Loan Agreement or Deed of Trust Requiring Consent of Registered Owners.** Except for the amendments, changes or modifications referred to in Section 10.06 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement or Deed of Trust without giving notice to and receiving the written approval or consent of the Registered Owners of not less than 66-2/3% in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Authority and the Foundation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement or the Deed of Trust, the Trustee shall, upon being reasonably indemnified by the Foundation with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall be prepared by or on behalf of the Authority or the Corporation briefly set forth the nature of such proposed amendment, change or modification and state that copies of the instrument embodying the same are on file at the designated office of the Trustee for inspection by all Registered Owners. If, within sixty (60) days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owner of any Bond shall have any right 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 Trustee, the Foundation or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

**Section 10.08. Execution of Amended Loan Agreement or Deed of Trust.** The Trustee shall, prior to its consent to any amendment, change or modification to the Loan Agreement or Deed of Trust, require delivery of an opinion of (a) nationally recognized municipal bond counsel addressed to the Trustee and the Authority to the effect that such amendment, change or modification to the Loan Agreement or Deed of Trust (i) will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act, (ii) will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is intended to be excluded from gross income for federal income tax purposes, and (iii) is permitted pursuant to the terms of this Indenture; and (b) counsel to the Corporation and/or the Authority to the effect that such supplement, amendment or change to the Loan Agreement or Deed of Trust has been validly authorized and duly executed by the Authority and the Corporation, as applicable, and is enforceable against the Authority and the Corporation in accordance with its terms, as

applicable. After execution thereof, any supplemental amendment, modification or change to the Loan Agreement or Deed of Trust executed in accordance with the provisions of this Article shall thereafter form a part of the Loan Agreement or Deed of Trust (as applicable) and all the terms and conditions contained in any such amendment, modification or change to the Loan Agreement or Deed of Trust (as applicable) as to any provision authorized to be contained therein shall be deemed to be part of the Loan Agreement or Deed of Trust (as applicable) for any and all purposes.

**Section 10.09. Amendments, Etc., of the Lease Not Requiring Consent of Registered Owners.** The Authority and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of the Lease as may be required (a) by the provisions of the Lease or this Indenture, (b) to conform such documents or otherwise for the purpose of curing any ambiguity or formal defect or omission, or (c) in connection with any other change therein which is not to the material adverse prejudice of the Trustee or the Registered Owners of the Bonds.

**Section 10.10. Amendments, Etc., of the Lease Requiring Consent of Registered Owners.** Except for the amendments, changes or modifications referred to in Section 10.09 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Lease without giving notice to and receiving the written approval or consent of the Registered Owners of not less than 66-2/3% in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Foundation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon being reasonably indemnified by the Foundation with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall be prepared by or on behalf of the Foundation, briefly set forth the nature of such proposed amendment, change or modification and state that copies of the instrument embodying the same are on file at the designated office of the Trustee for inspection by all Registered Owners. If, within sixty days following the sending of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owner of any Bond shall have any right 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 Trustee, the Authority, the Foundation or the Charter School from executing the same or from taking any action pursuant to the provisions thereof.

**Section 10.11. Execution of Amended Lease.** The Trustee shall, prior to its consent to any supplement, amendment or change to the Lease, require delivery of an opinion of (a) nationally recognized municipal bond counsel addressed to the Trustee and the Authority to the effect that such supplement, amendment or change to the Lease (i) will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act, (ii) will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes, and (iii) is permitted pursuant to the terms of this Indenture; and (b) counsel to the

Foundation and/or the Charter School to the effect that such supplement, amendment or change to the Lease has been validly authorized and duly executed by the Charter School and the Foundation, as applicable, and is enforceable against the Foundation and the Charter School in accordance with its terms, as applicable. After execution thereof, any supplement, amendment, modification or change to the Lease executed in accordance with the provisions of this Article shall thereafter form a part of the Lease and all the terms and conditions contained in any such supplement, amendment, modification or change to the Lease as to any provision authorized to be contained therein shall be deemed to be part of the Lease for any and all purposes.

## **ARTICLE XI**

### **MISCELLANEOUS**

#### **Section 11.01. Evidence of Signature of Registered Owners and Ownership of Bonds.**

Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Registered Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Registered Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the registered ownership of Bonds shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Registered Owner or his or her attorney of such instrument may be proven by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The registered ownership of any Bond and the amount and numbers of such Bonds and the date of owning the same shall be proven by the registration records of the Authority kept by the Trustee.

Any request or consent of the Registered Owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or the Trustee in accordance therewith.

**Section 11.02. Parties Interested Herein.** With the exception of rights herein expressly conferred on the Foundation, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon or to give to, any Person other than the Authority, the Trustee and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Registered Owners of the Bonds.

**Section 11.03. Titles, Headings, Etc.** The titles and headings of the articles, sections, and subsections of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

**Section 11.04. Severability.** In the event any provision of this Indenture 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 11.05. Governing Law.** This Indenture shall be governed by and construed in accordance with the laws of the State, regardless of the location of the principal or any other office of the Trustee.

**Section 11.06. Execution in Counterparts; Facsimile and PDF Signatures.** This Indenture 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. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes, except for the certificate of authentication on the Bonds (which must be manually signed by an authorized representative of the Trustee) and instruments of transfer of the Bonds. Signature pages of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

**Section 11.07. Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) provided by electronic means, (b) mailed by certified or registered mail, postage prepaid, (c) deposited with any nationally recognized overnight delivery service that routinely issues receipts, or (d) personally delivered by any courier service that routinely issues receipts: if to the Authority, at 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director, Colorado Educational and Cultural Facilities Authority, if to the Foundation, to Stargate Foundation, 14530 Washington Street, Thornton, Colorado 80023, Attention: President; if to the Charter School, to Stargate Charter School, 14530 Washington Street, Thornton, Colorado 80023, Attention: President; if to the Trustee, at 1001 17th Street; Suite 850, Denver, Colorado 80202, Attention: Corporate Trust Department; and if to the Underwriter, to D.A. Davidson & Co., at 1550 Market Street, Suite 300, Denver, Colorado 80202, Attention: Eric Duran. A duplicate copy of each notice, certificate, or other communication given hereunder by the Authority or the Trustee, shall also be given to the Foundation. The Authority, the Foundation, the Trustee and the Underwriter may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 11.08. Payments Due on Holidays.** If the date for making any payment or the last day for performance of any act or the exercise of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day unless otherwise provided herein with the same force and effect as if done on the nominal date provided in this Indenture.

**Section 11.09. No Personal Liability of Officials of the Authority or the Trustee.** No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the

covenant or agreement of any elected or appointed director, official, officer, agent, attorney, servant or employee of the Authority in his or her individual capacity or any director, board member, officer, agent, attorney, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 11.10. No Pecuniary Liability of the Authority.** No provision, covenant or agreement contained in this Indenture or any obligations herein imposed upon the Authority, or the breach thereof, shall constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Authority has not obligated itself except with respect to the application of the Trust Estate for payment of the Bonds under this Indenture.

**Section 11.11. Bonds Owned by the Authority or the Foundation.** In determining whether Registered Owners of Bonds in the requisite aggregate principal amount have concurred in any direction, consent or waiver under this Indenture, Bonds which are owned by the Authority or the Foundation or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Foundation (unless the Authority, the Foundation or such person owns all the Bonds which are then Outstanding) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only the Bonds which the Trustee knows are so owned shall be so disregarded. The Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or the Foundation or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Foundation. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

**Section 11.12. Retention of Records.** The Trustee will retain all of its records relating to the Bonds and this Indenture (including but not limited to any rebate calculations and payments) for a period of four years after the later of (i) payment in full of the Bonds or (ii) payment in full of any bonds issued to refund the Bonds.

**Section 11.13. Electronic Storage; Electronic Signature.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

In the event that any individual or individuals who are authorized to execute this Indenture on behalf of the Authority or the Trustee are not able to be physically present to manually sign this Indenture, such individual or individuals are hereby authorized to execute this Indenture electronically via facsimile or email signature. The authority to use electronic

signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Indenture or the other Bond Documents shall carry the full legal force and effect of any original, handwritten signature, except for the certificate of authentication on the Bonds (which must be manually signed by an authorized representative of the Trustee) and instruments of transfer of the Bonds.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Indenture to be executed in their respective corporate names and attested by their duly authorized officers, all as of the date first above written.

[SEAL]

COLORADO EDUCATIONAL AND  
CULTURAL FACILITIES AUTHORITY

By \_\_\_\_\_  
Mark Heller, Executive Director

ZIONS BANCORPORATION,  
NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

[Signature page to Indenture of Trust – Stargate Charter School]



STATE OF COLORADO )  
 ) ss.  
COUNTY OF JEFFERSON )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2025, by Mark Heller, as Executive Director of the Colorado Educational and Cultural Facilities Authority, an independent public body politic and corporate constituting a public instrumentality.

Witness my hand and official seal.

(SEAL)

Notary Public for the State of Colorado

[Notary page to Indenture of Trust – Stargate Charter School]



CASEY PARROT LLC  
DRAFT 06/05/2025

After Recording Please Return to:  
Casey Parrot LLC  
2205 W 136th Avenue, Suite 106-226  
Broomfield, Colorado 80023  
Attention: Hester M. Parrot, Esq.

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**AMENDED AND RESTATED  
LEASE AGREEMENT**

**by and between**

**STARGATE CHARTER SCHOOL,  
as Lessee**

**and  
STARGATE FOUNDATION,  
as Lessor**

**Dated as of June 1, 2025**

**The interest of Stargate Foundation in this Amended and Restated Lease Agreement has been assigned to Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), as trustee (the “Trustee”) under the Amended and Restated Indenture of Trust, dated as of June 1, 2025, by and between the Colorado Educational and Cultural Facilities Authority and the Trustee, and is subject to the security interest of the Trustee.**

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## AMENDED AND RESTATED LEASE AGREEMENT

**THIS AMENDED AND RESTATED LEASE AGREEMENT** (as amended or supplemented from time to time, this “*Lease*”) is dated as of June 1, 2025 and is entered into by and between **STARGATE FOUNDATION** (the “*Foundation*”), a Colorado nonprofit corporation duly organized and validly existing under the laws of the State of Colorado (the “*State*”), as lessor, and **STARGATE CHARTER SCHOOL** (the “*Charter School*”), a Colorado nonprofit corporation and public charter school duly organized and validly existing pursuant to the Charter Schools Act (defined below), as lessee, and amends and restates the Lease Agreement dated July 1, 2018, recorded with Clerk and Recorder of Adams County, Colorado on July 19, 2018 at reception number 2018000057901, by and between the Foundation and the Charter School (the “*Original Lease*”).

### WITNESSETH;

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Lease, and if not defined below, shall have the definition or the same meaning set forth in the Amended and Restated Loan and Security Agreement, dated as of June 1, 2025 (the “*Loan Agreement*”), by and between the Colorado Educational and Cultural Facilities Authority (the “*Authority*”) and Foundation, which amends and restates the Loan and Security Agreement, dated as of July 1, 2018 (the “*Original Loan Agreement*”) recorded with Clerk and Recorder of Adams County, Colorado at reception number 2018000057900, by and between the Authority and the Foundation; and

WHEREAS, the Charter School is a Colorado nonprofit corporation and a public charter school duly organized and validly existing pursuant to the Charter Schools Act, Article 30.5 of Title 22, Colorado Revised Statutes, as amended (the “*Charter Schools Act*”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986; and

WHEREAS, the Charter School is authorized by Section 22-30.5-104(7)(b) of the Charter Schools Act to contract with any third party for the use of a school building and grounds; and

WHEREAS, the Foundation (a) is a nonprofit corporation organized, existing and in good standing under the laws of the State, and (b) is authorized under its articles of incorporation, bylaws, action of its governing body and applicable law, to own and manage its properties, to conduct its affairs in the State, to lease the Leased Property (defined below) pursuant to this Lease to the Charter School and to otherwise act in the manner contemplated herein; and

WHEREAS, the Charter School has determined that it is in the best interest of the Charter School to lease from the Foundation the Leased Property pursuant to this Lease; and

WHEREAS, in order to refinance the Leased Property, the Foundation has previously entered into the Original Loan Agreement, with the Authority under which the Authority made a loan (the “*Original Loan*”) to the Foundation and which Original Loan was secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of July 1, 2018, from the Foundation to the Public Trustee in and for the County of Adams for the benefit of the Trustee recorded with Clerk and Recorder of Adams County, Colorado at reception number

2018000057902 (the “*Original Deed of Trust*”) encumbering the Leased Property and the Original Lease; and

WHEREAS, in order to fund the Original Loan made to the Foundation pursuant to the Original Loan Agreement, the Authority has entered in to an Indenture of Trust, dated as of July 1, 2018 (the “*Original Indenture*”), by and between the Authority and Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), solely in its capacity as trustee thereunder (the “*Trustee*”), pursuant to which the Authority issued its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A in the original aggregate principal amount of \$40,585,000 and its Charter School Refunding Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2018B in the original aggregate principal amount of \$195,000 (collectively, the “*Series 2018 Bonds*”), all as more particularly set forth in the Original Indenture, the proceeds of which were used to fund the Original Loan; and

WHEREAS, in order to finance improvements to the Leased Property, the Foundation has entered into the Loan Agreement, with the Authority under which the Authority will make a loan (the “*2025 Loan*” and together with the Original Loan, the “*Loan*”) to the Foundation and which Loan is secured by an Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2025, from the Foundation to the Public Trustee in and for the County of Adams for the benefit of the Trustee (the “*Deed of Trust*”), which amends and restates the Original Deed of Trust, encumbering the Leased Property and the Lease; and

WHEREAS, in order to fund the Loan made to the Foundation pursuant to the Loan Agreement, the Authority has entered in to an Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the “*Indenture*”), by and between the Authority and the Trustee, which amends and restates the Original Indenture, pursuant to which the Authority will issue its Charter School Revenue Bonds (Stargate Charter School Project), Series 2025A in the original aggregate principal amount of \$[A-PAR] and its Charter School Revenue Bonds (Stargate Charter School Project), Federally Taxable Series 2025B in the original aggregate principal amount of \$[B-PAR], all as more particularly set forth in the Indenture, the proceeds of which will be used to fund the 2025 Loan; and

WHEREAS, pursuant to the Loan Agreement, the Foundation has (a) assigned to the Trustee, on behalf of the Authority, all of the Foundation’s right, title and interest as landlord in, to and under this Lease; and (b) granted a security interest to the Authority in the rents and income from the Leased Property to secure repayment of amounts due under the Loan Agreement for the benefit of the Authority and its successors and assigns; and

WHEREAS, pursuant to the Deed of Trust the Foundation has granted a lien on the Leased Property to the Trustee to secure repayment of amounts due under the Loan Agreement; and

WHEREAS, the Base Rents and Additional Rents (both as hereinafter defined) payable by the Charter School hereunder shall constitute currently appropriated expenditures of the Charter School and shall not constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the Charter School or a mandatory charge or requirement against the Charter



School in any Fiscal Year (as hereinafter defined) beyond the Fiscal Year for which such payments have been appropriated; and

WHEREAS, the execution, delivery and performance of this Lease by the Charter School are in the best interest of the Charter School, serve a public purpose, and have been duly authorized by the governing board of the Charter School; and

WHEREAS, the execution, delivery and performance of this Lease, the assignment by the Foundation to the Authority and the Trustee, pursuant to the Loan Agreement, Indenture and the Deed of Trust, of all right, title and interest of the Foundation in, to and under this Lease and the grant by the Foundation of a security interest to the Authority, pursuant to the Loan Agreement, and a lien against the Leased Property pursuant to the Deed of Trust, are in the best interest of the Foundation and have been duly authorized by the governing body of the Foundation; and

WHEREAS, the Foundation desires to lease the Leased Property to the Charter School, and the Charter School desires to lease the Leased Property from the Foundation, pursuant to the terms and conditions and for the purposes set forth in this Lease, subject in all respects to the liens evidenced by the Loan Agreement and the Deed of Trust.

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

All words and phrases capitalized but not defined herein, shall have the meaning defined in Article I of the Indenture and Article I of the Loan Agreement. In addition, the following terms, except where the context indicates otherwise, shall have the meanings in this Lease set forth below:

*“Additional Rents”* means the cost of all taxes; insurance premiums; reasonable expenses and fees of the Authority, the Trustee and the Foundation (including, but not limited to, filing fees, licenses, permits, any legal expenses incurred by the Foundation, or its officers or directors in their official or personal capacity, as provided in Section 13.01 hereof, and other expenses of the Foundation incurred in the performance of its obligations under the Loan); any fees of a Consultant; the administrative fee charged by the State Treasurer pursuant to the Colorado Charter School Intercept Program Application; utility charges; the ten basis points of the principal amount of the Bonds Outstanding payable to the State Treasurer pursuant to the Colorado Charter School Debt Reserve Program and such greater amounts as may be charged from time to time; costs of maintenance, upkeep, repair, restoration, modification, improvement and replacement; Bond Reserve Fund payments; Rebate Fund payments; costs and expenses incurred by the Foundation or by its directors or officers in connection with any investigation, claim, demand, suit, action or proceeding relating to the activities of the Foundation, or such directors or officers in their capacity as such, in respect of the Leased Property, the Bonds, this Lease, the Loan Agreement, the Indenture or any matter related thereto; the fees of any Rating

Agency then maintaining a rating on the Bonds; and all other charges and costs, including reasonable attorneys' fees, which the Charter School assumes or agrees to pay hereunder with respect to the Leased Property, the Bonds, this Lease, the Loan Agreement, the Indenture or any matter related thereto. Additional Rents do not include the Base Rents.

*"Authority"* means the Colorado Educational and Cultural Facilities Authority, an independent public body politic and corporate constituting a public instrumentality, duly organized and validly existing under the laws of the State, or any public corporation succeeding to its rights and obligations under the Loan Agreement.

*"Base Rents Payment Date"* means one of the dates in the "Base Rents Payment Date" column in Exhibit B hereto, as from time to time amended or supplemented.

*"Base Rents"* means the base rent payments payable by the Charter School pursuant to Section 6.02(a) hereof and as further set forth in Exhibit B hereto, as they may be amended hereunder, during the Lease Term, which constitute the base rent payments due and payable by the Charter School for and in consideration of the right to use the Leased Property during the Lease Term.

*"Board"* means the Board of Directors of the Charter School and any successor thereto.

*"Business Day"* means any day other than a Saturday, a Sunday or a day on which banking institutions in the State are authorized to close.

*"Capital Improvements"* means the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions which, under Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

*"Charter Authorizer"* means Adams 12 Five Star Schools, Colorado, or any successor Person pursuant to which the Charter School is granted a charter under the Charter Schools Act.

*"Charter Contract"* means the Charter School's charter agreement with the Charter Authorizer at any time.

*"Colorado Charter School Intercept Program Application"* means the application required under the Colorado Charter School Intercept Program.

*"Continuing Disclosure Agreement"* means (i) with respect to the Series 2018 Bonds, the Continuing Disclosure Agreement, dated as of July 17, 2018, by and between the Charter School and Digital Assurance Certification, LLC, as dissemination agent; and (ii) with respect to the Series 2025 Bonds, the Continuing Disclosure Agreement, dated as of June [ ], 2025, by and between the Charter School and Digital Assurance Certification, LLC, as dissemination agent.

*"Coverage Ratio"* means, as of any date of determination, the ratio obtained by dividing (i) Net Revenue for the Fiscal Year ending on the date of determination by (ii) aggregate Base Rents plus any similar rental payments made for the lease purchase of additional facilities by the

Charter School for the Fiscal Year ending on the date of determination due in connection with the Bonds.

*“Days Cash on Hand”* means as of any date of determination, the product of 365 times a fraction, (i) the numerator of which is the aggregate amount of the Charter School’s unrestricted cash, cash equivalents, liquid investments, and marketable securities (valued at the lower of cost or market); and (ii) the denominator of which is the total Operating Expenses, in each case, determined in accordance with Generally Accepted Accounting Principles.

*“Deed of Trust”* means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2025, from the Foundation to the Public Trustee in and for the County of Adams for the benefit of the Trustee, which amends and restates the Original Deed of Trust, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Indenture.

*“EMMA”* means the Electronic Municipal Market Access facility for municipal securities disclosure of the Municipal Securities Rule Making Board.

*“Event of Default”* means one or more events as defined in Section 12.01 hereof.

*“Event of Nonappropriation”* means a decision by the Charter School to not renew this Lease, determined by the Charter School’s failure, for any reason, (a) to appropriate by June 30 of each Fiscal Year: (i) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof, and (ii) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year in accordance with Section 6.02(b) hereof; (b) to appropriate sufficient amounts authorized and directed to be used to pay Additional Rents in accordance with Section 6.05(b) hereof; or (c) to appropriate sufficient amounts to proceed under Section 9.03(a) or (b) hereof following the occurrence of an event described in Section 9.01 hereof.

*“Fiscal Year”* means the Charter School’s fiscal year, which begins on July 1 of any year and ends on June 30 of the following year.

*“Force Majeure”* means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; pandemics; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the Charter School, but specifically excluding loss or termination of the Charter Contract by the Charter School through action of the Charter Authorizer.

*“Gross Revenue”* means all income and revenues directly or indirectly derived by the Charter School from its operations, including without limitation per pupil revenues and other funding received from the Charter Authorizer, or by virtue of the Charter Contract and all gifts, grants, bequests and contributions (including income and profits therefrom) made to the Charter

School to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for the payments required hereunder.

*“Indenture”* means the Amended and Restated Indenture of Trust, dated as of June 1, 2025, which amends and restates the Original Indenture, each by and between the Authority and the Trustee, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Bonds are authorized to be issued and secured.

*“Initial Term”* means (i) with respect to the Series 2018 Bonds, the period commencing on the date the Series 2018 Bonds are issued and ending on June 30, 2019; and (ii) with respect to the Series 2025 Bonds, the period commencing on the date the Series 2025 Bonds are issued and ending on June 30, 2026.

*“Lease”* means this Amended and Restated Lease Agreement, dated as of June 1, 2025, which amends and restates the Original Lease, each by and between the Foundation and the Charter School and any amendments or supplements hereto, including all exhibits hereto and thereto.

*“Leased Property”* means the real property described in Exhibit A hereto and all improvements now or in the future located thereon, as from time to time amended or supplemented, together with all other property that may be designated as part of the Leased Property in any amendment or supplement hereto, less any property damaged, destroyed or condemned as provided in Section 9.01 hereof.

*“Lease Term”* means the Initial Term and each Renewal Term during which the Charter School is the lessee of the Leased Property under this Lease as provided in Section 4.01 hereof. Certain provisions of this Lease survive the expiration or end of the Lease Term as provided in Section 4.01(c) hereof. [DOES THIS NEED TO HAVE RESPECTIVE DEFINITIONS FOR EACH SERIES OF BONDS?]

*“Loan Agreement”* means the Amended and Restated Loan and Security Agreement, dated as of June 1, 2025, which amends and restates the Original Loan Agreement, each by and between the Authority and the Foundation, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Indenture.

*“Net Proceeds”* means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in the collection of such gross proceeds.

*“Net Revenue”* means Gross Revenue of the Charter School, plus the amount of unrestricted working capital of the Charter School held in the Charter School’s operating fund in excess of the balance required pursuant to Section 10.08 of this Lease to the extent not already calculated in Operating Expenses, less Operating Expenses of the Charter School.

*“Operating Expenses”* means all reasonable and necessary current expenses of the Charter School, paid or accrued, to operate the Charter School and provide educational services, including without limitation (a) salaries, employee retirement and health benefits, (b) the cost of instructional supplies and materials, (c) insurance premiums, (d) professional services, and (e)

any payments made under the Lease which constitute Additional Rents and any similar rental payments made in connection with other lease-purchase agreements of the Charter School; provided however, there shall be excluded from Operating Expenses (i) any allowance for depreciation; (ii) expenses incurred in connection with Capital Improvements; (iii) expenses paid from grants from state, federal or local sources, or from any Person, which were not included as part of Gross Revenue; and (v) Base Rents payments and any similar rental payments made for the lease-purchase of Capital Improvements.

*“Option Rights”* means the purchase option rights of the Charter School under Section 6.08 hereof.

*“Original Deed of Trust”* means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of July 1, 2018, from the Foundation to the Public Trustee in and for the County of Adams for the benefit of the Trustee recorded with Clerk and Recorder of Adams County, Colorado at reception number 2018000057902.

*“Original Indenture”* means the Indenture of Trust, dated as of July 1, 2018, by and between the Authority and the Trustee, pursuant to which the Series 2018 Bonds were authorized to be issued and secured.

*“Original Lease”* means the Lease Agreement dated July 1, 2018, recorded with Clerk and Recorder of Adams County, Colorado at reception number 2018000057901, by and between the Foundation and the Charter School.

*“Original Loan Agreement”* means the Loan and Security Agreement, dated as of July 1, 2018, recorded with Clerk and Recorder of Adams County, Colorado at reception number 2018000057900, by and between the Authority and the Foundation.

*“Renewal Term”* means each twelve-month period, commencing on July 1 of each year and ending on June 30 of following calendar year, for which the Charter School renews the Lease Term.

*“Requirement of Law”* means any applicable material federal, state or local statute, ordinance, rule or regulation, judicial or administrative order (whether or not on consent), request or judgment, common law doctrine or theory, provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to environmental, health or safety matters.

*“State”* means the State of Colorado.

*“Trustee”* means Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), Denver, Colorado, solely in its capacity as trustee under the Indenture, being the paying agent, the registrar and the trustee under the Indenture, or any successor corporate trustee.

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

#### Section 2.01. Representations, Covenants and Warranties of the Charter School.

The Charter School represents, covenants and warrants, for the benefit of the Foundation, and its successors and assigns, including without limitation, the Trustee, the Authority and the Registered Owners, as follows:

(a) The Charter School is and will remain, a Colorado nonprofit corporation and a public charter school duly organized and validly existing under the Charter Schools Act. The Charter School is authorized by Section 22-30.5-104(7)(b) of the Charter Schools Act, (i) to lease the Leased Property from the Foundation pursuant to this Lease; and (ii) to execute, deliver and perform its obligations under this Lease. The execution, delivery and performance of this Lease have been duly authorized by the Charter School and the Lease is enforceable against the Charter School in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity.

(b) The Charter School is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "*Code*"), is not a "private foundation" within the meaning of Section 509(a) of the Code, and is exempt from federal income tax under Section 501(a) of the Code. The Charter School covenants that it will maintain its status as a 501(c)(3) organization under the Code and will take whatever actions are necessary to continue to be organized and operated in a manner that will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

(c) Nothing in this Lease shall be construed as diminishing, unlawfully delegating or otherwise restricting any of the sovereign powers of the Charter School. Nothing in this Lease shall be construed to require the Charter School to operate the Leased Property other than as lessee under the requirements of this Lease.

(d) The execution, delivery and performance of this Lease are in the best interests of the Charter School, serve a public purpose, and have been duly authorized by the Charter School.

(e) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease, or the consummation of the transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions or provisions of the Charter Contract, or of any material restriction or any agreement or instrument to which the Charter School is now a party or by which the Charter School is bound, or constitutes a default under any of the foregoing or, except as specifically provided in this Lease and the Loan Agreement, or results in the creation or



imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Charter School.

(f) There is no litigation or proceeding pending or, to the knowledge of the Charter School, threatened against the Charter School or any other Person affecting the right of the Charter School to execute and deliver this Lease, the ability of the Charter School to make the payments required hereunder or the ability of the Charter School otherwise to comply with its obligations under this Lease.

(g) Except as disclosed in writing to the Foundation, the Trustee and the Authority: (i) the Leased Property, since inception of the Charter School's possession of the same, has at all times been operated in compliance with all Requirements of Law; (ii) all permits required by Requirements of Law in respect of the Leased Property have been or will be obtained and are or will be upon receipt, in full force and effect and the Charter School is or will be in compliance with the material terms and conditions of such permits; (iii) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other Person relating to, or alleging, any violation of any Requirements of Law in connection with the Leased Property and to the knowledge of the Charter School, there are no grounds on which any such litigation, investigation or proceedings might be commenced against the Charter School; (iv) the Leased Property is not subject to any judgment, injunction, writ, order or agreement respecting any Requirements of Law; (v) to the knowledge of the Charter School, there is no Hazardous Substance located on, in or under the Leased Property in violation of any Requirements of Law; (vi) to the knowledge of the Charter School, there has been no disposal of any Hazardous Substance on, from, into or out of the Leased Property in violation of any Requirements of Law; and (vii) to the knowledge of the Charter School, there has been no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any Hazardous Substance into the indoor or outdoor environment from, into or out of the Leased Property including, but not limited to, the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

(h) The Leased Property complies in all respects with applicable zoning, environmental and safety ordinances.

(i) The Leased Property will be operated in accordance with all Requirements of Law.

(j) The Board has determined that the Leased Property is necessary and essential to the Charter School's operations and any Leased Property substituted for any of the Leased Property pursuant to the terms hereof will be for a value which is not less than the property for which it is substituted and that is necessary and essential to the Charter School's operations.



(k) The Charter School will recognize economic and other benefits by leasing the Leased Property.

(l) The Charter School hereby agrees to cooperate in relation to (i) all actions necessary pursuant to and in accordance with the Colorado Charter School Debt Reserve Fund Program in order to receive money from the Colorado Charter School Debt Reserve Fund for the payment of the Bonds participating in the Colorado Charter School Debt Reserve Fund Program; the Bonds are participating in such program; (ii) all action necessary pursuant to and in accordance with the Colorado Charter School Moral Obligation Program in order to request replenishment of the Bond Reserve Fund from the Governor of the State, if applicable; the Bonds are participating in such program; and (iii) all actions necessary pursuant to and in accordance with the Colorado Charter School Intercept Program in order to have the State Treasurer or, if the State Treasurer does not so agree, the Charter Authorizer, make debt service payments thereunder.

(m) The Charter School will provide written notice to the Trustee, the Authority and the Foundation immediately (but not later than five (5) days after such event) in the event the Charter School receives notice that the Charter Contract is being recommended for revocation, revoked, not renewed or proceedings are commenced with respect to a revocation and of any Event of Default hereunder.

**Section 2.02. Representations, Covenants and Warranties of the Foundation.** The Foundation represents, covenants and warrants, for the benefit of the Charter School, the Trustee, the Authority and the Registered Owners, as follows:

(a) The Foundation is a nonprofit corporation duly organized, existing and in good standing under the laws of the State, is possessed of full power to purchase, own, hold and lease (as owner, lessee and lessor) real and personal property, has all necessary power to borrow money from the Authority pursuant to the Loan Agreement, to lease the Leased Property to the Charter School pursuant to this Lease, to execute, deliver and perform its obligations under the Loan Agreement and this Lease, and has duly authorized the execution, delivery and performance of its obligations under the Loan Agreement and this Lease.

(b) The Foundation shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of incorporation, bylaws, action of its governing body and applicable law.

(c) The Foundation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code. The Foundation covenants that it will maintain its status as an organization which is described in Section 501(c)(3) of the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

(d) The Loan Agreement and this Lease are enforceable against the Foundation in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity.

(e) The Leased Property will be leased by the Foundation in accordance with all Requirements of Law.

(f) The execution and delivery of the Loan Agreement, this Lease and the fulfillment of or compliance with the terms and conditions hereof or thereof, or the consummation of the transactions contemplated hereby or thereby, does not conflict with or result in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Foundation is now a party or by which the Foundation is bound or constitute a default under any of the foregoing.

(g) Except as specifically provided in the Loan Agreement and this Lease, the Foundation will not assign the Loan Agreement or this Lease, its rights to payments from the Charter School or its duties and obligations hereunder or thereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained herein.

(h) There is no litigation or proceeding pending or, to the knowledge of the Foundation, threatened against the Foundation or any other Person affecting the right of the Foundation to execute and deliver this Lease, the ability of the Foundation to make the payments required hereunder or the ability of the Foundation otherwise to comply with its obligations under this Lease.

(i) The Foundation acknowledges and recognizes that this Lease will not be renewed upon the occurrence of an Event of Nonappropriation that is not otherwise cured in accordance with Section 6.05 hereof, and that a failure by the Charter School to appropriate funds in a manner that results in an Event of Nonappropriation is a legislative act and, as such, is solely within the discretion of the Charter School.

(j) As provided in Section 9.03 of the Loan Agreement, at such times as the Bonds are no longer outstanding, the Foundation covenants and agrees hereunder to transfer and convey fee simple title and its ownership interest in the Leased Property to the Charter School; provided however, if the Lease has been terminated or not renewed, or the Charter School is no longer existing and operating as a public charter school, the Foundation covenants and agrees to transfer and convey fee simple title and its ownership interest in the Leased Property to: (1) a successor in interest to the Charter School that is either (a) a governmental unit, or (b) an organization described under section 501(c)(3) of the Code; or (2) such other entity as approved by Bond Counsel. Prior to the transfer and conveyance of fee simple title and ownership interest of the Leased Property to an organization other than the Charter School, the Foundation shall obtain an approving opinion of nationally recognized bond counsel stating that such transfer and conveyance will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the outstanding Bonds.

(k) The Foundation hereby agrees to cooperate in relation to (i) all actions necessary pursuant to and in accordance with the Colorado Charter School Debt Reserve Fund Program in order to receive money from the Colorado Charter School Debt Reserve Fund for the payment of the Bonds participating in the Colorado Charter School Debt Reserve Fund Program; the Bonds are participating in such program; (ii) all action necessary pursuant to and in accordance with the Colorado Charter School Moral Obligation Program in order to request replenishment of the Bond Reserve Fund from the Governor of the State, if applicable; the Bonds are participating in such program; and (iii) all actions necessary pursuant to and in accordance with the Colorado Charter School Intercept Program in order to have the State Treasurer make debt service payments thereunder.

### **ARTICLE III**

#### **DEMISING CLAUSE**

The Foundation demises and leases the Leased Property to the Charter School for the Charter School's use as an educational facility, as defined in the Charter Schools Act in performing one or more governmental purposes, in accordance with the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

### **ARTICLE IV**

#### **LEASE TERM**

##### **Section 4.01. Lease Term.**

(a) The Lease Term shall be comprised of the Initial Term and successive one-year Renewal Terms, subject to subsection (b) of this Section.

(b) The Lease Term shall expire or end upon the earliest of any of the following events:

(i) June 30 of any Fiscal Year during which there has occurred an Event of Nonappropriation pursuant to Section 4.02 and Article VI hereof (provided that the Lease Term shall be deemed to have been renewed in the event that the Event of Nonappropriation is cured as provided in Section 6.05 hereof);

(ii) an Event of Default and termination of this Lease by the Foundation or its assigns, including, without limitation, the Trustee as provided in Article XII hereof; or

(iii) discharge of the Indenture, as provided in Article VII thereof.

(c) The expiration or end of the Lease Term shall terminate all unaccrued obligations of the Charter School under this Lease and shall terminate the Charter School's rights of possession under this Lease (except to the extent of the holdover provisions of Section 12.02(e)(i) hereof); provided however, all obligations of the Charter

School that have accrued hereunder prior to such termination or expiration shall continue until they are paid, performed and discharged in full from appropriated and legally available funds.

(d) Notwithstanding the foregoing as such times as the Bonds are no longer outstanding the Corporation covenants and agrees hereunder to transfer and convey fee simple title and its ownership interest in the Leased Property to the Charter School subject to Section 2.02(j) of this Lease and section 9.03 of the Loan Agreement.

**Section 4.02. Charter School's Annual Right to Not Renew the Lease.** In the event that the Charter School shall determine, for any reason, to not exercise its annual right to renew this Lease through an Event of Nonappropriation, effective on June 30 of any Fiscal Year, the Charter School shall give written notice to such effect to the Authority, the Trustee, the Charter Authorizer and the Foundation within five (5) Business Days of such determination and in no case later than July 1 of the next Fiscal Year; provided, however, that a failure to give such notice shall not constitute an Event of Default, nor prevent the Charter School from choosing not to renew this Lease, nor result in any liability on the part of the Charter School. The exercise of the Charter School's annual option to not renew this Lease shall be conclusively determined by the Charter School's failure, for any reason (subject, however, to the cure rights set forth in Section 6.05(a)(iii) and (iv) hereof), (a) to appropriate by June 30 of each Fiscal Year (i) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof and (ii) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year; or (b) upon the occurrence of any of the other events described in the definition of Event of Nonappropriation herein. The chief financial officer of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) is hereby directed to include, in the annual budget proposals submitted to the governing body of the Charter School, items for all payments required under this Lease during the next ensuing Fiscal Year, until such time, if any, as the Charter School may determine not to renew this Lease; it being the intention of the Charter School that any decision not to renew this Lease shall be made solely by the governing body of the Charter School and not by any other department, agency or official of the Charter School. The Charter School shall in any event furnish the Trustee and the Foundation proof of appropriation relating to Base Rents and Additional Rents under this Lease promptly upon the adoption thereof by the Charter School as evidenced by a resolution of the Charter School made and delivered to the Trustee no later than June 30 of each Fiscal Year. Such resolution shall be signed by an Authorized Representative of the Charter School.

## ARTICLE V

### ENJOYMENT OF LEASED PROPERTY

The Foundation hereby covenants that during the Lease Term and so long as the Charter School complies with the provisions hereof, the Charter School shall peaceably and quietly have and hold and enjoy the Leased Property without suit, trouble or hindrance from the Foundation, except as expressly required or permitted by this Lease, and subject to the Permitted Encumbrances. The Foundation shall not interfere with the quiet use and enjoyment of the

Leased Property by the Charter School during the Lease Term so long as no Event of Default or Event of Nonappropriation shall have occurred. The Foundation shall, at the request of the Charter School and at the cost of the Charter School, but only to the extent amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, join and cooperate fully in any legal action in which the Charter School asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Charter School may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

## **ARTICLE VI**

### **PAYMENTS BY THE CHARTER SCHOOL**

#### **Section 6.01. Payments to Constitute Currently Appropriated Expenditures of the Charter School; No Lien on Gross Revenues.**

(a) The Charter School and the Foundation acknowledge and agree that the Base Rents and Additional Rents hereunder shall constitute currently appropriated expenditures of the Charter School and may be paid from any legally available funds. The Charter School's obligations under this Lease shall be subject to the Charter School's annual right to choose not to renew this Lease (as further provided in Sections 4.01, 4.02, 6.02, 6.05 and 9.03(b) hereof), and shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the Charter School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the Charter School, within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State.

(b) None of the Loan Agreement, this Lease, the Indenture or the Bonds directly or indirectly obligate the Charter School to make any payments beyond those appropriated for any Fiscal Year for which such payments have been appropriated. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of moneys of the Charter School, nor shall any provision of this Lease restrict the future issuance of any obligations of the Charter School, payable from any class or source of moneys of the Charter School; provided, however, the Charter School shall, if such moneys are appropriated, use its best efforts to make such payments out of the Gross Revenues of the Charter School.

(c) The Foundation acknowledges that the Charter School is not an agent of the Charter Authorizer, and accordingly the Foundation expressly releases the Charter Authorizer from any and all liability under this Lease. The Foundation further

acknowledges, any financial obligations of the Charter School arising out of this Lease are subject to annual appropriation by the Board unless current reserves have been irrevocably pledged by the Board to pay future year's obligations hereunder.

## **Section 6.02. Base Rents and Additional Rents; Triple Net Lease.**

### **(a) Base Rents.**

(i) The Charter School shall pay or cause to be paid Base Rents directly to the Trustee during the Lease Term, on the Base Rents Payment Dates. The Base Rents during the Lease Term shall be in the amounts set forth in Exhibit B hereto, as from time to time amended or supplemented.

(ii) The Charter School and the Foundation shall take or cause to be taken such actions as may be necessary to cause direct payment of Base Rents to be made to the Trustee from any Gross Revenues held by the State Treasurer or, if the State Treasurer does not so agree, from any Gross Revenue held by the Charter Authorizer, pursuant to and in accordance with the Colorado Charter School Intercept Program; provided however, upon the failure of State Treasurer or Charter Authorizer to transfer such amounts to the Trustee, for whatever reason, the Trustee shall so notify the Charter School and the Charter School shall promptly make such payments. The Trustee shall timely notify the Charter School when it has received any payments from the State Treasurer or the Charter Authorizer.

(iii) So long as the Lease Term has not expired or ended, the Charter School shall be entitled to a rebate of Base Rents payments made by or on behalf of the Charter School for the immediately preceding Initial Term or Renewal Term in accordance with Section 3.04 of the Indenture. Rebates are to be made to the Charter School by the Trustee within five (5) Business Days following the date of maturity or sinking fund redemption of any of the Bonds pursuant to the Indenture; provided however, such rebates, if any, are subject to the terms and conditions set forth in Section 3.04 of the Indenture.

(b) **Additional Rents.** The Charter School shall pay Additional Rents during the Lease Term as herein provided. The Additional Rents during the Lease Term shall be estimated annually by the President of the Foundation (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and the President of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and such estimate shall be in an amount sufficient to pay the following costs during the next ensuing Fiscal Year: (i) the reasonable fees and expenses of the Trustee and the Foundation and the Annual Fee of the Authority; (ii) the cost of insurance premiums; (iii) the cost of taxes, utility charges, maintenance, upkeep and repair costs; (iv) payments into the Bond Reserve Fund required by Section 3.06 of the Indenture; (v) payments into the Rebate Fund required by Section 3.18 of the Indenture; (vi) fees of the Consultant, if any; (vii) the administrative fee charged by the State Treasurer pursuant to



the Colorado Charter School Intercept Program Application; (viii) the fees of any Rating Agency then maintaining a rating on the Bonds; (ix) the ten basis points of the principal amount of the Bonds Outstanding payable to the State Treasurer pursuant to the Colorado Charter School Debt Reserve Program and such greater amounts as may be charged from time to time; (x) interest at the Default Rate, if applicable; and (xi) all other costs included in the definition of, or expressly required to be paid by the Charter School as, Additional Rents hereunder. In the event the Additional Rents in any Fiscal Year exceed the amount for which appropriation has been made, the President of the Foundation (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and the President of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) shall submit a budget proposal evidencing the funding for the amount of such excess Additional Rents for such Fiscal Year. In the event the Lease Term is continued for the next ensuing Fiscal Year, the Charter School's obligation under this Lease to pay Additional Rents during such Fiscal Year shall be limited to the amount so appropriated for Additional Rents in accordance with the procedures described above and any amounts subsequently appropriated by supplemental appropriation for payment of Additional Rents during such Fiscal Year. Additional Rents obligations in excess of the amounts so appropriated shall in no event be due or owing from the Charter School from funds of the Charter School other than legally available funds. The Charter School hereby agrees that, to the extent that the Bond Reserve Fund moneys are applied pursuant to Section 3.07 of the Indenture or, to the extent that, for any other reason, the amounts in any account within the Bond Reserve Fund are less than the Bond Reserve Fund Requirement, the Charter School will (unless this Lease has theretofore not been renewed or has theretofore been terminated by the Charter School) promptly pay to the Trustee in accordance with Section 5.02 of the Loan Agreement, for deposit in the Bond Reserve Fund, from the amounts appropriated as described above for the payment of Additional Rents, such amounts as are required to restore the amount on deposit in the Bond Reserve Fund to the Bond Reserve Fund Requirement. The Charter School hereby expressly agrees to pay to the Foundation and its directors and officers, as appropriate, as Additional Rents, all costs and expenses incurred by the Foundation or by its directors or officers in connection with any investigation, claim, demand, suit, action or proceeding relating to the activities of the Charter School, or such directors or officers in their capacity as such, in respect of the Leased Property, the Loan Agreement, this Lease, the Bonds or any matter related thereto. Following its receipt of notice of or an invoice for any Additional Rents, the Charter School shall have thirty (30) days to pay such Additional Rents.

(c) ***Net Lease.*** This Lease shall be deemed and construed to be a "*net lease*," and the Charter School shall pay absolutely all operating and other costs of the Leased Property during the Lease Term, including the Base Rents, Additional Rents and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rents expressly provided for in this Lease). To the fullest extent allowed by law, this Lease shall be a "*triple net*" lease and all costs incurred in connection with the Leased Property, the operation thereof, taxes, insurance and all other costs and expenses, shall be borne by the Charter School.



**Section 6.03. Manner of Payment.** The Base Rents and any Additional Rents payable to the Trustee shall be paid by lawful money of the United States of America to the Trustee for deposit in accordance with the Indenture. All Additional Rents shall be paid by the Charter School on a timely basis directly to the Person to which such Additional Rents are owed (except that the Bond Reserve Fund and the Rebate Fund payments shall be made to the Trustee as provided in Sections 3.06 or 3.18 of the Indenture). The obligation of the Charter School to pay the Base Rents and Additional Rents required under this Article and other provisions hereof, during the Lease Term, shall, subject to the provisions of Section 6.05 hereof, be absolute and unconditional, and payment of the Base Rents and Additional Rents shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Charter School and the Authority, the Foundation, the Trustee, any Registered Owner, any contractor or subcontractor retained with respect to the Leased Property, or any other Person, the Charter School shall, during the Lease Term, make all payments of Base Rents and Additional Rents when due and shall not withhold any Base Rents or Additional Rents pending final resolution of such dispute (except to the extent permitted by Sections 7.02 and 8.03 hereof with respect to certain Additional Rents), nor shall the Charter School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the Charter School of any rights, claims or defenses which the Charter School may assert. No action or inaction on the part of the Foundation or the Trustee shall affect the Charter School's obligation to pay Base Rents and Additional Rents (except to the extent provided by Sections 7.02 and 8.03 hereof with respect to certain Additional Rents) during the Lease Term.

**Section 6.04. Necessity of the Leased Property; Determinations as to Fair Market Value.** The Charter School hereby declares its current need for the Leased Property and further determines and declares its expectation that the Leased Property will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being leased throughout the stated Lease term. It is hereby declared to be the present intention and expectation of the Charter School that this Lease will be continued through the end of the Lease Term, but this declaration shall not be construed as contractually obligating or otherwise binding the Charter School. The Charter School hereby agrees and determines that the Base Rents during each year of the Lease Term represent not more than the fair value of the use of the Leased Property during such year. The Charter School hereby determines that the Base Rents do not exceed a reasonable amount so as to place the Charter School under an economic compulsion to renew this Lease. In making such declarations and determinations, the Charter School has given consideration to the uses and purposes for which the Leased Property will be employed by the Charter School, the benefit to the Charter School by reason of the Leased Property, and the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease.

**Section 6.05. Nonappropriation by the Charter School.**

(a) In the event that the Charter School fails, for any reason, to appropriate by the first Business Day of each Fiscal Year (A) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof and (B) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year in accordance with Section 6.02(b) hereof, upon the occurrence of an event described in

subsection (b) of this Section, or upon the occurrence of any other event described in the definition of Event of Nonappropriation herein, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(i) The Charter School shall give written notice to the Trustee, the Authority and the Foundation if the Charter School's preliminary budget fails, in any year, to include an appropriation for sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year; but any failure of the Charter School to give such notice shall not constitute an Event of Nonappropriation or an Event of Default.

(ii) The Trustee shall give written notice to the Charter School, the Authority and the Foundation of any Event of Nonappropriation on or before the first ten days of any Fiscal Year; but any failure of the Trustee to give such written notice shall not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Trustee.

(iii) The Trustee shall waive any Event of Nonappropriation, other than an Event of Nonappropriation as described in subsection (b) of this Section, which is cured by the Charter School on or before the first forty-five days of any Fiscal Year, by appropriating (A) by one or more specific line item references sufficient amounts authorized and directed to be used to pay all Base Rents due in such Fiscal Year in accordance with Section 6.02(a) hereof and (B) sufficient amounts to pay such Additional Rents as are estimated to become due in such Fiscal Year in accordance with Section 6.02(b) hereof.

(iv) Subject to the terms of the Indenture, the Trustee may waive any Event of Nonappropriation which is cured by the Charter School within a reasonable time if in the Trustee's judgment, upon advice of legal counsel, such waiver is in the best interests of the Registered Owners.

(b) In the event that during any Fiscal Year, any Additional Rents shall accrue in excess of amounts included in a duly enacted appropriation for the payment of Additional Rents, then, in the event that moneys are not specifically authorized and directed by the Charter School to be used to pay such Additional Rents by the earlier of the last Business Day of the Fiscal Year in which such Additional Rents accrue or thirty (30) days subsequent to the date upon which such Additional Rents accrue, an Event of Nonappropriation shall be deemed to have occurred, upon notice by the Trustee to the Charter School, the Authority and the Foundation to such effect (subject to waiver by the Trustee as provided in clause (iv) of subsection (a) of this Section).

(c) If an Event of Nonappropriation occurs, the Charter School shall not be obligated to pay the Base Rents or Additional Rents or any other payments provided for herein beyond the amounts specifically appropriated by the Charter School for the Fiscal Year during which such Event of Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 6.02 and 12.03 hereof, the Charter School shall

continue to be liable for Base Rents and Additional Rents, to the extent payable from appropriated and legally available moneys, allocable to any period during which the Charter School shall continue to occupy or retain possession of the Leased Property.

(d) The Charter School shall in all events vacate the Leased Property and surrender any personal property included in the Leased Property to the Trustee by the thirtieth calendar day following an Event of Nonappropriation.

**Section 6.06. Disposition of Base Rents.** Upon receipt by the Trustee of each payment of Base Rents, the Trustee shall apply the amount of each payment of Base Rents in the following manner and order:

(a) FIRST, the amount of such payment of Base Rents designated and paid as interest under Exhibit B, as from time to time amended or supplemented, plus the amount of any past due interest on the Bonds, shall be deposited in the Bond Interest Fund; and

(b) SECOND, the remaining portion of such payment of Base Rents shall be deposited in the Bond Principal Fund and used to pay the principal of and premium, if any, on the Bonds.

**Section 6.07. Charter Authorizer Not Liable.** The obligations of the Charter School hereunder are solely the obligations of the Charter School and shall not be deemed obligations of the Charter Authorizer. This Lease shall not constitute or become an obligation, an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the Charter Authorizer.

**Section 6.08. Purchase Option.** So long as this Lease is in effect and the Bonds are Outstanding, the Charter School shall have the option to purchase the Leased Property free and clear of the lien of the Deed of Trust, by paying to the Foundation an amount that, together with other amounts then on deposit with the Trustee (excluding amounts held in the Rebate Fund) that are available for such purpose, is sufficient: (a) to pay, in immediately available funds, the redemption price of all Outstanding Bonds that are at such time subject to redemption at the option of the Foundation in accordance with the redemption provisions of the Indenture and/or the amount necessary to defease all Outstanding Bonds that are not at such time subject to redemption at the option of the Foundation in accordance with the defeasance provisions of the Indenture; (b) to pay all Additional Rents payable through the date of conveyance of the Leased Property to the Charter School or its designee pursuant to this Section; and (c) to pay all fees and expenses of the Authority, the Trustee and the Foundation required for the conveyance of the Leased Property.

## ARTICLE VII

### TITLE TO THE IMPROVEMENTS TO THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

### **Section 7.01. Title to the Leased Property.**

(a) Any improvements to the Leased Property shall become part of the Leased Property.

(b) The Charter School shall have no right, title or interest in the Leased Property or any additions and modifications thereto or replacements thereof, except as expressly set forth in this Lease.

**Section 7.02. No Encumbrance, Mortgage or Pledge of Leased Property.** Other than Permitted Encumbrances, the Charter School shall not permit any mechanic's or other lien to remain against the Leased Property; provided that, if the Charter School shall first notify the Trustee of the intention of the Charter School to do so, the Charter School may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Foundation or the Trustee shall notify the Charter School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Charter School, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, by nonpayment of any such items the Foundation's title to the Leased Property or the liens on the Leased Property pursuant to the Loan Agreement or the Deed of Trust will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Charter School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not be required to be made and no obligation to pay any fees or charges of independent counsel shall be incurred if such lien is filed or submitted pursuant to the provisions of §38-26-107, Colorado Revised Statutes, as amended, and further provided that such payment shall not constitute a waiver by the Charter School of the right to continue to contest such items. The Foundation will cooperate fully with the Charter School in any such contest, upon the request and at the expense of the Charter School, to the extent that Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such expenses. Neither the Foundation nor, except as provided above, the Charter School shall directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances, without the prior written consent of the Trustee. The Charter School shall promptly, at its own expense, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such expenses, take such action as may be deemed necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created, incurred or suffered to exist. The Foundation shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created or incurred. The Trustee shall have no duty or obligation to monitor any contest or appeal therefrom or to determine or cause to be determined whether, by nonpayment of any such items, the Foundation's title to the Leased Property or the liens on the Leased Property pursuant to the Loan Agreement or the Deed of Trust will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture.

**Section 7.03. Compliance With Requirements of Law.** The Charter School shall at all times operate the Leased Property, or cause the Leased Property to be used and operated, such that (a) the Leased Property at all times shall be operated in compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the Leased Property shall be obtained and maintained in full force and effect and the Charter School shall comply with the material terms and conditions of such permits; (c) the Charter School shall not permit any Hazardous Substance to be located on, in or under the Leased Property in violation of any Requirements of Law; (d) the Charter School shall not dispose of any Hazardous Substance on, from, into or out of the Leased Property in violation of any Requirements of Law; and (e) the Charter School shall not permit any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any Hazardous Substance into the indoor or outdoor environment from, into or out of the Leased Property including but not limited to the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

## **ARTICLE VIII**

### **MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES**

**Section 8.01. Maintenance of the Leased Property by the Charter School.** The Charter School agrees that at all times during the Lease Term the Charter School will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, subject to normal wear and tear, and that the Charter School will from time to time make or cause to be made all necessary and proper repairs, except as otherwise provided in Section 9.03 hereof. None of the Authority, the Foundation, the Trustee or any of the Registered Owners shall have any responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property.

**Section 8.02. Modification of the Leased Property; Installation of Equipment and Personal Property of the Charter School.**

(a) The Charter School, upon giving prior notice to the Foundation and the Trustee, may remodel or make substitutions, additions, modifications or improvements to the Leased Property, at its own cost and expense to pay for the cost of Capital Improvements to the Leased Property; and the same shall become part of the Leased Property, subject to, and shall be included under the terms of this Lease; provided, however, that (i) such remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Leased Property or cause them to be used for purposes other than lawful governmental functions; and (ii) the Leased Property, as remodeled, improved or altered, upon completion thereof shall be of a value not less than the value of the Leased Property immediately prior to such remodeling or such making of substitutions, additions, modifications and improvements and all of such improvements or alterations shall become part of the Leased Property without amendment of this Lease.



(b) The Charter School may also, from time to time in its sole discretion and at its own expense, install equipment and personal property (which are not to be fixtures) in or on the Leased Property. All such equipment and personal property shall remain the sole property of the Charter School in which none of the Authority, the Foundation, the Trustee or the Registered Owners shall have any interest; provided, however, that any such equipment and personal property which becomes permanently affixed to the Leased Property shall become part of the Leased Property, subject to this Lease and shall be included under the terms of this Lease.

**Section 8.03. Taxes, Other Governmental Charges and Utility Charges.** The Charter School shall use its good faith best efforts to maintain the Leased Property as exempt from ad valorem property or other taxes to the extent allowable by law. In the event that the Leased Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Charter School shall pay the amount of all such taxes, assessments and governmental charges then due, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Charter School shall be obligated to provide only for such installments as are required to be paid during the upcoming Fiscal Year. The Charter School shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Leased Property or any portion thereof, or any interest therein, including the interest of the Authority, the Foundation, the Trustee or the Registered Owners) or the rentals and revenues derived therefrom or hereunder. The Charter School shall also pay as Additional Rents, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment thereof, as the same respectively become due, all gas, water, steam, electricity, heat, power, utility and other charges incurred in the maintenance and upkeep of the Leased Property. If the Charter School shall first notify the Trustee of the intention of the Charter School to do so, the Charter School may, at the expense and in the name of the Charter School, in good faith contest any such tax, assessment, utility and other charges and, in the event of any such contest, may permit the tax, assessment, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the Charter School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Charter School, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, by nonpayment of any such items the security afforded pursuant to the Indenture will be materially endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, or the Foundation or the Trustee will be subject to liability, in which event such tax, assessment, utility or other charges shall, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment thereof, be paid promptly or secured by posting a bond with the Trustee (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, utility or other charges). The Trustee shall have no duty or obligation to monitor any contest or appeal therefrom or to determine or cause to be determined whether, by nonpayment of any such items, the security

afforded pursuant to the Indenture will be materially endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture.

#### **Section 8.04. Provisions Regarding Casualty and Property Damage Insurance.**

(a) The Charter School shall, at its own expense, cause to be carried and maintained casualty and property damage insurance with respect to the Leased Property, upon construction of any Building thereon, in an amount equal to the lesser of the full replacement value of the Leased Property and any subsequent improvements or additions thereto, or the aggregate principal amount of the Bonds then Outstanding. The insurance policy or policies required by this Section shall: (i) have a deductible clause in an amount that does not exceed an amount customary for facilities of like size and type; (ii) be so written or endorsed as to make losses, if any, payable to the Charter School, the Foundation and the Trustee, as their respective interests may appear; (iii) contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Charter School, the Foundation or the Trustee without first giving written notice thereof to the Charter School, the Foundation and the Trustee at least thirty (30) days in advance of such cancellation or modification; (iv) explicitly waive any co-insurance penalty; and (v) meet other requirements set forth in Section 6.03 of the Loan Agreement. The Trustee shall have no duty to monitor or review any insurance policies or certificates received or for the sufficiency of such insurance.

(b) The Charter School shall, at its own expense, cause to be maintained commercial general liability and automobile liability insurance against claims arising in, on or about the Leased Property, including in, on or about the sidewalks or premises adjacent to the Leased Property, providing coverage limits not less than the coverage limits customarily carried by owners or operators of facilities of similar size and character within the State, and listing the Foundation, the Authority and the Trustee as additional insureds thereunder.

(c) The Charter School shall, at its own expense, cause to be maintained Fidelity insurance or bonds on those of its officers and employees who handle funds of the Charter School or crime coverage that provides coverage for theft of money and securities, both in such amounts and to such extent as are customarily carried by organizations similar to the Charter School and operating properties similar in size and character to the facilities of the Charter School.

(d) The Charter School shall, to the extent available for a commercially reasonable cost, at its own expense, cause to be maintained rental value insurance or additional expense insurance that may be applied toward rent for alternative facilities, upon construction of the Building on the Leased Property, covering all risks as to which insurance is required pursuant to paragraph (a) above, in an amount equal to not less than the amounts required to be paid pursuant to Section 6.02 hereof for a period of not less than twelve (12) months. If any such loss or damage has occurred, the Charter School shall continue to be obligated to pay the amounts required to be paid pursuant to Section 6.02 hereof, and any proceeds of such insurance shall be applied against all or part of



such payment obligations of the Charter School. The Trustee shall be named as an additional insured under this insurance policy.

(e) Such other forms of insurance as the Charter School is required by law to provide with respect to the Leased Property, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

(f) The Charter School may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks.

(g) The Charter School may, in its discretion, provide all or any portion of the insurance required by this Section by self-insurance meeting the requirements of Section 6.03 of the Loan Agreement.

(h) The Charter School agrees to pay the premiums for any insurance required by the Loan Agreement as part of the Additional Rents.

## ARTICLE IX

### DAMAGE, DESTRUCTION OR CONDEMNATION; USE OF NET PROCEEDS

**Section 9.01. Damage, Destruction or Condemnation.** If, during the Lease Term, (a) the Leased Property, or any portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty; (b) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof or the estate of the Charter School, the Authority, the Foundation or the Trustee in the Leased Property or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; (c) breach of warranty or any material defect with respect to the Leased Property shall become apparent; or (d) title to or the use of all or any portion of the Leased Property shall be lost by reason of defect in the title thereto, then, the Charter School shall be obligated, subject to the provisions of Section 9.03 hereof, to continue to pay the amounts specified in Section 9.02 hereof and, to the extent of amounts specifically appropriated by the Charter School, to pay the amounts specified in Section 6.02 hereof. Notwithstanding anything to the contrary in this Article IX, the use and distribution of Net Proceeds or any other funds under this Article is in all cases subject to Article VIII of the Indenture and Article X of the Loan Agreement.

**Section 9.02. Obligation of the Charter School to Repair and Replace the Leased Property.** Except as set forth in Section 9.03 hereof, all Net Proceeds of any insurance, performance bonds or condemnation awards shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Charter School upon receipt of requisitions by the Trustee signed by the Authorized Representative of the Charter School and setting forth: (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due or has been made; (c) the amount to be paid or reimbursed; and (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous

withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee shall have no duty to review or examine the accompanying bill or statement of account, but may rely on the properly executed disbursement request. The Foundation and the Trustee shall cooperate with the Charter School in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of Net Proceeds shall be subject to the Loan Agreement, this Lease and the Indenture, and shall be included as part of the Leased Property under this Lease, the Loan Agreement and the Indenture. Subject to the provisions of Section 9.03 hereof, the Charter School (and, to the extent such Net Proceeds are within their control, the Foundation and the Trustee) shall cause all such Net Proceeds for claims in excess of \$250,000 to be deposited in a separate trust fund held by the Trustee. The balance of any such Net Proceeds remaining in such separate trust fund after such repair, restoration, modification, improvement or replacement has been completed shall be deposited into the Bond Principal Fund or the Bond Interest Fund, at the option of the Charter School.

**Section 9.03. Insufficiency of Net Proceeds.** If there occurs an event described in Section 9.01 hereof, and if any Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 9.02 hereof, the Charter School shall elect one of the following options:

(a) The Charter School may, in accordance with Section 9.02 hereof, repair, restore, modify or improve the Leased Property or replace the Leased Property (or portion thereof) with property of a value equal to or in excess of the Leased Property, substantially as it previously existed, and pay as Additional Rents any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, and the Charter School agrees that, if by reason of any such insufficiency of the Net Proceeds, the Charter School shall make any Additional Rents payments pursuant to the provisions of this paragraph, the Charter School shall not be entitled to any reimbursement therefor from the Foundation, the Authority, the Trustee or the Registered Owners, nor shall the Charter School be entitled to any diminution of the Base Rents and Additional Rents payable under Section 6.02 hereof.

(b) If, by June 30 of the Fiscal Year in which an event described in Section 9.01 hereof occurs (or June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property become apparent), the Charter School has not appropriated amounts sufficient to proceed under clause (a) of this Section, an Event of Nonappropriation shall be deemed to have occurred. Unless such Event of Nonappropriation is cured as provided in Section 6.05 hereof, the Foundation or the Trustee may then pursue remedies as provided in Sections 6.05 and 12.02 hereof.

**Section 9.04. Cooperation of the Foundation.** The Foundation shall cooperate fully with the Charter School and the Trustee in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 9.01 hereof, in the

prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof, and in the prosecution of any action relating to defaults or breaches of warranty under any contract relating to the Leased Property, and hereby assigns to the Trustee its interests in such policies solely for such purposes. In no event shall the Foundation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to defaults or breaches of warranty under any contract relating to the Leased Property or any portion thereof without the written consent of the Charter School. The Charter School shall pay to the Foundation as Additional Rents all reasonable fees and expenses incurred by the Foundation under this Section, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such fees and expenses. This Section shall not be construed to obligate the Foundation to advance its own funds in order to take any action hereunder.

## **ARTICLE X**

### **DISCLAIMER OF WARRANTIES; OTHER COVENANTS**

**Section 10.01. Disclaimer of Warranties.** NONE OF THE AUTHORITY, THE FOUNDATION OR THE TRUSTEE MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. The Charter School hereby acknowledges and declares that the Charter School has fully participated in, and will fully participate in, the design, construction, maintenance and operation of the Leased Property, and that none of the Authority, the Trustee or the Registered Owners has any responsibility therefor. In no event shall the Authority, the Foundation, the Trustee or the Registered Owners be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the Charter School of any item, product or service provided for herein.

**Section 10.02. Further Assurances and Corrective Instruments.** The Foundation and the Charter School agree that so long as this Lease is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Foundation and the Charter School shall have full power to carry out the acts and agreements provided herein and they will, so far as it may be authorized by law, from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Lease. This Section shall not be construed to obligate the Foundation to advance its own funds, other than proceeds of the Bonds, in order to take any action hereunder.

**Section 10.03. The Foundation, Charter School or Trustee Representatives.** Whenever under the provisions hereof the approval of the Foundation, the Charter School or the Trustee is required, or the Charter School, the Foundation or the Trustee is required to take some

action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Foundation by the Authorized Representative of the Foundation, for the Charter School by the Authorized Representative of the Charter School and for the Trustee by an authorized officer of the Trustee, and the Foundation, the Charter School and the Trustee shall be authorized to act on any such approval or request.

**Section 10.04. Granting of Easements.** As long as no Event of Nonappropriation or Event of Default shall have happened and be continuing, the Foundation and the Trustee shall at any time, but only upon the request of the Charter School, consent to the grant of easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property included in the Leased Property, free from this Lease, the Loan Agreement and the Indenture and any security interest or other encumbrance created hereunder or thereunder; the Foundation and the Trustee shall release existing easements, licenses, rights-of-way and other rights and privileges with respect to the real property included in the Leased Property, free from this Lease, the Loan Agreement and the Indenture and any security interest or encumbrance created hereunder or thereunder, with or without consideration; and the Foundation and the Trustee agree to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other grant or privilege upon receipt of: (a) a copy of the instrument of grant or release; (b) a written certificate signed by the Authorized Representative of the Charter School requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Leased Property; (c) an updated ALTA Survey indicating the location of such easement, license, right-of-way or other grant or privilege; and (d) an opinion of Bond Counsel to the effect that the grant or release will not cause an adverse impact on the tax-exempt status of the Series 2018A Bonds or the Series 2025A Bonds. Provided however, nothing in this Section shall be deemed to permit the granting of easements which materially, adversely affect the enjoyment and intended use of the Leased Property by the Charter School.

**Section 10.05. Compliance with Requirements of Law.** During the Lease Term, the Charter School and the Foundation shall observe and comply promptly with all current and future Requirements of Law applicable to the Leased Property or any portion thereof and all current and future requirements of all insurance companies writing policies covering the Leased Property or any portion thereof.

**Section 10.06. Charter School Acknowledgement of the Bonds; Assignment and Subordination of Lease.** The Charter School acknowledges and consents to the assignment by the Foundation to the Trustee, pursuant to the Deed of Trust, of all rights, title and interest of the Foundation in, to and under this Lease (other than the rights of the Authority and the Foundation with respect to payments for or reimbursement of certain fees and expenses under Section 6.02 hereof and indemnity rights under Section 13.01 hereof). The Charter School acknowledges and consents to the issuance and sale of the Bonds pursuant to the Indenture. The Charter School acknowledges and approves the form of the Bonds contained in the Indenture, and the authentication of the Bonds by the Trustee is hereby approved, authorized and directed.

This Lease is expressly subordinated to the lien of the Deed of Trust given by the Foundation to secure the Loan Agreement and the Bonds issued under the Indenture. This Lease

shall be subordinate to the liens granted in the Loan Agreement and the Deed of Trust and any liens or security interests created under the Indenture and any other mortgage or deed of trust (now or hereafter placed upon the Leased Property in replacement of the Deed of Trust or Loan Agreement or otherwise consented to by the Trustee) and to any and all advances made under any such mortgage or deed of trust and to all renewals, modifications, replacements or extensions thereof; provided, however, that in the event of foreclosure on the Deed of Trust caused by the Foundation's default thereunder, the Charter School shall continue to have the right to possess the property or otherwise enjoy its rights under the Lease provided that it fully performs its obligations hereunder. The Charter School agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. Notwithstanding the foregoing, upon the written request of the Foundation, the Authority or the Trustee, the Charter School agrees to deliver a Subordination, Non-Disturbance and Attornment Agreement reasonably acceptable to the Foundation, the Authority or the Trustee, as the case may be, to the holder of the Deed of Trust or to any other holder of any debt incurred in connection with a refinancing of the debt evidenced by the Loan Agreement and the Indenture.

#### **Section 10.07. Tax Covenants.**

(a) The Charter School covenants for the benefit of the Authority, the Trustee and the Registered Owners from time to time that the Charter School (i) shall not make any use of the Leased Property; and (ii) shall not take (or omit to take) any other action with respect to the Bonds, the interest on which is excludable from gross income for federal income tax purposes, the proceeds thereof or otherwise, if such use, action or omission would, under the Code, cause the interest on the Series 2018A Bonds and the Series 2025A Bonds, which is excludable from gross income for federal income tax purposes, to be included in gross income for federal income tax purposes or to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, including, but not limited to, any actions that would cause the Internal Revenue Service to revoke the Charter School's status as a 501(c)(3) exempt organization under the Code (except, with respect to corporations, as such interest is required to be taken into account in determining "adjusted net book income" or "adjusted current earnings" for the purpose of computing the alternative minimum tax imposed on such corporations).

(b) In particular, the Charter School hereby covenants for the benefit of the Authority, the Trustee and Registered Owners from time to time that it shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same would cause the Bonds, the interest on which is excludable from gross income for federal income tax purposes to be (i) "*arbitrage bonds*" within the meaning of Section 148 of the Code; or (ii) "*private activity bonds*" within the meaning of Section 141 of the Code.

(c) The Charter School hereby covenants that it is in compliance with, and it will in the future remain in compliance with, all applicable nondiscrimination laws, and that if it should hereafter be determined by final action of a court or administrative body having jurisdiction that the Charter School has failed so to comply, the Charter School



will proceed diligently to take such actions as may be necessary to restore compliance and to avoid any further failure of compliance.

(d) The covenants set forth in subsections (a) and (b) of this Section shall remain in full force and effect notwithstanding the defeasance of the Series 2018A Bonds or the Series 2025A Bonds pursuant to Article VII of the Indenture or any other provisions thereof.

**Section 10.08. Operating Fund Balance .** The Charter School covenants and agrees to maintain the following balances set forth below: Days Cash on Hand of not less than forty (40) days;

(b) emergency reserves in the amount required under Article X, Section 20(5) of the Colorado Constitution; and

(c) cumulative unrestricted cash reserves sufficient to meet all accrued and unpaid salary obligations of the Charter School; provided, however, such amount may be included in the Days Cash on Hand required pursuant to subparagraph (a) hereof.

Such balances required above shall be tested on June 30 of each year. The Charter School shall provide the Trustee with a certificate stating whether the balances required above have been met and setting forth the calculation of such amounts on June 30 of each year no later than the two weeks after the completion of the Charter School's audit for such Fiscal Year.

If the Charter School's Days Cash on Hand on June 30 of any Fiscal Year is less than forty (40) days, then the Trustee shall give notice to the Registered Owners and, upon the written direction of a majority of the Registered Owners, the Charter School shall employ a Consultant to review and analyze the operations and administration of the Charter School, inspect the Leased Property and submit to the Charter School, the Authority and the Trustee written reports, and make such recommendations as to the operation and administration of the Charter School as such Consultant deems appropriate, including any recommendation as to a revision of the methods of operation thereof. The Charter School shall consider any recommendations by the Consultant and, apply a best efforts approach to carry out such recommendations, subject to the Charter School's annual appropriation therefor. The Trustee has no duty or obligation to review any reports or recommendations of any Consultant or to monitor the Charter School's compliance with any recommendations of any Consultant.

It shall constitute an Event of Default if the Days Cash on Hand is less than forty (40) days on the June 30 testing date for two consecutive Fiscal Years.

**Section 10.09. Coverage Ratio.** The Charter School shall deliver annually to the Foundation and the Trustee a certificate stating the Coverage Ratio for the Fiscal Year then ended no later than two weeks after the completion of the Charter School's audit for such Fiscal Year. The Coverage Ratio shall be at or above 1.10 for any Fiscal Year. If such Coverage Ratio is below 1.10, the Charter School shall retain, at its expense and subject to annual appropriation therefor, a Consultant to submit a written report and make recommendations within sixty (60) days of being retained (a copy of such report and recommendations shall be filed with the Underwriter, the Authority and the Trustee) with respect to increasing income of the Charter

School, decreasing Operating Expenses of the Charter School or other financial matters of the Charter School which are relevant to increasing the Coverage Ratio to at least the required level. The Charter School shall consider any recommendations by the Consultant and, apply a best efforts approach to carry out such recommendations, subject to the Charter School's annual appropriation therefor. The Trustee shall notify Registered Owners of the Outstanding Bonds if the Coverage Ratio is below 1.10. If the Coverage Ratio falls below 1.10, for two consecutive Fiscal Years, it shall constitute an Event of Default hereunder by the Charter School, and if the Coverage Ratio falls below 1.00 for any Fiscal Year, it shall constitute an Event of Default hereunder by the Charter School. The Trustee has no duty or obligation to review any reports or recommendations of any Consultant or to monitor the Charter School's compliance with any recommendations of any Consultant.

**Section 10.10. Provision of Financial and Related Information.** The Charter School agrees to provide the Trustee, the Underwriter, the Authority and the Dissemination Agent, as dissemination agent under the Continuing Disclosure Agreement, the following information during each Renewal Term (provided that the Trustee and the Authority shall be under no obligation to review such information and the information required to be provided to the Trustee and the Authority in (b) and (c) need only be provided to the Trustee and the Authority at their written request): (a) audited financial statements within two hundred ten (210) days of each June 30, including calculations of Days Cash on Hand and Coverage Ratio, which may or may not be included in such audited financial statements; (b) the annual budget within thirty (30) days of adoption thereof; and (c) such other information required pursuant to the Continuing Disclosure Agreement. The information provided to the Dissemination Agent shall be posted to EMMA by the Dissemination Agent. For avoidance of doubt, the requirements set forth in this Section shall not be considered an undertaking under Rule 15c2-12 pursuant to the Securities Exchange Act of 1934, as amended.

**Section 10.11. Additional Leases.** The Charter School agrees that it will not enter into any capital leases or operating leases for additional facilities, unless the Foundation has satisfied the requirements of Section 8.13 of the Loan Agreement relating to additional Indebtedness. The Charter School may enter into capital leases or operating leases for equipment and other non-facility items without meeting the requirements of Section 8.13 of the Loan Agreement.

## ARTICLE XI

### ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

**Section 11.01. Assignment by the Foundation.** The Foundation's rights under this Lease (other than its rights with respect to certain fees and expenses under Section 6.02 hereof), including rights to receive and enforce payments hereunder, have been assigned to the Authority pursuant to the Loan Agreement and subsequently assigned by the Authority to the Trustee (other than rights of the Authority with respect to payments for or reimbursement of certain fees and expenses under Section 6.02 hereof and indemnity rights under Section 13.01 hereof) pursuant to the Indenture. The Foundation shall not assign any rights it may have under this Lease or the Loan Agreement without the prior written consent of the Authority and the Trustee.



**Section 11.02. Assignment and Subleasing by the Charter School.** This Lease may not be assigned by the Charter School for any reason. However, the Leased Property may be subleased, as a whole or in part, by the Charter School, only with the prior written consent of the Authority and the Foundation; and provided, further, that a nationally recognized bond counsel acceptable to the Authority delivers an opinion addressed to the Authority and the Trustee stating that such sublease will not cause an adverse impact on the tax exempt status of the Series 2018A Bonds or the Series 2025A Bonds.

**Section 11.03. Restrictions on Mortgage or Sale of the Leased Property.** The Charter School and the Foundation agree that, subject to the Foundation's rights set forth in Section 8.15 of the Loan Agreement, and except for (a) the Foundation's assignment of this Lease and the encumbrance of the lien against the Leased Property granted to or for the benefit of the Authority and the Trustee pursuant to the Loan Agreement and Deed of Trust, respectively, (b) any exercise by the Foundation or the Trustee of the remedies afforded by Section 12.02 hereof, (c) the Charter School's right to sublease pursuant to Section 11.02 hereof, (d) any granting of easements pursuant to Section 10.04 hereof, (e) any substitutions or modifications the Leased Property pursuant to Section 8.02 hereof, (f) any replacement of Leased Property pursuant to Section 9.02 or 9.03 hereof, and (g) Permitted Encumbrances, neither the Foundation nor the Charter School will mortgage, sell, assign, transfer or convey the Leased Property or any portion thereof during the Lease Term.

## **ARTICLE XI EVENTS OF DEFAULT AND REMEDIES**

**Section 12.01. Events of Default Defined.** Any one of the following shall constitute an "Event of Default" under this Lease:

(a) (i) failure by the Charter School to pay any specifically appropriated Base Rents during the Lease Term on or before the applicable Base Rents Payment Date or to pay Additional Rents which become due during the Lease Term, up to the amount specifically appropriated for the payment of Additional Rents in accordance with the provisions of Section 6.02 hereof; provided, however, that a failure by the Charter School to pay the Base Rents on the Base Rents Payment Date specified for such payment on Exhibit B hereto shall not constitute an Event of Default if such payment of Base Rents is received by the Trustee within ten (10) Business Days following such Base Rents Payment Date, and (ii) the failure of debt service payments to be made under the Colorado Charter School Intercept Program by the State Treasurer or, if the State Treasurer does not so agree, the Charter Authorizer;

(b) failure by the Charter School to vacate the Leased Property by the thirtieth (30<sup>th</sup>) calendar day following an Event of Nonappropriation, as provided in Section 6.05 hereof;

(c) failure by the Charter School to maintain its charter pursuant to the Charter Schools Act; provided, however, that if the Charter School has filed a timely appeal of the termination of its charter pursuant to the Charter Schools Act, an Event of Default shall not be deemed to occur until the earlier of the following: (i) the appeals process pursuant to the Charter Schools Act has concluded or (ii) a period of sixty (60)

days, which period may be extended only with the further written consent of the Registered Owners of all of the Outstanding Bonds;

(d) failure by the Charter School to timely pay any other amounts due to be paid by the Charter School as and when due under this Lease following ten (10) days written demand therefor by the Foundation or any assignee of the Foundation;

(e) failure of the Charter School to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a), (b), (c) or (d) above or as otherwise set forth in such covenant, condition or agreement hereunder, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied shall be given to the Charter School by the Trustee or the Foundation (any notice sent by the Foundation to the Charter School shall also be sent to the Trustee), unless the Trustee shall agree in writing, prior to the expiration of the thirty (30) day period, to an extension of no more than an additional sixty (60) days; provided, however, that if the failure stated in the notice cannot be corrected within the original thirty (30) day period after written notice, the Trustee and the Foundation shall not withhold their consent to an extension of up to an additional sixty (60) days if corrective action shall be instituted by the Charter School within such time period and diligently pursued until the default is corrected;

(f) the commencement by the Charter School of a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of all or any substantial part of its property or the consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or a general assignment for the benefit of its creditors, or failure to pay its debts as they become due, or taking any action in furtherance of any of the foregoing;

(g) an involuntary case or other proceeding commenced against the Charter School seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remaining undismissed and unstayed for a period of one hundred twenty (120) days;

(h) a levy or attachment upon the estate or interest of the Charter School in the Leased Property in any proceeding and such proceeding is not vacated or discharged within ninety (90) days after such levy or attachment, unless the Charter School is contesting such levy or attachment in accordance with the requirements of Sections 7.02 or 8.03; or

- (i) the Charter School terminates the Colorado Charter School Intercept Program Application or otherwise withdraws from the Colorado Charter School Intercept Program.

The foregoing provisions of this Section are subject to the following limitations: (i) the Charter School shall be obligated to pay the Base Rents and Additional Rents only during the Lease Term, except as otherwise expressly provided in this Lease; and (ii) if, by reason of Force Majeure, the Charter School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the Charter School contained in Article VI hereof and until the expiration or end of the Lease Term pursuant to Section 4.01 hereof, the Charter School shall not be deemed in default during the continuance of such inability so long as the Charter School has provided written notice to the Foundation and the Trustee. The Charter School agrees to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the Charter School from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Charter School.

**Section 12.02. Remedies on Default.** Whenever any Event of Default referred to in Section 12.01 hereof shall have happened and be continuing, the Trustee, acting for the Foundation, may, or at the request of the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding shall, without any further demand or notice, exercise one or any combination of the following remedies:

- (a) terminate the Lease Term and give notice to the Charter School to vacate the Leased Property, in the manner provided in Section 6.05 hereof, within ten (10) calendar days from the date of such notice;

- (b) without further demand or notice, reenter and take possession of the Leased Property in accordance with applicable law, repossess the same, expel the Charter School and those claiming through or under the Charter School, and remove the effects of both or either, using such force for such purposes as may be lawful and necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Base Rents, Additional Rents or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions;

- (c) to pursue any and all other rights and remedies available under State law, in law or in equity, including, without limitation, taking possession and selling any and all of Charter School's real or personal property upon which the Foundation or its assignees has a Lien hereunder or under the Loan Agreement or Deed of Trust;

- (d) acting for the Foundation, lease all or any portion of the real property included in the Leased Property;

- (e) acting for the Foundation, recover from the Charter School:

- (i) to the extent the recovery thereof is permitted by law, and only for so long as the Charter School remains in possession of the Leased Property, the

fair rental value of the use of the Leased Property during any period beyond the 30th calendar day following the occurrence of the Event of Default or termination hereof; and

(ii) Base Rents and Additional Rents, to the extent specifically appropriated therefor in accordance with the provisions of Section 6.02 hereof, which would otherwise have been payable by the Charter School hereunder after the Charter School vacates the Leased Property through the remainder of the Lease Term which occurs during the current Fiscal Year in which such Event of Default occurs; and

(f) acting for the Foundation, take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease, the Loan Agreement, the Deed of Trust, and the Indenture, subject, however, to the limitations contained in this Lease with respect to the Charter School's obligations upon the occurrence of an Event of Nonappropriation; and

(g) in the event that the Foundation or its assignees elect to terminate and/or reenter the Leased Property as provided in Section 12.02(a), or should the Foundation or its assignees take possession of the Leased Property pursuant to legal proceedings or pursuant to any notice provided by State law, the Foundation or its assignees shall automatically and with no further action required, own the improvements located on the Leased Property (and the Charter School agrees to execute any documents so confirming, including, without limitation, a deed, a bill of sale and an assignment of agreements and permits to the extent such agreements and permits relate to the Leased Property generally). The Foundation or its assignees may relet the Leased Property or portions thereof for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term of this Lease) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Leased Property improvements as the Foundation or its assignees, in their sole discretion, may determine) and the Foundation or its assignees may collect and receive the rent from such reletting of the Leased Property or portions thereof.

**Section 12.03. Limitations on Remedies.** A judgment requiring a payment of money may be entered against the Charter School by reason of an Event of Default only as to the Charter School's liabilities described in Section 12.02(e) hereof. A judgment requiring a payment of money may be entered against the Charter School by reason of an Event of Nonappropriation only to the extent that the Charter School fails to vacate the Leased Property as required by Section 6.05 hereof, and only as to the unpaid liabilities described in Section 12.02(e)(i) hereof. The remedy described in Section 12.02(e)(ii) hereof shall not be available for an Event of Default consisting of failure by the Charter School to vacate the Leased Property by the thirtieth (30<sup>th</sup>) calendar day following an Event of Nonappropriation.

**Section 12.04. No Remedy Exclusive.** Subject to Section 12.03 hereof, no remedy herein conferred upon or reserved to the Trustee on behalf of the Foundation, is intended to be exclusive, 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. No delay or omission to

exercise any right or power accruing upon any default 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. In order to entitle the Trustee, on behalf of the Foundation, to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

#### **Section 12.05. Waivers.**

(a) Subject to the terms of the Indenture, the Trustee may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(b) In view of the assignment of the Foundation's rights under this Lease to the Authority pursuant to the Loan Agreement and the Authority's subsequent assignment to the Trustee pursuant to the Indenture, the Foundation shall have no right to waive any Event of Default hereunder without the prior written consent of the Trustee; and the waiver of any Event of Default hereunder by the Trustee shall constitute a waiver of such Event of Default by the Foundation, without the necessity of any action of or consent by the Foundation.

### **ARTICLE XIII**

#### **MISCELLANEOUS**

**Section 13.01. Indemnification Covenants.** To the extent permitted by law, and subject to the limits of liabilities and immunities provided under the Colorado Governmental Immunity Act, Article 10, Title 24, Colorado Revised Statutes, as amended, the Charter School shall and hereby agrees to indemnify and hold the Authority, the Foundation and the Trustee harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the issuance of the Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Bonds and the conduct or management of, or from any work or thing done on or with respect to, the Leased Property during the Lease Term from: (a) any conditions of the Leased Property; (b) any action of negligence of the Charter School or any of its agents, contractors, officers, directors or employees or any violation of law by the Charter School or breach of any covenant or warranty by the Charter School hereunder, or any claim or allegation of any of the foregoing; (c) any act or omission of the Charter School or any of its agents, contractors, directors or employees, which act or omission shall include any and all claims or potential claims arising at law or in equity which are or may be asserted against the Authority, the Trustee or the Foundation, their agents, officers, directors or employees, including, but not limited to claims of negligence, breach of contract, breach of fiduciary duty and any alleged violation of any law, ordinance or regulation; and (d) any claims arising from Section 8.06 of the Loan Agreement. To the extent permitted by law, the Charter School shall indemnify and hold the Authority, the Foundation and the Trustee harmless from any such claim arising from clauses (a), (b), (c) or (d) above or in connection with any action or proceeding brought thereon and, upon notice from the Authority, the Foundation or

the Trustee, shall defend the Authority, the Foundation or the Trustee in any such action or proceeding. The Charter School shall, to the extent permitted by law, indemnify and hold harmless the Foundation, the Trustee and the Authority and their agents, officers, employees and directors, in their official and personal capacity, for any and all actions related to the Leased Property and the authorization, issuance and delivery of the Bonds.

**Section 13.02. Manner of Giving Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) mailed by certified or registered mail, postage prepaid; (b) deposited with any nationally recognized overnight delivery service that routinely issues receipts; or (c) personally delivered by any courier service that routinely issues receipts: if to the Charter School, to Stargate Charter School, 14530 Washington Street, Thornton, Colorado 80023, Attention: President; if to the Foundation, to Stargate Foundation, 14530 Washington Street, Thornton, Colorado 80023, Attention: President; if to the Authority, to the Colorado Educational and Cultural Facilities Authority, 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director; and if to the Trustee, to Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), at 1001 17th Street; Suite 850, Denver, Colorado 80202, Attention: Corporate Trust Department. The Charter School, the Foundation, the Authority and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. The Charter School agrees to the provisions of Section 9.01(x) and Section 11.07 of the Indenture relating to the delivery of notices and instructions to the Trustee by Electronic Means and the use of electronic signatures to sign documents delivered to the Trustee, respectively.

**Section 13.03. Binding Effect.** This Lease shall inure to the benefit of and shall be binding upon the Foundation and the Charter School and their respective successors and assigns, subject, however, to the limitations contained in Article XI hereof.

**Section 13.04. No Individual Liability.** All covenants, stipulations, promises, agreements and obligations of the Charter School or the Foundation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Charter School or the Foundation, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Charter School or the Foundation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation (including, without limitation, any obligations relating to payment of principal of, redemption premium, if any, or interest on the Bonds), or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Charter School or the Foundation or any natural person executing this Lease, the Loan Agreement or any related document or instrument.

**Section 13.05. Amendments, Changes and Modifications.** Except as otherwise provided in this Lease or the Indenture, subsequent to the issuance of the Bonds and prior to the discharge of the Indenture, this Lease may not be effectively amended, changed, modified or altered without the written consent of the Trustee and the Authority as provided in the Indenture and other than by the execution of a subsequent document in the same manner as this Lease is executed which may be evidenced by a recorded document in the real property records of the Clerk and Recorder of the county in which the Leased Property is located.



**Section 13.06. Events Occurring on Days that are not Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right under this Lease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

**Section 13.07. Severability.** In the event that any provision of this Lease, other than the requirement of the Charter School to pay Base Rents, the requirement of the Foundation to provide quiet enjoyment of the Leased Property and the requirement that the obligations of the Charter School to pay Base Rents and Additional Rents under this Lease are conditioned upon the prior specific appropriation by the Charter School of amounts for such purposes in accordance with the requirements of State law, 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 13.08. Execution in Counterparts.** This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 13.09. Applicable Law.** The laws of the State and rules and regulations issued pursuant thereto, as the same may be amended from time to time, shall be applied in the interpretation, execution and enforcement of this Lease. Any provision of this Lease whether or not incorporated herein by reference which provides for arbitration by an extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this Lease to the extent that this Lease is capable of performance.

**Section 13.10. Captions.** The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

**Section 13.11. Retention of Records.** The Charter School will maintain or cause to be maintained records relating to the use of the proceeds of the Bonds and the use and operation of the Leased Property for a period of four years after the later of (i) payment in full of the Bonds or (ii) payment in full of any bonds issued to refund the Bonds.

**Section 13.12. Electronic Storage.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 13.13. Estoppels.** Each party hereto agrees that at any time and from time to time during the Term of this Lease, it shall promptly, but in any event not later than five (5) days after request by the other party hereto, execute, acknowledge and deliver to such other party or to



any prospective purchaser, assignee, transferee, or the Authority or the Trustee or to any third party designated by such other party, a certificate stating, if true, that, to the actual knowledge of the signer (a) that this Lease is unmodified and in force and effect (or if there have been modifications, that this Lease is in force and effect as modified, and identifying the modification agreements); (b) the date to which Base Rents and Additional Rents have been paid; (c) to the knowledge of the signer after due inquiry and investigation, whether or not there is any existing Event of Default by the Charter School in the payment of any Base Rents, Additional Rents, or other sums payable hereunder beyond any applicable grace period, and to the actual knowledge of the signer, whether or not there is any other existing default by either party hereto with respect to which a notice of default has been served, and, if there is any such default, specifying the nature and extent thereof; and (d) whether or not there are any setoffs, defenses or counterclaims against enforcement of the obligations to be performed hereunder existing in favor of the party executing such certificate.

**Section 13.14. Trustee.** Any provision governing the rights, immunities and protections of the Trustee under the Indenture is incorporated by reference into this Lease and shall be applied to the Trustee as though fully set forth herein. In the event any provision of this Lease requires the approval, consent, or action by the Trustee, the Trustee must undertake to grant or deny such approval or consent, or perform such action, only subject to and as directed by the terms of the Indenture, and may, in the Trustee's sole discretion, require direction of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding prior to undertaking any such approval, consent, or action.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Foundation and the Charter School have executed this Lease as of the date first written above.

STARGATE FOUNDATION, as Lessor

By \_\_\_\_\_  
President

Attest:

By: \_\_\_\_\_  
Secretary

STARGATE CHARTER SCHOOL, as  
Lessee

By \_\_\_\_\_  
President

Attest:

By: \_\_\_\_\_  
Secretary

[Signature page to Lease Agreement – Stargate Charter School]

STATE OF COLORADO     )

) ss.

COUNTY OF ADAMS     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2025, by \_\_\_\_\_, President and \_\_\_\_\_, Secretary of Stargate Foundation, a Colorado nonprofit corporation.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary Public

[Notary page to Lease Agreement – Stargate Charter School]

STATE OF COLORADO     )

) ss.

COUNTY OF ADAMS     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2025, by \_\_\_\_\_, President and \_\_\_\_\_, of Stargate Charter School, a Colorado public charter school.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary Public

[Notary page to Lease Agreement – Stargate Charter School]

## **EXHIBIT A**

### **DESCRIPTION OF THE REAL PROPERTY**

Tracts A, E and F,  
STARGATE CHARTER SCHOOL SUBDIVISION,  
according to the plat recorded April 9, 2015 as Reception No. 20150000025331  
County of Adams, State of Colorado.

**EXHIBIT B**  
**BASE RENT PAYMENT SCHEDULE**

[Attached]

CASEY PARROT LLC – DRAFT

06/05/2025

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
Charter School Revenue Bonds  
(Stargate Charter School Project)**

**\$(A-PAR)  
SERIES 2025A**

**\$(B-PAR)  
FEDERALLY TAXABLE  
SERIES 2025B**

**BOND PURCHASE AGREEMENT**

[\_\_\_\_\_] , 2025

Colorado Educational and Cultural  
Facilities Authority  
Denver, Colorado

Stargate Foundation  
Thornton, Colorado

Stargate Charter School  
Thornton, Colorado

Ladies and Gentlemen:

The undersigned, on behalf of D.A. Davidson & Co. (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement (this “Bond Purchase Agreement”) with the Colorado Educational and Cultural Facilities Authority (the “Authority”), Stargate Foundation (the “Foundation”) and Stargate Charter School (the “Charter School”), which, upon the execution hereof by the Authority, the Foundation, the Charter School, and the Underwriter, will become a binding agreement among the Authority, the Foundation, the Charter School and the Underwriter. This offer may be accepted by the Foundation and the Charter School by their execution hereof on or before 3:00 p.m., Denver, Colorado time, on [\_\_\_\_\_] , 2025. This offer may be accepted by the Authority by the execution of this Bond Purchase Agreement by its Executive Director in accordance with the parameters of the amended and restated bond resolution adopted by the governing body of the Authority on May 28, 2025 (the “Resolution”) pursuant to which the Authority delegated authority to the Executive Director to approve the final principal amount, maturity dates, interest rates, mandatory sinking fund redemption amounts and redemption dates for the bonds, all within the parameters set forth in the Resolution.

The Authority, the Foundation and the Charter School acknowledge and agree that (i) the transaction contemplated by this Bond Purchase Agreement is an arm’s-length commercial transaction among the Authority, the Foundation, the Charter School and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and



is not acting as a financial advisor of the Authority, the Foundation or the Charter School; (iii) the Underwriter has not assumed a financial advisory responsibility in favor of the Authority, the Foundation or the Charter School with respect to the transaction contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority, the Foundation or the Charter School on other matters) and the Underwriter has no obligation to the Authority, the Foundation or the Charter School with respect to the transaction contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement; (iv) the Underwriter is acting solely in its capacity as underwriter for its own account; and (v) the Authority, the Foundation and the Charter School have consulted their own legal, financial and other advisors to the extent they have deemed appropriate. For both subsections (ii) and (iii) herein, it is the Authority's, the Foundation's and the Charter School's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as Underwriter, a broker, dealer, municipal securities dealer or placement agent, advice is rendered to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities. The Underwriter hereby notifies the Authority, the Foundation and the Charter School that it is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), it is not an agent of the Authority, the Foundation or the Charter School, and it does not have a fiduciary duty to the Authority, the Foundation or the Charter School in connection with the matters contemplated by this Bond Purchase Agreement.

1. **Purchase and Sale of the Bonds.** On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Underwriter agrees to purchase from the Authority, and the Authority agrees to sell to the Underwriter, the Authority's Charter School Revenue Bonds (Stargate Charter School Project) Series 2025A in the original aggregate principal amount of \$[A-PAR] (the "Series 2025A Bonds"), and the Authority's Charter School Revenue Bonds (Stargate Charter School Project) Federally Taxable Series 2025B in the original aggregate principal amount of \$[B-PAR] (the "Series 2025B Bonds" and together with the Series 2025A Bonds, the "Bonds"), at a purchase price of \$[ ] (representing the par amount of the Bonds of \$[ ], [less][plus] [net] original issue [discount][premium] of \$[ ], less an underwriting discount of \$[ ]). The interest rates, maturity dates and mandatory sinking fund redemption amounts for the Bonds shall be as set forth in Exhibit A hereto. Further, the Bonds shall be subject to redemption by the Authority upon the direction of the Foundation as provided in the Final Pricing Results, attached hereto as Exhibit A.

2. **Background.** The Bonds shall be dated as of June [ ], 2025 and shall bear interest, mature, be redeemable and otherwise be as described in the Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the "Indenture"), by and between the Authority and Zions Bancorporation, National Association (fka ZB, National Association dba Zions Bank), as trustee thereunder (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture. The Bonds shall be issued under the Indenture and secured by the Indenture and an Amended and Restated Loan and Security Agreement, dated as of June 1, 2025 (the "Agreement"), by and between the Authority and the Foundation, and an Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated June 1, 2025 (the "Deed of Trust"), by the Foundation for the benefit of the Authority. Repayment of the Bonds

will be secured by a pledge of the Pledged Revenues of the Foundation, subject to certain Permitted Encumbrances (defined in the Agreement) and the payment obligations of the Foundation with respect to the Bonds will be special limited obligations of the Foundation payable, upon an Event of Default (as defined in the Agreement), solely from such Pledged Revenues of the Foundation or from amounts received from the foreclosure on the Deed of Trust, all as provided in the Agreement and the Deed of Trust or other moneys of the Foundation. The Bonds constitute special, limited obligations of the Authority and except to the extent payable from Bond proceeds and investment income, are payable solely from certain payments, revenues and other amounts derived by the Authority pursuant to the Agreement. The proceeds from the sale of the Bonds will be used by the Foundation for the following purposes: (a) financing the design, construction, renovation, expansion and equipping of various improvements to the education facility located at 14530 Washington St. Thornton, Colorado 80023 (the “Facility”); (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying the costs of issuance of the Bonds (collectively, the “Project”). The Foundation will lease all of the Facility to the Charter School pursuant to the terms and provisions of an Amended and Restated Lease Agreement, dated as of June 1, 2025 (the “Lease”), by and between the Foundation and the Charter School.

[The scheduled payment of the principal of and interest on all of the Bonds when due will be guaranteed under an insurance policy (the “Insurance Policy”) to be issued concurrently with the delivery of the Bonds by Build America Mutual Insurance Company (the “Bond Insurer”).][DISCUSS]

3. **Delivery of Official Statement.** The use and distribution of the Preliminary Official Statement, dated [June \_\_], 2025 (the “Preliminary Official Statement”), and the Official Statement, dated [June \_\_], 2025 (the “Official Statement”) has been approved by resolutions of the Foundation and the Charter School. The Charter School acknowledges (a) that the Foundation is delivering the Official Statement in connection with the offering of the Bonds and the execution and delivery of the Lease and (b) that the Official Statement contains information concerning the Charter School and its operations, which information has been provided by or reviewed by the Charter School and its counsel. The Foundation and the Charter School have authorized the distribution by the Underwriter of the Official Statement in offering the Bonds for sale to prospective purchasers of the Bonds. The Foundation shall deliver, or cause to be delivered to the Underwriter promptly after the acceptance hereof and in sufficient time to accompany any confirmation that requests payment from any customer (but, in any event, not later than the earlier of (i) seven business days after the execution of this Bond Purchase Agreement; or (ii) on or before the Closing Date (as hereinafter defined)), copies of the Official Statement in such number as the Underwriter may reasonably request in order to permit the Underwriter to comply with the provisions of Rule 15c2-12 of the Securities and Exchange Commission, as amended (“Rule 15c2-12”), and the applicable rules of the Municipal Securities Rulemaking Board with respect to distribution to each customer, upon request, of a copy of the Official Statement, and the Underwriter agrees to distribute such Official Statements in compliance with Rule 15c2-12. The Foundation and Charter School acknowledge that the Official Statement may be distributed in an electronic format. The Underwriter agrees to promptly submit in portable document format a copy of the Official Statement to “EMMA,” the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System, with a portal at <http://emma.msrb.org>.

4. **Authority's Lack of Participation.** The Underwriter, the Foundation and the Charter School acknowledge that, except for the information contained in the Official Statement under the captions "INTRODUCTION—The Authority," "THE AUTHORITY" and "LEGAL MATTERS—Pending and Threatened Litigation—*No Proceedings Against the Authority*," the Authority has not participated in the preparation of the Preliminary Official Statement or the Official Statement and has made no investigation of the facts contained therein and assumes no responsibility for the sufficiency, accuracy or completeness of the Preliminary Official Statement or the Official Statement. It is further understood and agreed that no obligation of the Authority contained in this Bond Purchase Agreement, the Bonds or the other Authority Documents (defined below) shall give rise to any pecuniary liability of the Authority and that the Bonds shall be payable solely from amounts pledged under the Indenture.

5. **Delivery of Payment.** The Underwriter will accept delivery of the Bonds and pay the purchase price thereof as set forth in Section 1 hereof by Federal Reserve System wire transfer in immediately available Federal funds or by any other form of immediately available Federal Funds on the Closing Date.

6. **Representations of the Authority.** The Authority represents to the Underwriter, the Foundation and the Charter School that:

(a) The Authority is an independent public body politic and corporate and a public instrumentality of the State of Colorado (the "State") validly constituted, created and existing under the Colorado Educational and Cultural Facilities Act, Title 23, Article 15, Colorado Revised Statutes, as amended (the "Act"). The Authority is authorized by the Act and the Supplemental Public Securities Act, Article 57, Title 11, Section 201 et seq. of Colorado Revised Statutes, as amended (the "Supplemental Act") to enter into this Bond Purchase Agreement, the Agreement, the Indenture and the Tax Compliance Certificate, dated as of June [ ], 2025 (the "Tax Compliance Certificate"), by and among the Authority, the Foundation, and the Charter School, and to carry out its obligations hereunder and thereunder. This Bond Purchase Agreement, the Agreement, the Indenture, the Tax Compliance Certificate and the Bonds, and any document executed by the Authority related thereto shall be collectively referred to herein as the "Authority Documents."

(b) The Authority has full legal right, power and authority (i) to adopt the Resolution, which authorized the issuance of the Bonds; (ii) to enter into the Authority Documents; (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein; and (iv) to carry out, consummate and give effect to all other transactions contemplated by each of the aforesaid documents to be carried out and consummated by the Authority.

(c) The Authority, as of the Closing Date, will have duly authorized (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Indenture; (ii) the execution, delivery and due performance of the Authority Documents; and (iii) the taking of any and all such action by the Authority as may be required by applicable laws of the State to carry out, give effect to and consummate the transactions contemplated by such documents.

(d) To the Authority's knowledge, there is no litigation pending or, to the best of the Authority's knowledge, threatened against the Authority, with respect to which service or notice to the Authority has been perfected or given, to restrain or enjoin the issuance and delivery of the Bonds, or contesting or questioning the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued or delivered, or the pledge or application of any money or security provided for the payment of the Bonds. To the best knowledge of the Authority, there is no litigation pending or threatened against the Authority which questions the right of the Authority to enter into the Authority Documents or to issue the Bonds in the manner provided in the Indenture, the Act, the Supplemental Act and the Resolution.

(e) The adoption of the Resolution and the execution and delivery of the Authority Documents by the Authority and all other agreements and instruments to which the Authority is a party relating thereto, and the compliance with the provisions hereof and thereof, will not to the best of its knowledge violate any existing law or regulation or conflict with, result in a breach of any of the terms of or constitute a default under the Authority's previous bond resolutions, any judgment, decree, order, statute, rule or regulation applicable to the Authority or any indenture, mortgage, deed of trust, lease or other instrument to which the Authority is a party or by which the Authority is bound.

(f) Any closing certificate signed by any authorized official of the Authority and delivered to the Underwriter shall be deemed to be a representation by the Authority to the Underwriter as to the truth of the statements therein contained.

(g) As of the date of this Bond Purchase Agreement and (unless an event occurs of the nature described in Sections 7(k) and (l) and 8(l) and (m) hereof) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 15 hereof) the information contained in the Official Statement under the captions "INTRODUCTION—The Authority," "THE AUTHORITY" and "LEGAL MATTERS—Pending and Threatened Litigation—*No Proceedings Against the Authority*" do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(h) If the Official Statement is supplemented or amended with the Authority's consent, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 15 hereof) the information in the Official Statement under the captions "INTRODUCTION—The Authority," "THE AUTHORITY" and "LEGAL MATTERS—Pending and Threatened Litigation—*No Proceedings Against the Authority*" as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to

make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(i) The sections headed “INTRODUCTION—The Authority,” “THE AUTHORITY” and “LEGAL MATTERS—Pending and Threatened Litigation—*No Proceedings Against the Authority*” in the Preliminary Official Statement are deemed final by the Authority as of its date within the meaning of Rule 15c2-12, and the Authority acknowledges the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with the offer and sale of the Bonds.

(j) The cost of financing the Project will be paid out of the proceeds of the Bonds and funds of the Foundation. No costs or expenses shall be borne by the Authority in connection with the issuance of the Bonds, the preparation of any documents relating thereto, or any legal or financial consultants retained in connection therewith. The Bonds shall not constitute or become an indebtedness, a debt or a liability or a charge against the general credit or taxing power of the State, the General Assembly of the State, or of any county, city, city and county, town, school district, or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Authority (but only to the extent of the revenues pledged in the Loan Agreement and the Indenture), and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State, except the Authority, to the extent provided above, shall be liable thereon; nor shall the Bonds constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State or of any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State; but the Bonds shall be payable solely from the funds pledged therefor. The issuance of the Bonds shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State, nor empower the Authority to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments therefor or make any appropriation for payment of the Bonds, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Authority to create a debt of the State within the meaning of the Constitution or statutes of the State or to authorize the Authority to levy or collect taxes or assessments. Neither the members of the Board of Directors of the Authority nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. The State shall not in any event be liable for the payment of the principal, of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation, or agreement of any kind whatsoever undertaken by the Authority. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

**7. Representations of the Foundation.** In order to induce the Authority, the Charter School and the Underwriter to enter into this Bond Purchase Agreement and to make the offer and sale of the Bonds, the Foundation represents to the Authority, the Charter School and the Underwriter that:



(a) The Foundation shall provide such information, access to its properties and appropriate records and other cooperation, as may be reasonably requested in connection with the preparation, amendment and supplementation of the Official Statement until the Closing and for 120 days after the Closing (as defined in Section 9 hereof) as, in the opinion of the Underwriter, may be required in connection with the offering of the Bonds and the preparation of the Official Statement.

(b) The Foundation is a validly organized and existing nonprofit corporation in good standing under the laws of the State and will obtain or cause to be obtained all necessary licenses, permits, accreditation and certifications required to carry on and operate the Facility. The Foundation has all power and authority to consummate the transactions contemplated by this Bond Purchase Agreement and the Official Statement, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein. The Foundation has not received notice of any alleged violation and, to the best of its knowledge, the Foundation is not in violation of any zoning, land use or other similar law or regulation applicable to the Facility which could adversely affect the Foundation's operation of the Facility.

(c) The execution and delivery of the Agreement, the Tax Compliance Certificate, the Deed of Trust, the Lease, this Bond Purchase Agreement, the Official Statement, and the other agreements contemplated by this Bond Purchase Agreement, the Foundation Undertaking (defined herein) and the Official Statement (collectively, the "Foundation Documents"), the approval of the Foundation of the Official Statement, this Bond Purchase Agreement, the Indenture and the form of the Bonds, compliance by the Foundation with the provisions of any or all of the foregoing documents and the application of the proceeds of the Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the Foundation is a party or by which the Foundation or any of its property is or may be bound.

(d) The Foundation has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds by the Authority upon the terms and conditions set forth herein, in the Official Statement and in the Indenture and the approval of the Official Statement, this Bond Purchase Agreement, the Indenture and the form of the Bonds; and (ii) the execution, delivery and receipt of the Foundation Documents, and any and all such agreements, certificates and documents as may be required at the present time to be executed, delivered and received by the Foundation in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(e) There is no litigation or proceeding pending or, to the best of the Foundation's knowledge, threatened against or affecting the Foundation that challenges

the validity of the Foundation Documents or the validity of the transactions contemplated by this Bond Purchase Agreement and the Official Statement.

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the knowledge of the Foundation, threatened against or affecting the Foundation, or to the knowledge of the Foundation, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the Foundation, the Foundation's management of its properties, or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability of the Bonds, the Indenture, the Agreement, the Tax Compliance Certificate, the Deed of Trust or the Lease or which would in any way adversely affect the existence or power of the Foundation or which would in any way adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(g) The Foundation has received and there remain currently in full force and effect, or will receive prior to the delivery of the Bonds, all governmental consents and approvals that would constitute a condition precedent to the performance by the Foundation of its obligations required at the present time hereunder or under the Foundation Documents or the consummation of the transactions contemplated by the Official Statement or this Bond Purchase Agreement.

(h) The Foundation is not in breach of or in default under any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease, sublease or other instrument to which the Foundation is a party or by which the Foundation or its property is bound and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to any extent which could have a material adverse effect on the financial condition of the Foundation, the Foundation's management of its properties or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds, the Agreement, the Tax Compliance Certificate, the Deed of Trust, the Lease or the Indenture or in any way materially adversely affect the existence or powers of the Foundation or in any way adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(i) The information contained in the Preliminary Official Statement relating to (i) the Foundation; (ii) the application of the proceeds of sale of the Bonds; and (iii) the participation by the Foundation in the transactions contemplated by this Bond Purchase Agreement and in the Preliminary Official Statement was, as of its date, and is, as of the date of this Bond Purchase Agreement, true and correct in all material respects. The Preliminary Official Statement did not as of its date and does not as of the date of this Bond Purchase Agreement contain any untrue statement of a material fact, and the Preliminary Official Statement did not as of its date and does not as of the date of this Bond Purchase Agreement 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 information contained in the Official Statement relating to (i) the Foundation; (ii) the application of the proceeds of sale of the Bonds; and (iii) the participation by the Foundation in the transactions contemplated by this Bond Purchase Agreement and in the Official Statement are, as of its date, and will be, as of the date of Closing, true and correct in all material respects. The Official Statement does not as of its date and will not as of the date of Closing contain any untrue statement of a material fact, and the Official Statement does not as of its date and will not as of the date of Closing 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.

(k) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 15 hereof) the information in the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(l) If during the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 15 hereof) the Foundation becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, it shall notify the Underwriter and the Authority, and if in the reasonable opinion of the Underwriter such fact or event requires the preparation and publication of a supplement or amendment to the Official Statement, the Foundation will with the consent of the Authority, at its expense, supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and furnish to the Underwriter (i) a reasonable number of copies of the supplement or amendment, and (ii) if such notification shall be subsequent to the Closing Date, such legal opinions, certificates, instruments, and other documents as the Authority and the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(m) The Foundation will not take or omit to take any action which will cause the proceeds from the sale of the Bonds to be applied or result in such proceeds being applied in a manner other than as provided in the Indenture, the Agreement, the Tax Compliance Certificate and the Lease.

(n) If between the date of this Bond Purchase Agreement and the date of the Closing any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact that should be stated therein or is necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the Foundation shall notify the Authority, the Charter School and the Underwriter, and if, in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Foundation shall cause the Official Statement to be amended or supplemented in a form and in a manner approved by the Authority and the Underwriter.

(o) The Foundation hereby authorizes the use of the Official Statement, including all amendments and supplements thereto consented to by the Foundation, by the Underwriter in connection with the public offer and sale of the Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offer and sale of the Bonds.

(p) The Foundation agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Bonds for offer and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; provided, that, the Foundation shall not be required with respect to the offer or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction in which such consent may be required by law or regulation so that the Bonds may be offered or sold. The Foundation consents to the use of the Preliminary Official Statement by the Underwriter in obtaining such qualification.

(q) Each representation, warranty or agreement stated in any certificate signed by any officer of the Foundation and delivered to the Authority, the Charter School or the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the Foundation upon which the Authority, the Charter School and the Underwriter shall be entitled to rely.

(r) The statements in the Preliminary Official Statement relating to the Foundation’s past compliance with Rule 15c2-12 are accurate in all material respects. Except as described in the Preliminary Official Statement, the Foundation has not failed to comply in all material respects with each continuing disclosure undertaking previously entered into by it pursuant to Rule 15c2-12 within the past five years.

(s) The Foundation covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Foundation Undertaking”) to provide ongoing disclosure about the Foundation, for the benefit of the registered and beneficial owners of the Bonds on or before the date of delivery of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12, for the benefit of the registered and beneficial owners of the Bonds pursuant to the Indenture and in the form as summarized in the Official Statement, with such changes as may be agreed to in writing by the Underwriter.

8. **Representations of the Charter School.** In order to induce the Authority, the Foundation and the Underwriter to enter into this Bond Purchase Agreement and to make the offer and sale of the Bonds, the Charter School represents to the Authority, the Foundation and the Underwriter that:

(a) The Charter School shall provide such information, access to appropriate records and other cooperation, as may be reasonably requested in connection with the preparation, amendment and supplementation of the Official Statement until the Closing and for 120 days after the Closing (as defined in Section 9 hereof) as, in the opinion of the Underwriter, may be required in connection with the offering of the Bonds and the preparation of the Official Statement.

(b) The Charter School is a validly organized and existing nonprofit corporation in good standing under the laws of the State and a public charter school established pursuant to Article 30.5, Title 22 of the Colorado Revised Statutes, as amended, and its charter school contract (the “Charter”) with Adams 12 Five Star Schools, Colorado (the “Charter Authorizer”), and has all necessary licenses, permits, accreditation and certifications required to carry on operations at the Facility as contemplated by the Lease. The Charter School is an organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 as amended (the “Code”) as an organization described in Section 501(c)(3) and is not a “private foundation” within the meaning of section 509(a) of the Code. The Charter School has all power and authority to consummate the transactions contemplated by this Bond Purchase Agreement and the Official Statement, including the execution, delivery and/or approval of this Bond Purchase Agreement, the Tax Compliance Certificate, the Charter School Undertaking (defined herein), the Official Statement and the Lease (collectively, the “Charter School Documents”). The Charter School has not received notice of any alleged violation and, to the best of its knowledge, the Charter School is not in violation of any zoning, land use or other similar law or regulation applicable to any of the Charter School’s property or to the Facility which could adversely affect the Charter School’s operations at the Facility or its financial condition.

(c) The execution and delivery of the Charter School Documents and compliance by the Charter School with the provisions of the Charter School Documents, does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the Charter School is a party, including the Charter, or by which the Charter School or any of its property is or may be bound.

(d) The Charter School has duly authorized all necessary action to be taken by it for the execution, delivery and receipt of the Charter School Documents, the authorization of the use of the Official Statement, and the execution, delivery and receipt of any and all such certificates and documents as may be required at the present time to be executed, delivered and received by the Charter School in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and

preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(e) There is no litigation or proceeding pending or threatened against or affecting the Charter School that challenges the validity of the Charter School Documents or the validity of the transactions contemplated by this Bond Purchase Agreement and the Official Statement.

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the knowledge of the Charter School, threatened against or affecting the Charter School, or to the knowledge of the Charter School, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the Charter School, the operation of the Charter School's properties or the Charter School's operations at the Facility, or the transactions contemplated by this Bond Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability of the Charter School Documents or any material agreement or instrument by which the Charter School is or may be bound, including the Charter, or which would in any way adversely affect the existence or power of the Charter School or which would in any way adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(g) The Charter School has received and there remain currently in full force and effect, or will receive prior to the delivery of the Bonds, all governmental consents and approvals that would constitute a condition precedent to the performance by the Charter School of its obligations under the Charter School Documents or the consummation of the transactions contemplated by the Official Statement or this Bond Purchase Agreement.

(h) The Charter School is not in breach of or in default under any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease, sublease or other instrument to which the Charter School is a party, including the Charter, or by which the Charter School or its property are bound or, under the existing provisions of which, the Charter School or its property may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to any extent which could have a material adverse effect on the financial condition of the Charter School, the operation of the Charter School under the Charter, or the transactions contemplated by this Bond Purchase Agreement, the Lease and the Official Statement, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds, the Indenture or the Charter School Documents or in any way adversely affect the existence or powers of the Charter School or in any way adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(i) The Charter School's audited financial statement for the fiscal year ended June 30, 2024 is a fair representation of the financial position of the Charter School as of

the date indicated and the results of its operations and changes in its fund balances for the period specified, and such financial statement has been prepared in conformity with generally accepted accounting principles consistently applied throughout the period presented, except as otherwise noted therein. Except as described in the Official Statement, since June 30, 2024, there has been no material adverse change in the condition, financial or otherwise, of the Charter School from that set forth in the financial statements as of and for the period ending that date; and the Charter School has not since June 30, 2024, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations.

(j) The information contained in the Preliminary Official Statement was, as of its date, and is, as of the date of this Bond Purchase Agreement, true and correct in all material respects. The Preliminary Official Statement did not as of its date and does not as of the date of this Bond Purchase Agreement contain any untrue statement of a material fact, and the Preliminary Official Statement did not as of its date and does not as of the date of this Bond Purchase Agreement 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.

(k) The information contained in the Official Statement is, as of its date, and will be, as of the date of Closing, true and correct in all material respects. The Official Statement does not as of its date and will not as of the date of Closing contain any untrue statement of a material fact, and the Official Statement does not as of its date and will not as of the date of Closing 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.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 15 hereof) the information in the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(m) If during the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 15 hereof) the Charter School becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, it shall notify the Underwriter and the Authority, and if in the reasonable opinion of the Underwriter such fact or event requires the preparation and publication of a supplement or amendment to the Official Statement, the Charter School will, with the

prior consent of the Authority, at its expense, supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and furnish to the Underwriter (i) a reasonable number of copies of the supplement or amendment; and (ii) if such notification shall be subsequent to the Closing Date, such legal opinions, certificates, instruments, and other documents as the Underwriter and the Authority may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(n) The Charter School will not take or omit to take any action which will in any way cause the proceeds from the sale of the Bonds to be applied or result in such proceeds being applied in a manner other than as provided in the Indenture, the Agreement, the Tax Compliance Certificate and the Lease.

(o) If between the date of this Bond Purchase Agreement and the date of the Closing any event shall occur that might or would cause the information regarding the Charter School contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact that should be stated therein or is necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the Charter School shall notify the Authority, the Foundation and the Underwriter, and if, in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Charter School shall cause the Official Statement to be amended or supplemented in a form and in a manner approved by the Authority and the Underwriter.

(p) The Charter School acknowledges (i) that the Foundation is delivering the Official Statement in connection with the offering of the Bonds and the execution and delivery of the Lease and (ii) that the Official Statement contains information concerning the Charter School and its operations, which information has been provided by or reviewed by the Charter School and its counsel. In connection with its execution and delivery of the Lease, the Charter School hereby authorizes and ratifies the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offer and sale of the Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offer and sale of the Bonds.

(q) The Charter School agrees that, so long as the Charter School is leasing the Facility, it will not carry on or permit to be carried on at the portion of the Facility acquired with proceeds of the Bonds or permit the portion of the Facility acquired with proceeds of the Bonds to be used in or for any trade or business if such activity would adversely affect the exclusion of interest on the Series 2025A Bonds from gross income for federal income tax purposes.

(r) The Charter School agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Bonds for offer and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, that, the Charter School shall not be required with respect to the offer or sale of the Bonds



to file written consent to suit or to file written consent to service of process in any jurisdiction in which such consent may be required by law or regulation so that the Bonds may be offered or sold. The Charter School consents to the use of the Preliminary Official Statement by the Underwriter in obtaining such qualification.

(s) Each representation, warranty or agreement stated in any certificate signed by any officer of the Charter School and delivered to the Authority, the Foundation or the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the Charter School upon which the Authority, the Foundation and the Underwriter shall be entitled to rely.

(t) The statements in the Preliminary Official Statement relating to the Charter School's past compliance with Rule 15c2-12 are accurate in all material respects. Except as described in the Preliminary Official Statement, the Charter School has not failed to comply in all material respects with each continuing disclosure undertaking previously entered into by it pursuant to Rule 15c2-12 within the past five years.

(u) The Charter School covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Charter School Undertaking") to provide ongoing disclosure about the Charter School, for the benefit of the registered and beneficial owners of the Bonds on or before the date of delivery of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12, for the benefit of the registered and beneficial owners of the Bonds pursuant to the Indenture and in the form as summarized in the Official Statement, with such changes as may be agreed to in writing by the Underwriter.

9. **Delivery of the Bonds.** At the offices of Casey Parrot, LLC, at 9:00 a.m., Denver time, on June [ ], 2025, or at such other time or location or on such earlier or later date as you and we mutually agree upon (the "Closing" or the "Closing Date"), the Authority will deliver or cause to be delivered to the Underwriter the Bonds, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds, subject to the terms and conditions set forth herein. The Bonds so to be delivered will be in fully registered form in such authorized denominations and registered in such name as the Underwriter may specify.

#### 10. **Establishment of Issue Price.**

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Series 2025A Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, 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 2025A Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Authority will treat the first price at which 10% of each maturity of the Series 2025A 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 Authority the price or prices at which it has sold to the public each maturity of Series 2025A Bonds. If the 10% test has not been satisfied as to any maturity of the Series 2025A Bonds as of the execution of this Bond Purchase Agreement, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Series 2025A Bonds of that maturity 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 2025A Bonds of that maturity or until all Series 2025A Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2025A 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 Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2025A Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow 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 2025A Bonds, the Underwriter will neither offer nor sell unsold Series 2025A 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:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2025A 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 Authority when it has sold 10% of that maturity of the Series 2025A 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.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Series 2025A 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 and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2025A 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 2025A Bonds of that maturity or all Series 2025A 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 (i) in the event a selling group has been created in connection with the initial sale of the Series 2025A 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, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Series 2025A 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, if applicable, as set forth in the retail distribution 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 2025A Bonds.

(e) The Underwriter acknowledges that sales of any Series 2025A Bonds to any person that is a related party to the 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 2025A 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 2025A 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 2025A Bonds to the public),

(iii) a purchaser of any of the Series 2025A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) 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), (ii) 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 (iii) 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.

11. **Official Statement.** During the initial public offering of the Bonds (a period concluding 25 days following the End of the Underwriting Period for the Bonds), the Foundation, the Charter School and the Authority will (a) not consent to the distribution of any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by counsel for the Underwriter; and (b) if any event shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, consent to the distribution of an amendment of or supplement to the Official Statement, prepared without expense to the Authority (in form and substance satisfactory to the Underwriter) in a reasonable number of copies which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. Any amendment of or supplement to the Official Statement to be distributed pursuant to this Section shall contain a statement that the Authority has neither participated in the preparation thereof nor made any independent investigation of the facts contained therein and a statement that the Authority does not assume any responsibility for the sufficiency, accuracy or completeness of the information contained therein.

12. **Conditions to the Obligations of the Underwriter; Other Conditions.** The obligation of the Underwriter to purchase and pay for the Bonds will be subject to the accuracy of the representations on the part of the Authority, the Foundation and the Charter School herein; to the accuracy of the statements of officials of the Authority and of officers of the Foundation and the Charter School made pursuant to the provisions hereof; to the performance by the Authority, the Foundation and the Charter School of their respective obligations hereunder; to the accuracy and completeness of the representations and certifications of the Foundation in the Foundation Documents; to the accuracy and completeness of the representations and certifications of the Charter School in the Charter School Documents and to the following additional conditions:

(a) The Authority Documents, the Charter School Documents, and the Foundation Documents shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect with only such changes therein as may be approved by the Underwriter.

(b) Subsequent to the date of this Bond Purchase Agreement and prior to the Closing Date:

(i) there shall not have occurred any material change, or any development involving a prospective material change in, or affecting the business or properties of the Foundation or the Charter School which in the judgment of the Underwriter, materially and adversely affects the investment quality of the Bonds; and

(ii) the market price of the Bonds, or the general market price of general credit or revenue obligations issued by states or political subdivisions

thereof, or the market price of revenue obligations of the character of the Bonds shall (in the reasonable judgment of the Underwriter) not have been materially and adversely affected by reason of the fact that:

(A) (1) legislation shall have been enacted by either House of the Congress of the United States, or favorably reported for passage to either House of the Congress of the United States by any committee of such House to which such legislation has been referred for consideration; or (2) 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 (3) an order, ruling or regulation shall have been made by the Treasury Department of the United States or the Internal Revenue Service, in each such case with the purpose or effect, directly or indirectly, of causing the interest on the Series 2025A Bonds to become included in the gross income of the holders thereof for federal income tax purposes or upon such income as would be received by the Authority under the Agreement; or

(B) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement is in violation or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or the registration provisions of the Securities Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect; or

(C) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(D) there shall have occurred (1) the closing of the New York Stock Exchange, or (2) the general suspension of trading on the New York Stock Exchange, or (3) the establishing of a general banking moratorium by federal, Colorado or New York State authorities; or

(E) any event occurs or state of facts exists which makes untrue or incorrect in any material respect, as of the date of such event or state of facts, any statement or information contained in the Official Statement, or which requires the addition of any information in the Official Statement in order to make the statements and information contained therein not misleading in any material respect as of the Closing Date.

(c) Subsequent to the date hereof and prior to the Closing Date, no order, decree or injunction of any court of competent jurisdiction, and no order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, and no legislation shall have been enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement or the execution of or performance of this Bond Purchase Agreement, the Corporate Undertaking, the Charter School Undertaking, the Indenture, the Agreement, the Deed of Trust, the Tax Compliance Certificate or the Lease in accordance with their terms.

(d) The Underwriter shall have received the following documents:

(i) the approving opinion of Casey Parrot LLC, dated the date of Closing and addressed to the Authority and the Underwriter, in form and substance satisfactory to the Authority and the Underwriter;

(ii) the supplemental opinion of Casey Parrot LLC, dated the date of Closing and addressed to the Authority and the Underwriter, in form and substance satisfactory to the Authority and the Underwriter;

(iii) the disclosure counsel opinion of Casey Parrot LLC, dated the date of Closing and addressed to the Authority and the Underwriter, in form and substance satisfactory to the Authority and the Underwriter;

(iv) the opinion (or reliance letter thereon) of Kutz & Bethke LLC, counsel to the Charter School, dated the date of Closing and addressed to the Authority, the Charter School, Bond Counsel and the Underwriter, in form and substance satisfactory to the Authority, the Charter School, Bond Counsel and the Underwriter;

(v) the opinion of Kutz & Bethke LLC, counsel to the Foundation, dated the date of Closing and addressed to the Authority, the Charter School, Bond Counsel and the Underwriter, in form and substance satisfactory to the Authority, the Charter School, Bond Counsel and the Underwriter;

(vi) the opinion of Taft Stettinius & Hollister LLP, general counsel for the Authority, dated the date of Closing and addressed to the Authority and the Underwriter, with respect to certain matters concerning the Authority;

(vii) Certificates of the Authority, the Foundation and the Charter School satisfactory to the Underwriter and Bond Counsel as to the accuracy of all

representations and warranties contained herein as of the date hereof and as of the Closing Date and as to the performance by the Authority, the Foundation and the Charter School of all of their obligations hereunder to be performed at or prior to the Closing Date;

(viii) a copy of the Indenture, the Agreement, this Bond Purchase Agreement, the Foundation Undertaking, the Charter School Undertaking, the Tax Compliance Certificate, the Deed of Trust, and the Lease duly executed by the parties thereto;

(ix) a copy of the resolution of the Foundation approving and authorizing the execution and delivery of the Foundation Documents, authorizing the use of the Official Statement and approving the transactions contemplated by the Official Statement and this Bond Purchase Agreement;

(x) a copy of the resolution of the Charter School approving and authorizing the execution and delivery of the Charter School Documents, authorizing the use of the Official Statement, and approving the transactions contemplated by the Official Statement and this Bond Purchase Agreement;

(xi) a copy of the Resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents;

(xii) a certificate of the Colorado Secretary of State as to the good standing of the Foundation and the Charter School under the laws of the State;

(xiii) a copy of the executed Internal Revenue Service Form 8038;

(xiv) the Foundation Undertaking and the Charter School Undertaking;

(xv) a pro-forma lender's title insurance policy with respect to the Facility satisfactory to the Underwriter;

(xvi) [the Insurance Policy from \_\_\_\_\_;]

(xvii) evidence of the rating on the Bonds; and

(xviii) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

If the Authority, the Foundation and the Charter School shall be unable to satisfy the conditions to the Underwriter's obligations in this Bond Purchase Agreement (unless such provisions are otherwise waived by the Underwriter) or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Charter School, the Foundation nor the Authority shall have any further obligations hereunder except as provided in Sections 13, 14 and 16 hereof.



13. **Expenses.** All expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including, without limitation, the costs of printing of the Bonds, advertising costs, the costs of printing, duplicating and mailing the Official Statement, the fees of consultants and rating agencies, CUSIP fees, fees of The Depository Trust Company, the initial fees of the Trustee in connection with the issuance of the Bonds and the fees and expenses of Bond Counsel, counsel for the Authority, counsel for the Underwriter and counsel for the Foundation and Charter School shall be paid by the Foundation and the Charter School. All travel and similar out-of-pocket expenses of the Underwriter, shall be paid by the Underwriter. All out-of-pocket expenses of the Charter School, including travel and other expenses, and the fees and expenses of any counsel employed by them shall be paid by the Charter School. If the Underwriter terminates this Bond Purchase Agreement for a reason other than a reason permitted hereunder, and if at the time of such termination the Authority, the Foundation and the Charter School have satisfied the conditions to the Underwriter's obligations contained herein, the Underwriter agrees to pay all out-of-pocket expenses incurred by the Authority, the Foundation and the Charter School, including reasonable attorneys' fees and disbursements, which relate to the financing, such payment by the Underwriter shall constitute full liquidated damages for such termination and for any and all defaults on the part of the Underwriter and shall constitute a full release and discharge of all claims and damages for such termination and for any and all such defaults.

14. **Indemnification.** The Charter School, to the extent permitted by law, and the Foundation jointly and severally, agree to indemnify and hold harmless the Underwriter and the Authority, any current, former or future member, director, officer, agent, attorney or employee of the Underwriter and the Authority and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Underwriter through the ownership of voting securities, by contract or otherwise, or of the Authority, pursuant to the Act or the Authority's regulations or bylaws, or who controls the Underwriter or the Authority within the meaning of Section 15 of the Securities Act of 1933, as amended, including, without limitation, the State, and each and all and any of them (the "Indemnified Parties"), from and against any and all losses, claims, damages, liabilities or actions to the extent that such losses, claims, damages, liabilities, actions or expenses (including any legal or other expenses incurred by them in connection with investigating any claims against them and defending any actions) whatsoever caused by or based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement or caused by any omission or alleged omission from the Preliminary Official Statement or the Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except, with respect to the Authority, for any liability arising as a result of information contained under the captions "INTRODUCTION—The Authority," "THE AUTHORITY" and "LEGAL MATTERS—Pending and Threatened Litigation—*No Proceedings Against the Authority*" and except, with respect to the Underwriter, for any liability arising as a result of information contained under the caption "DEBT SERVICE REQUIREMENTS," or with respect to the maturities, interest rates and prices of the Bonds listed on the cover page of the Official Statement, and to reimburse the Indemnified Parties for any legal or other expenses reasonably



incurred by them in defending any such action, including but not limited to any reasonable attorneys' fees.

The Underwriter agrees to the extent permitted by law to indemnify and hold harmless the Authority, the Foundation and the Charter School, any current, former or future member, director, officer, agent or employee of the Authority, the Foundation and the Charter School and each person, if any, who controls the Authority, the Foundation and the Charter School within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, including, without limitation, the State (also "Indemnified Parties"), against any loss, claim, damage, liability, action or expense arising out of or based upon any allegation that (i) any of the information in or in connection with the Official Statement contained under the caption "DEBT SERVICE REQUIREMENTS" or with respect to the maturities, interest rates, CUSIP numbers and prices of the Bonds listed on the cover page of the Official Statement contains an untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) any statement, representation or information made or supplied by the Underwriter in connection with the offer or sale of the Bonds other than pursuant to the Official Statement includes any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; or (iii) the Underwriter failed to comply with any registration requirements of the Underwriter applicable to the Underwriter or the Bonds under any securities or "blue sky" laws of any jurisdiction in which such registration or qualification is required or any failure by the Underwriter to deliver the Official Statement, following delivery to the Underwriter, to purchasers of the Bonds in accordance with Rule 15c2-12, and to reimburse the Authority, the Foundation and the Charter School for any legal or other expenses reasonably incurred by them in defending any such action, including but not limited to reasonable attorneys' fees.

In case any action shall be brought against the Indemnified Parties in respect of which the Foundation, the Charter School or the Underwriter, as the case may be, is or are required to indemnify the Indemnified Parties pursuant to the provisions of the preceding paragraphs, the Indemnified Parties shall promptly notify the Foundation, the Charter School or the Underwriter, as the case may be, in writing and the Foundation, the Charter School or the Underwriter, as the case may be, shall assume the defense thereof, including the employment of counsel and the payment of all expenses. Any Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof if such Indemnified Party reasonably concludes that a potential conflict of interest exists between them and the Authority, the Foundation, the Charter School or the Underwriter, as the case may be, or in the event the indemnifying party fails to promptly assume the defense thereof but the fees and expenses of such counsel shall be at the expense of the party providing the indemnity. The Foundation, the Charter School or the Underwriter, as the case may be, shall not be liable for any settlement of any such action effected without the consent of such party, but if settled with the consent of such party, or if there be a final judgment for the plaintiff in any such action, the Foundation, the Charter School or the Underwriter, as the case may be, agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment, including but not limited to reasonable attorneys' fees.

**15. Determination of End of Underwriting Period.** For purposes of this Bond Purchase Agreement, the “End of the Underwriting Period” for the Bonds shall mean the later of (a) the Closing Date, unless the Authority, the Foundation and the Charter School have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date; or (b) the date on which the End of the Underwriting Period for the Bonds has occurred under Rule 15c2-12; provided, however, that the Authority, the Foundation and the Charter School shall be entitled to treat as the End of the Underwriting Period for the Bonds the date specified in the notice from the Underwriter stating the date which is the End of the Underwriting Period. Unless otherwise notified in writing by the Underwriter by the Closing Date, the Authority, the Foundation and the Charter School can assume that the “End of the Underwriting Period” for purposes of Rule 15c2-12 shall be the Closing Date.

The Authority, the Foundation and the Charter School may request from the Underwriter from time to time, and the Underwriter shall provide to the Authority, the Foundation and the Charter School upon such request, such information as may be reasonably required in order to determine whether the End of the Underwriting Period for the Bonds has occurred under Rule 15c2-12 with respect to the unsold balances of Bonds that were originally sold to the Underwriter for resale to the public and which are held by the Underwriter for resale to the public.

**16. Survival of Certain Representations and Obligations.** The respective agreements, representations and other statements of the Authority, the Foundation and the Charter School, of their respective officials or officers and of the Underwriter set forth in or made pursuant to this Bond Purchase Agreement, including the indemnification provisions provided herein, will remain in full force and effect, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Underwriter, the Authority, the Foundation or the Charter School and will survive delivery of and payment for the Bonds. If for any reason the purchase of the Bonds by the Underwriter is not consummated, the Foundation and the Charter School shall remain responsible to pay, or cause to be paid, the expenses to be paid or reimbursed by it pursuant to Section 13 hereof (provided, however, that if the Underwriter has failed to consummate such purchase for a reason not permitted hereunder, the Underwriter shall remain responsible as provided in the last sentence of Section 13 hereof).

**17. Notices.** All communications hereunder will be in writing, and, if sent to the Underwriter, will be mailed, delivered or facsimiled and confirmed to it at 1550 Market Street, Suite 300, Denver, Colorado 80202 or, if sent to the Authority, the Foundation or the Charter School, will be mailed, delivered or facsimiled and confirmed to them at their respective addresses described in the Indenture.

**18. Successors.** This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors, and no other person will have any right or obligation hereunder.

**19. Counterparts and Electronic Signatures.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. Any individual or individuals who are authorized to execute this Bond Purchase Agreement are hereby authorized to execute this Bond

Purchase Agreement electronically via facsimile or email signature pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Bond Purchase Agreement shall carry the full legal force and effect of any original, handwritten signature.

20. **Governing Law.** The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State and the laws of the United States of America.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have set their hands as of the date set forth above.

D.A. DAVIDSON & CO.

By \_\_\_\_\_  
Managing Director  
Date: June [\_\_\_\_], 2025  
Time: \_\_\_\_\_ p.m.

STARGATE FOUNDATION

By \_\_\_\_\_  
President

STARGATE CHARTER SCHOOL

By \_\_\_\_\_  
President

COLORADO EDUCATIONAL AND  
CULTURAL FACILITIES AUTHORITY

By \_\_\_\_\_  
Executive Director

[Signature Page to the Bond Purchase Agreement]

**EXHIBIT A**  
**RESULTS OF FINAL PRICING**

[Results of Final Pricing are Attached]

## EXHIBIT B

### FORM OF ISSUE PRICE CERTIFICATE

**[\$A-PAR]  
COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
CHARTER SCHOOL REVENUE BONDS  
(STARGATE CHARTER SCHOOL PROJECT)  
SERIES 2025A**

### CERTIFICATE OF THE UNDERWRITER

The undersigned, on behalf of D.A. DAVIDSON & CO. (the “D.A. Davidson”), hereby certifies as set forth below with respect to the purchase of the above-captioned obligations (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 each such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. *DEFINED TERMS.*

(a) *Authority* means the Colorado Educational and Cultural Facilities Authority.

(b) *Charter School* means Stargate Charter School.

(c) *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.

(d) *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.

(e) *Related Party* means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *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 June [ ], 2025.

(g) *Underwriter* means (i) 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 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).

(h) *Weighted Average Maturity* means the sum of the products of the issue price of each Maturity and the number of years to Maturity (determined separately for each

Maturity and taking into account mandatory redemptions), divided by the aggregate Initial Offering Price of the Bonds as of the date hereof.

(i) *Yield* means the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the Bonds and amounts reasonably expected to be paid as fees for qualified guarantees on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate Initial Offering Price of the Bonds as of the issue date.

Capitalized terms used and not defined herein shall have the respective meanings given them in the Tax Compliance Certificate to which this Underwriter's Certificate is attached as Exhibit A.

3. *ISSUE PRICE.* The Issue Price of the Bonds is \$[ ] representing the par amount of \$[A-PAR].00, [less][plus] [net] original issue [discount][premium] in the amount of \$[ ].

4. *YIELD.* The Yield on the Bonds calculated in the manner described in this paragraph and truncated at the fourth decimal place is [ ]%. For purposes hereof, Yield has been calculated on a three hundred sixty (360) day basis with interest compounding semiannually.

5. *WEIGHTED AVERAGE MATURITY AND REMAINING WEIGHTED AVERAGE MATURITY.* The Weighted Average Maturity of the Bonds is [ ] years.

6. *RESERVE FUND.* The establishment and maintenance of the Bond Reserve Fund, as defined in the Tax Compliance Certificate for the Bonds was a vital factor in marketing of the Bonds.

7. *[QUALIFIED GUARANTEE.* The Bond Insurance Policy provided by Bond Insurer was essential in marketing the Bonds, the absence of such insurance would have materially affected in an adverse manner the interest rates at which the Bonds could have been sold, and the present value of the premium on the Bond Insurance Policy is less than the present value of the interest reasonably expected to be saved as a result of using the insurance to secure the Bonds, using as a discount rate the yield on the Bonds calculated with treating the premium as interest. The premium on the Bond Insurance Policy paid to the Bond Insurer on the date hereof from proceeds of the Bonds, in the amount of \$[ ], for the Bond Insurance Policy represents a reasonable charge for the transfer of credit risk as a result of arm's-length negotiations, and, to D.A. Davidson's knowledge, no portion of the premium on the Bond Insurance Policy represents the indirect payment of costs of issuance, including rating agency fees, or the provision of additional services by the Bond Insurer.]



The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the D.A. Davidson'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 Authority, the Charter School and the Borrower with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded 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 Authority, the Charter School and the Borrower from time to time relating to the Bonds.

D.A. DAVIDSON & CO., as Underwriter

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: June [ ], 2025

**SCHEDULE A**  
**SALE PRICES OF THE BONDS**

General Rule Maturities

- \_\_\_ Not Applicable
- \_\_\_ Maturities Listed Below

MATURITY DATE	AMOUNT	COUPON	YIELD	PRICE
---------------	--------	--------	-------	-------

°Priced to the Earliest Call Date of: \_\_\_\_\_

**SCHEDULE B**  
**PRICING WIRE**

## PRELIMINARY OFFICIAL STATEMENT DATED JUNE \_\_, 2025

## NEW ISSUE – BOOK-ENTRY ONLY

MORAL OBLIGATION RATING: Moody's: ["\_\_\_\_"]  
 UNDERLYING RATING: Moody's: "\_\_\_\_"  
 (See "MISCELLANEOUS—Ratings")

*In the opinion of Casey Parrot LLC, Bond Counsel, assuming the accuracy of certain representations and certifications, and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2025A Bonds included in the adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Series 2025B Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel is further of the opinion that, pursuant to the Colorado Revised Statutes, interest on the Series 2025 Bonds is exempt from all taxation and assessments in the State of Colorado. See "TAX MATTERS" herein.*



COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
 (Stargate Charter School Project)  
 a Charter School Chartered through Adams 12 Five Star Schools

\$[A-PAR]\*  
 Charter School Revenue Bond  
 Series 2025A

\$[B-PAR]\*  
 Charter School Revenue Bond  
 (Federally Taxable) Series 2025B

Dated: Date of Delivery

Due: December 1, as shown on the inside cover page

The Series 2025 Bonds will be initially issued by the Authority as fully registered bonds without coupons in denominations of \$5,000 or any multiple thereof. Principal and interest payments on the Series 2025 Bonds will be made by ZB, National Association dba Zions Bank, as trustee, to the Registered Owners as of the fifteenth day of the month immediately preceding the month in which an interest payment occurs. The Series 2025 Bonds bear interest payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025\*, until maturity or earlier redemption. DTC will act as securities depository for the Series 2025 Bonds, and the Series 2025 Bonds will be registered in the name of Cede & Co., as nominee of DTC. Capitalized terms used on this cover page are defined in the Introduction to this Official Statement. The Series 2025 Bonds mature, bear interest per annum and are priced or priced to yield as set forth on the inside cover page.

The Series 2025 Bonds are being issued on parity with the Authority's Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A originally issued in the original aggregate principal amount of \$40,585,000, and currently outstanding in the aggregate principal amount of \$[\_\_\_\_].

The proceeds derived from the sale of the Series 2025 Bonds will be loaned by the Authority to the Stargate Foundation pursuant to the Amended and Restated Loan and Security Agreement, dated as of June 1, 2025, by and between the Authority and the Foundation, in order to finance the cost of: (a) financing the design, construction, renovation, expansion and equipping of various improvements to the educational facilities located at 14530 Washington St. Thornton, Colorado 80023; (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying the costs of issuance of the Series 2025 Bonds.

**The Authority, the Charter School, and the Trustee intend to participate in the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program for the payment of the Series 2025 Bonds. The Authority, the Charter School, and the Trustee intend to utilize the Colorado State Treasurer Charter School Intercept Program for the Series 2025 Bonds.**

The Series 2025 Bonds are subject to optional redemption upon the occurrence of certain events and sinking fund redemption as set forth herein.

The Series 2025 Bonds constitute special, limited obligations of the Authority and except to the extent payable from Bond proceeds and investment income, are payable solely from certain payments, revenues and other amounts derived by the Authority pursuant to the Loan Agreement. The Series 2025 Bonds are secured by the Trust Estate consisting of (a) certain rights and interests of the Authority under and pursuant to the Loan Agreement, (b) certain rights and interests of the Trustee under and pursuant to the Deed of Trust, encumbering the Facility, subject to Permitted Encumbrances, (c) the Pledge Revenues and all rights and interests of the Authority in such Pledge Revenues, subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Loan Agreement, (d) the rights and interests of the Trustee on behalf of the Authority and the Foundation, in the Lease (except certain rights of the Authority and the Foundation set forth in the Lease retained thereby), (e) all Funds created in the Indenture (other than the Rebate Fund), subject to certain provisions of the Indenture, and (f) any and all other interests in real or personal property specifically mortgaged, pledged or hypothecated, as and for additional security under the Indenture as set forth therein. Payments to be received from the Charter School by the Foundation under the Lease will be the Foundation's sole expected source of Gross Revenues and the Lease is subject to annual appropriation by the Charter School.

**The Series 2025 Bonds and the interest thereon shall never constitute debt or indebtedness of the Authority, the State or any political subdivision thereof, including the Authority, within the meaning of any provision of the Constitution and laws of the State and shall not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority, the Charter School or the State. The Authority has no power to levy taxes or assessments.**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Purchase of the Series 2025 Bonds involves a high degree of risk and the Series 2025 Bonds are a speculative investment. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision, and should give particular attention to the material under the caption "RISK FACTORS."

The Series 2025 Bonds are offered when, as and if issued, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Casey Parrot LLC, Broomfield, Colorado, as Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Charter School and the Foundation by their counsel Kutz & Bethke LLC, Lakewood, Colorado and for the Authority by its general counsel, Taft Stettinius & Hollister LLP, Denver, Colorado. PFM Financial Advisors LLC is acting as financial advisor to the Authority in connection with the offering and issuance of the Series 2025 Bonds and Specialized Public Finance Inc. is acting as financial advisor to the Charter School in connection with the offering and issuance of the Series 2025 Bonds. D.A. Davidson & Co. is acting as Underwriter in connection with the sale of the Series 2025 Bonds. Casey Parrot LLC has assisted in the preparation of this Official Statement. The Series 2025 Bonds are expected to be available for delivery through the Facility of DTC on or about June \_\_, 2025\*.

[D.A. Davidson LOGO]

This Official Statement is dated June \_\_, 2025.

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
CHARTER SCHOOL REVENUE BONDS  
(STARGATE CHARTER SCHOOL PROJECT)**

**\$(A-PAR)\*  
SERIES 2025A**

**\$(B-PAR)\*  
FEDERALLY TAXABLE  
SERIES 2025B**

**MATURITY SCHEDULE  
SERIES 2025A**

**SERIAL MATURITIES**

<b>Maturity Date (June 1)*</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>®,1</sup></b>
--	\$--	--	--	--	--
--	\$--	--	--	--	--
--	\$--	--	--	--	--
--	\$--	--	--	--	--
--	\$--	--	--	--	--
--	\$--	--	--	--	--
--	\$--	--	--	--	--

**TERM MATURITIES**

\$* [ ]%	Term Bond	Maturing June 1, 20__*	Price: [ ]%	CUSIP <sup>®,1</sup> 19645U __
\$* [ ]%	Term Bond	Maturing June 1, 20__*	Price: [ ]%	CUSIP <sup>®,1</sup> 19645U __
\$* [ ]%	Term Bond	Maturing June 1, 20__*	Price: [ ]%	CUSIP <sup>®,1</sup> 19645U __

**FEDERALLY TAXABLE SERIES 2025B**

**\$390,000\***    [ ]%    Term Bond    Maturing June 1, 20\_\_\*    Price: [ ]%    CUSIP<sup>®,1</sup> 19645U \_\_

\* Preliminary; subject to change.

<sup>1</sup> The Authority, Charter School and Corporation take no responsibility for the accuracy of the CUSIP numbers, which are including solely for the convenience of owners of the Series 2025 Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the Charter School, the Corporation or the Underwriter and are included solely for the convenience of the holders of the Series 2025 Bonds. None of the Authority, the Charter School, the Corporation or the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2025 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Series 2025 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 as portion of the Series 2025 Bonds.

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**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
(STARGATE CHARTER SCHOOL PROJECT)**

**Stargate Foundation Board of Directors**

Apryl Sweat, President  
Tim Turner, Vice President  
Paula (P.J.) Magin, Secretary/Treasurer  
Paul Darrah, Director  
Amy Maxson, Director

**Stargate Charter School Board of Directors**

Lindsey Paquette, President  
Lumakar Challa, Vice President  
Lisa Hosfelt, Secretary  
Samantha Howorko, Treasurer  
Dr. Meryl Faulkner, Director  
Lisa Griffin, Director  
Bibi Paul, Director  
Karla Lindgren, Director

**Charter School Administration**

Robin Greene, Executive Director  
Robert Cable, High School Principal  
Miranda Lamonski, Middle School Principal  
Karen Wolfer, Elementary Principal

**Charter School and Foundation Counsel**

Kutz and Bethke, LLC  
Lakewood, Colorado

**Underwriter**

D.A. Davidson & Co.  
Denver, Colorado

**Financial Advisor to Stargate Charter School**

Specialized Public Finance Inc.  
Dallas, Texas

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No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offer and sale of the Series 2025 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Authority, the Foundation, or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Foundation or the Underwriter since the date hereof. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE AUTHORITY HAS NOT PREPARED OR ASSISTED IN THE PREPARATION OF THIS OFFICIAL STATEMENT OR THE APPENDICES AND DOES NOT ASSUME ANY RESPONSIBILITY FOR, AND MAKES NO REPRESENTATION WITH RESPECT TO, THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT OR ITS APPENDICES. EXCEPT FOR THE INFORMATION CONTAINED UNDER THE CAPTIONS “INTRODUCTION—THE AUTHORITY,” “THE AUTHORITY” AND “LEGAL MATTERS—PENDING AND THREATENED LITIGATION-NO PROCEEDINGS AGAINST THE AUTHORITY,” THE AUTHORITY NEITHER HAS NOR WILL ASSUME ANY RESPONSIBILITY AS TO THE ACCURACY OR COMPLETENESS OF ANY OTHER INFORMATION IN THIS OFFICIAL STATEMENT.

Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Series 2025 Bonds or this Official Statement. Any representation to the contrary is unlawful.



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**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY  
CHARTER SCHOOL REVENUE BONDS  
(STARGATE CHARTER SCHOOL PROJECT)**

**\$(A-PAR)\*  
SERIES 2025A**

**\$(B-PAR)\*  
FEDERALLY TAXABLE  
SERIES 2025B**

**INTRODUCTION**

The purpose of this Official Statement is to provide certain information concerning the issuance and sale by the Colorado Educational and Cultural Facilities Authority (the “**Authority**”) of its \$(A-PAR)\* aggregate principal amount of Charter School Revenue Bond (Stargate Charter School Project), Series 2025A (the “**Series 2025A Bonds**”) and its \$(B-PAR)\* aggregate principal amount of Charter School Revenue Bond, Federally Taxable Series 2025B Bonds (the “**Taxable Series 2025B Bonds**”, and together with the Series 2025A Bonds, the “**Series 2025 Bonds**”).

The Series 2025 Bonds are being issued pursuant to an Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the “**Indenture**”), by and between the Authority and ZB, National Association dba Zions Bank, as trustee thereunder (the “**Trustee**”). Capitalized terms used but not defined in this Official Statement have the meanings assigned to them in APPENDIX D—SUMMARY OF DEFINITIONS, THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST, AND THE LEASE hereto. The offering of the Series 2025 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Series 2025 Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The Series 2025 Bonds are being issued on parity with the Authority’s Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A originally issued in the original aggregate principal amount of \$40,585,000, and currently outstanding in the aggregate principal amount of \$[ ] (the “**Series 2018 Bonds**” and together with the Series 2025 Bonds and any Additional Bonds issued pursuant to the Indenture, the “**Bonds**”).

*The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.*

**Forward Looking Statements**

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO FUTURE RESULTS THAT ARE “FORWARD LOOKING STATEMENTS” OF THE TYPE DEFINED IN THE PRIVATE LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT AND THE APPENDICES HERETO, THE WORDS “ESTIMATE,” “EXPECT,” “PROJECT,” “INTEND,” “ANTICIPATE,” “BELIEVE,” “MAY,” “WILL,” “CONTINUE,” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD LOOKING STATEMENTS. ANY FORWARD-LOOKING STATEMENT IS SUBJECT TO UNCERTAINTY AND RISKS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER, POSSIBLY MATERIALLY, FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. INEVITABLY, SOME ASSUMPTIONS USED TO DEVELOP FORWARD LOOKING STATEMENTS WILL NOT BE REALIZED OR

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\* Preliminary; subject to change.

UNANTICIPATED EVENTS AND CIRCUMSTANCES MAY OCCUR. THEREFORE, INVESTORS SHOULD BE AWARE THAT THERE ARE LIKELY TO BE DIFFERENCES BETWEEN FORWARD LOOKING STATEMENTS AND ACTUAL RESULTS, AND THAT THOSE DIFFERENCES COULD BE MATERIAL.

### **Purpose of the Issue**

The proceeds from the sale of the Series 2025 Bonds will be loaned to the Stargate Foundation, a Colorado nonprofit corporation (the “**Foundation**”), pursuant to the terms of the Amended and Restated Loan and Security Agreement, dated as of June 1, 2025 (the “**Loan Agreement**”), by and between the Authority and the Foundation, in order to finance the cost of: (a) financing the design, construction, renovation, expansion and equipping of various improvements to the educational facilities located at 14530 Washington St. Thornton, Colorado 80023 (the “**Facility**”); (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying the costs of issuance of the Series 2025 Bonds. (collectively, the “**Project**”). The Facility will be leased to Stargate Charter School, a Colorado nonprofit corporation and public charter school (the “**Charter School**”) See “THE SERIES 2025 BONDS—Application of Bond Proceeds.”

### **The Authority**

The Series 2025 Bonds are being issued by the Authority to assist in financing the Project. The Authority, created in 1981, is an independent public body politic and corporate constituting a public instrumentality and political subdivision of the State of Colorado (the “**State**”). The Authority promotes the welfare of the people of the State by providing financing for educational institutions and cultural institutions. The Authority is governed by the “Colorado Educational and Cultural Facilities Authority Act,” Title 23, Article 15 (the “**Act**”), Colorado Revised Statutes, as amended (“**C.R.S.**”). See “THE AUTHORITY.”

The Series 2025 Bonds and the interest thereon will never constitute the debt or indebtedness of the Authority, the State or any political subdivision thereof, including the Authority, within the meaning of any provision of the constitution and laws of the State and shall not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority or the State. The Authority has no power to levy taxes or assessments. See “THE SERIES 2025 BONDS—Security for the Series 2025 Bonds.”

### **The Foundation**

The Foundation is a Colorado nonprofit corporation organized for the purposes of serving as borrower under the Loan Agreement and owner of the Facility. The Foundation will also serve as the lessor of the Facility under the Amended and Restated Lease Agreement, dated as of June 1, 2025 (the “**Lease**”), by and between the Foundation, as lessor, and the Charter School, as lessee. See “THE FOUNDATION.”

### **The Charter School**

Stargate Charter School (the “**Charter School**”) is a Colorado charter public school and nonprofit corporation, established pursuant to the Colorado Charter Schools Act, Title 22, Article 30.5, C.R.S., as amended from time to time (the “**Charter Schools Act**”), by Adams 12 Five Star Schools (the “**District**”) and pursuant to the Charter School’s Charter Contract which was originally granted in 1994 (the “**Charter**”), and which, as amended, expires on June 30, 2029. The Charter authorizes the Charter School to serve students in Kindergarten through 12th grade. The Charter School began operations in 1994 and

on August 8, 2000, the Charter School filed its Articles of Incorporation with the Secretary of State to incorporate as a Colorado nonprofit corporation. In April 2002, the Charter School received recognition from the Internal Revenue Service as an organization described in Section 501(c)(3) of the Tax Code. The Charter School originally opened in 1994, serving students in grades 1st through 5th.

The purpose of the Charter School, as set forth in the Bylaws, is to provide a differentiated educational opportunity for identified intellectually gifted and talented students. The Charter School defines “gifted” children as learners who have advanced intelligence and whose thoughts and feelings are more complex and of greater depth than typical learners. Gifted learners have an extensive knowledge base and, because of their rapid learning rate, unusual memory ability, and high energy levels, they require constant challenge and interesting work. The Charter School provides an environment where gifted children feel like they “belong” and offers strategies to manage and address the needs of gifted children.

The Charter School is located at 14530 Washington Street in Thornton (the “**Facility**”). The Facility was financed in 2015 and refinanced in 2018. The Secondary and Elementary schools were planned to accommodate the Charter School’s decision to expand and add high school students to its gifted program. The Charter School’s 2024-2025 enrollment as of October 1, 2024 was 1570 students in grades K-12.

See “THE SERIES 2025 BONDS—Application of Bond Proceeds” and “APPENDIX A—THE CHARTER SCHOOL.”

### **Facility**

Net proceeds of the Series 2018 Bonds were loaned to the Foundation to refinance the Facility. The Facility includes approximately 40 acres of land located at 14530 Washington Street in Thornton Colorado. The Facility includes three buildings, consisting of an elementary school building, a secondary school building and an indoor athletic facility. The elementary school facility consists of an approximately 55,000 square foot 2 story building, including 28 regular classrooms, a special education breakout area, a large commons area, a gymnasium, including a climbing wall, a computer lab, an Adroit lab, administrative offices, conference room, teacher’s lounge, and performance space. The secondary school facility consists of an approximately 90,000 square foot 2 story building, including 36 regular classrooms, a special education break-out area, a library, computer lab, music lab, cafeteria, conference room, administrative offices, and a teachers lounge. Additionally, the Facility contains a field house for athletic activities, which includes a gymnasium, and weight-lifting area. The Facility also includes athletic fields and play areas for both the elementary and secondary schools. The acquisition and construction costs of the Facility totaled approximately \$36,000,000. The Charter School has used proceeds from previously issued District bonds together with the Series 2018 Bonds to construct the Facility.

### **Security**

The Series 2025 Bonds are special, limited obligations of the Authority as described under “Limited Obligations” herein. Under the Loan Agreement, the Foundation is obligated unconditionally to pay amounts sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds. The Series 2025 Bonds are secured by the Trust Estate, consisting of: (a) certain rights and interests of the Authority under and pursuant to the Loan Agreement; (b) certain rights and interests of the Trustee under and pursuant to the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of July 1, 2025, on the Facility (the “**Deed of Trust**”) executed by the Foundation, encumbering the Facility, subject to Permitted Encumbrances; (c) the Pledged Revenues and all rights and interests of the Authority in such Pledged Revenues, subject to Permitted

Encumbrances, except certain rights of the Authority set forth in the Loan Agreement; (d) the rights and interests of the Trustee, on behalf of the Authority and the Foundation, in the Lease (except certain rights of the Authority and the Foundation set forth in the Lease retained thereby); (e) all Funds created in the Indenture (other than the Rebate Fund), subject to certain provisions of the Indenture; and (f) any and all other interests in real or personal property specifically mortgaged, pledged or hypothecated, as and for additional security under the Indenture as set forth therein. See the documents included in “APPENDIX D—SUMMARY OF DEFINITIONS, THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST, AND THE LEASE” for a more detailed description of the security for the Series 2025 Bonds.

Pledged Revenues are defined in the Loan Agreement to include all revenues, rentals, fees, third-party payments, receipts, contributions or other income derived from the Facility, including the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with Generally Accepted Accounting Principles, including, but not limited to, any revenues received from rentals of the Facility, including, without limitation, rentals received pursuant to the Lease; proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Foundation which are derived from the Facility; and all donations, gifts, grants, bequests and contributions (including income and profits therefrom), to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for any of the payments required under the Loan Agreement (collectively, “**Pledged Revenues**”). Payments to be received by the Foundation from the Charter School under the Lease will be the sole expected source of Pledged Revenues and the Lease is subject to annual appropriation by the Charter School. Pledged Revenues do not include any administrative fee paid to the Foundation or Charter School by a school lessee of the Facility for the Foundation’s or Charter School’s administration of the Facility, including, without limitation, Additional Rents paid to the Foundation pursuant to the Lease. See “THE SERIES 2025 BONDS—SECURITY FOR THE SERIES 2025 BONDS.”

### **Bond Reserve Fund**

A bond reserve fund will be established pursuant to the Indenture for the Series 2025 Bonds (the “**Bond Reserve Fund**”) in an amount equal to the maximum annual debt service on the Series 2025 Bonds and is pledged for solely the repayment of the Series 2025 Bonds. The Bond Reserve Fund is pledged for the repayment of the Series 2025 Bonds. The Charter School is entitled to participate and be a beneficiary of the Colorado Charter School Debt Reserve Fund Program (“**CSDRF**”) and the Colorado Charter School Moral Obligation Program (the “**Moral Obligation Program**”) which enhance the security for the Series 2025 Bonds. The CSDRF was created to provide a fund managed by the State Treasurer that is available to replenish amounts drawn from debt service reserve funds, once depleted, that secure qualifying charter school bond issues. Qualified charter schools are defined in State statutes as a school that has a stand-alone credit assessment or rating of at least equal to investment grade by a nationally recognized rating agency at the time of issuance of the Series 2025 Bonds. The Series 2025 Bonds qualify for the CSDRF. See “THE SERIES 2025 BONDS—Security for the Series 2025 Bonds” for additional details regarding the CSDRF and Moral Obligation Program.

### **Direct Payment of Lease Amounts (Charter Intercept Statute)**

The State provides funding to school districts, which in turn provide funding to charter schools. Pursuant to the terms of the Lease, the Charter School is required to make application for the direct payment of Series 2025 Bonds by the Colorado State Treasurer pursuant to Section 22-30.5-406, C.R.S., as amended (the “**Charter Intercept Statute**”). Pursuant to the Charter Intercept Statute, the State Treasurer is to make payments in the amount of the monthly Base Rents due under the Lease, subject to appropriation therefor by the Charter School, to the Trustee for the payment of debt service on the Series

2025 Bonds. The Series 2025 Bonds qualify for such program and the Charter School's application is expected to be submitted to the Colorado State Treasurer prior to the first interest payment date for the Series 2025 Bonds. See "THE SERIES 2025 BONDS—Security for the Series 2025 Bonds."

### **Limited Obligations**

The Series 2025 Bonds do not constitute debt or indebtedness of the Authority within the meaning of any provision or limitation of the constitution or statutes of the State and shall never constitute or give rise to a pecuniary liability of the Authority, the District or the State or a charge against the general credit or taxing power of the Authority, the District or the State. The Authority has no power to levy taxes or assessments. See "THE SERIES 2025 BONDS—Security for the Series 2025 Bonds."

### **Risk Factors**

Purchase of the Series 2025 Bonds involves a high degree of risk and the Series 2025 Bonds are a speculative investment. A prospective purchaser is advised to read this entire Official Statement and the Appendices attached hereto in their entirety, particularly the section "RISK FACTORS" herein, for a discussion of certain risk factors, which should be considered in connection with an investment in the Series 2025 Bonds.

### **Payment Provisions**

The Series 2025 Bonds mature and bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the inside cover page hereof. Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 each year, commencing on December 1, 2025.

### **Book-Entry-Only Registration**

The Series 2025 Bonds will be issued in fully registered form and will be registered initially in the name of "Cede & Co." as nominee for The Depository Trust Company, New York, New York ("DTC"), a securities depository. Beneficial ownership interests in the Series 2025 Bonds may be acquired in principal denominations of \$ \$5,000 or any integral multiple thereof through participants in the DTC system (the "**Participants**"). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for which Participants acquire interests in the Series 2025 Bonds (the "**Beneficial Owners**") will not receive certificates evidencing their interests in the Series 2025 Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2025 Bonds. So long as DTC or its nominee is the registered owner of the Series 2025 Bonds, payments of principal, premium, if any, and interest on the Series 2025 Bonds, as well as notices and other communications made by or on behalf of the Authority pursuant to the Bond Resolution, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM" for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

### **Prior Redemption**

The Series 2025 Bonds are subject to optional redemption, redemption upon the occurrence of certain events and sinking fund redemption. The terms and provisions regarding such prior redemption are set forth in "THE SERIES 2025 BONDS."



## Registration and Denominations

The Series 2025 Bonds are issued in fully registered form in denominations of \$5,000 or any multiples thereof (the “**Authorized Denominations**”).

## Exchange and Transfer

While the Series 2025 Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described in “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM.”

## Tax Status

In the opinion of Casey Parrot LLC, Bond Counsel, assuming the accuracy of certain representations and certifications, and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2025A Bonds included in the adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Series 2025B Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel is further of the opinion that, pursuant to the Colorado Revised Statutes, interest on the Series 2025 Bonds is exempt from all taxation and assessments in the State of Colorado. See “TAX MATTERS” herein.

## Authority for Issuance

The Series 2025 Bonds will be issued in full conformity with the constitution and laws of the State, and pursuant to an authorizing resolution (the “**Bond Resolution**”) adopted by the Authority’s Board of Directors (the “**Authority’s Board**”) at a meeting held prior to the issuance of the Series 2025 Bonds and pursuant to the terms of the Indenture. The Authority is authorized by Article 15, Title 23, C.R.S., as amended, and Article 57, Title 11, Section 201, *et seq.*, C.R.S., as amended, to issue the Series 2025 Bonds.

## Delivery Information

The Series 2025 Bonds are offered when, as, and if issued by the Authority and accepted by D.A. Davidson & Co. as underwriter for the Series 2025 Bonds (the “**Underwriter**”), subject to prior sale and the approving legal opinion of Bond Counsel and certain other conditions. It is expected that the Series 2025 Bonds will be available for delivery through the Facility of DTC on or about June \_\_, 2025.

## Financial Statements

The Charter School’s audited basic financial statements for the fiscal year ended June 30, 2024, prepared by Hinkle & Company, PC, Certified Public Accountants, Greenwood Village, Colorado, are attached hereto as “APPENDIX B—AUDITED CHARTER SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024,” AND “APPENDIX C—AUDITED CHARTER SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023.”

## Agents and Advisors

Casey Parrot LLC, Broomfield, Colorado, has acted as Bond Counsel. Certain legal matters will be passed on for the Foundation and the Charter School by their counsel, Kutz and Bethke, LLC,



Lakewood, Colorado, and for the Authority by its general counsel, Taft Stettinius & Hollister LLP, Denver, Colorado. D.A. Davidson & Co. will serve as the Underwriter. See “MISCELLANEOUS—Underwriter.” ZB, National Association dba Zions Bank, Denver, Colorado will serve as the Trustee for the Series 2025 Bonds. PFM Financial Advisors LLC, Denver, Colorado, is serving as financial advisor to the Authority (the “**Authority Financial Advisor**”) and Specialized Public Finance Inc., Dallas, Texas, is serving as financial advisor to the Charter School (the “**Charter School Financial Advisor**”). Certain fees with respect to the Series 2025 Bonds that are payable to various counsel, the Underwriter, the Trustee, the Authority Financial Advisor and the Charter School Financial Advisor are contingent upon the issuance and delivery of the Series 2025 Bonds.

### **Additional Information**

The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Official Statement do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge from the Charter School’s administrative offices, 14530 Washington St., Thornton, Colorado 80023, (303) 450-3936; or D.A. Davidson & Co. at 1550 Market St., Suite 300, Denver, Colorado 80202, (303) 764-6000.

### **THE AUTHORITY**

The Authority is an independent public body politic and corporate constituting a public instrumentality and political subdivision of the State. The Authority promotes the welfare of the people of the State by providing financing for educational institutions and cultural institutions. The Authority is governed by the “**Colorado Educational and Cultural Facilities Authority Act**,” Title 23, Article 15, C.R.S. as amended (as previously defined, the “**Act**”). The Authority is not an agency of State government and is not subject to administrative direction by any department, commission, board or agency of the State. The Authority is authorized by the Act to provide financing for educational institutions and cultural institutions and to acquire, construct, reconstruct, repair, alter, improve, extend, own, lease and dispose of properties to the end that the Authority may be able to promote the welfare of the people of the State. The Authority was originally created in 1981 and was formerly known as the Colorado Postsecondary Educational Facilities Authority.

The Authority has offered the Series 2025 Bonds and plans to offer other obligations from time to time to finance other educational facilities and cultural institutions with respect to facilities located in Colorado and subject to the satisfaction of certain requirements, in other states. The Authority has financed educational facilities that compete with the Charter School and may finance additional such facilities in the future. Such obligations have been and will be issued pursuant to and secured by instruments separate and apart from the Indenture.

The Series 2025 Bonds and the interest thereon will never constitute the debt or indebtedness of the Authority, the State or any political subdivision thereof, including the Authority, within the meaning of any provision of the constitution and laws of the State and shall not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority or the State. The Authority has no power to levy taxes or assessments. See “**THE SERIES 2025 BONDS—Security for the Series 2025 Bonds**.”

The Authority has not prepared or assisted in the preparation of this Official Statement, except the statements under this Section and the information with respect to the Authority under the headings

“INTRODUCTION—The Authority” and “LEGAL MATTERS—Pending and Threatened Litigation—No Proceedings Against the Authority” and, except as described in this paragraph, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Series 2025 Bonds, the Authority has not otherwise assisted in the offer, sale or distribution of the Series 2025 Bonds. Accordingly, except as aforesaid, the Authority disclaims any responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Series 2025 Bonds.

## THE FOUNDATION

The Articles of Incorporation of the Foundation were filed with the Secretary of State of the State of Colorado on July 19, 2002. The Foundation was incorporated as a nonprofit corporation under the laws of the State of Colorado. As set forth in the Foundations Articles of Incorporation, the Foundation was created for the purpose of, among others: to acquire by purchase, lease or otherwise, real or personal property, including, without limitation, interests in real or personal property, or any combination thereof, to finance the acquisition, construction or installation of improvements, or the acquisition, construction, renovation, expansion and improvement of buildings, and to lease or otherwise convey interests in real or personal property or improvements or any combination thereof to the Charter School; to borrow money, to become indebted, and to execute and deliver bonds, notes, or debentures or other securities, instruments or obligations for the purposes of acquiring such real or personal property, or interests in real or personal property, constructing or installing such improvements, renovating, expanding and improving such buildings, or any combination thereof, and for such other purpose or purposes as may be necessary or desirable to accomplish the objectives of the Foundation and such indebtedness may be unsecured, may be secured by any mortgage, trust deed or other lien upon the property to be acquired or any other property of the Foundation, or may be otherwise secured; to conduct the business of the Foundation in a manner such that at the time that any indebtedness of the Foundation is ultimately paid in full, the title and ownership of any property securing such indebtedness will be vested in the Charter School; to otherwise assist in or facilitate the acquisition or financing of real or personal property or improvements for or to be used by the Charter School to assist in or facilitate any functions or services of the Charter School; and, to exercise all powers, privileges and rights necessary or advisable to carry out the objects and purposes for which the Foundation is formed, and the incorporator and directors hereby claim for the Foundation all the benefits, privileges, rights and powers created, extended or conferred by the provisions of all applicable laws of the State of Colorado pertaining to nonprofit Foundations, as the same may be amended from time to time.

Pursuant to the Foundation’s Bylaws, the Foundation’s board of directors (the “**Foundation Board**”) will consist of five directors. The Foundation Board will hold office until their successors have been appointed and qualified. A director may be appointed for more than one term.

Directors may be paid reasonable compensation while acting as an agent or employee of the Foundation for services rendered in effectuating the purposes of the Foundation and that any Director or officer may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Foundation. Directors of the Foundation Board have no private or proprietary interest in the Foundation and no part of the Foundation’s net earnings, income or assets will inure to the benefit of any private entity or person. The following table sets forth certain information regarding the current Foundation Board.

Foundation Board of Directors		
Name	Position	Principal Occupation Education Background
Apryl Sweat	President	Stay at Home Mom Bachelor of Science Degree in Mechanical Engineering
Tim Turner	Vice President	General Manager Master of Business Administration
Paula (P.J.) Magin	Secretary/Treasurer	Realtor Bachelor of Arts Degree in Marketing
Paul Darrah	Director	Vice President, Operations Bachelor of Arts Degree in Business Operations Management
Amy Maxson	Director	Director of Content Processing Bachelor of Fine Arts

Source: The Charter School

The Foundation will not undertake any activities or operations inconsistent with the operation of the Charter School as a charter school under the Charter Schools Act. Additionally, while the Series 2025 Bonds are outstanding, the Foundation is not permitted under the Loan Agreement to dissolve without causing an Event of Default thereunder.

The Foundation has agreed to enter into the Lease with the Charter School to facilitate the financing of the Project. The Foundation has assigned its rights and interests under the Lease (with certain exceptions) to the Trustee for the benefit of the Owners of the Series 2025 Bonds.

THE FOUNDATION'S LIABILITY FOR THE PAYMENT OF DEBT SERVICE ON THE SERIES 2025 BONDS IS LIMITED TO THE REVENUES OF THE FOUNDATION AND THE DEED OF TRUST ENCUMBERING THE FACILITY, AND NEITHER THE TRUSTEE, THE AUTHORITY NOR THE REGISTERED OWNERS OF THE SERIES 2025 BONDS SHALL HAVE ANY RECOURSE TO ANY PROPERTY, FUNDS OR ASSETS OF THE FOUNDATION (OTHER THAN THE REVENUES OF THE FOUNDATION AND FORECLOSURE ON THE DEED OF TRUST ON THE FACILITY) WITH RESPECT TO SUCH PAYMENTS.

### THE CHARTER SCHOOL

Stargate Charter School (the “**Charter School**”) is a Colorado charter public school and nonprofit corporation, established pursuant to the Colorado Charter Schools Act, Title 22, Article 30.5, C.R.S., as amended from time to time (the “**Charter Schools Act**”), by Adams 12 Five Star Schools (the “**District**”) and pursuant to the Charter School’s Charter Contract which was originally granted in 1994 (the “**Charter**”), and which, as amended, expires on June 30, 2029. The Charter authorizes the Charter School to serve students in Kindergarten through 12th grade. The Charter School began operations in 1994 and on August 8, 2000, the Charter School filed its Articles of Incorporation with the Secretary of State to incorporate as a Colorado nonprofit corporation. In April 2002, the Charter School received recognition from the Internal Revenue Service as an organization described in Section 501(c)(3) of the Tax Code. The Charter School originally opened in 1994, serving students in grades 1st through 5th.

The purpose of the Charter School, as set forth in the Bylaws, is to provide a differentiated educational opportunity for identified intellectually gifted and talented students. The Charter School defines “gifted” children as learners who have advanced intelligence and whose thoughts and feelings are

more complex and of greater depth than typical learners. Gifted learners have an extensive knowledge base and, because of their rapid learning rate, unusual memory ability, and high energy levels, they require constant challenge and interesting work. The Charter School provides an environment where gifted children feel like they “belong” and offers strategies to manage and address the needs of gifted children.

The Charter School is located at 14530 Washington Street in Thornton (the “**Facility**”). The Facility was financed in 2015 and refinanced in 2018. The Secondary and Elementary schools were planned to accommodate the Charter School’s decision to expand and add high school students to its gifted program. The Charter School’s 2024-2025 enrollment as of October 1, 2024 was 1570 students in grades K-12.

The Charter School is governed by the Charter School Board, which is responsible for the academic and operations programs of the Charter School. See “APPENDIX A—THE CHARTER SCHOOL” for a more detailed description of the Charter School.

## **THE SERIES 2025 BONDS**

### **Description of the Series 2025 Bonds**

For a full description of the Series 2025 Bonds, including, but not limited to, redemption provisions, tender provisions, if any, interest rates, maturity schedules, additional bond provisions, payment provisions and security for the Series 2025 Bonds, see the Indenture in “APPENDIX D—SUMMARY OF DEFINITIONS, THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST, AND THE LEASE.”

### **Parity Bonds**

The Series 2025 Bonds are being issued on parity with the Authority’s Charter School Refunding Revenue Bonds (Stargate Charter School Project), Series 2018A originally issued in the original aggregate principal amount of \$40,585,000, and currently outstanding in the aggregate principal amount of \$[ ] (the “**Series 2018 Bonds**” and together with the Series 2025 Bonds and any Additional Bonds issued pursuant to the Indenture, the “**Bonds**”).

### **Direct Payment of Lease Amounts**

The State provides funding to school districts, which in turn provide funding to charter schools. Pursuant to the terms of the Lease, the Charter School is required to make application for the direct payment of Bonds by the Colorado State Treasurer pursuant to Section 22-30.5-406, C.R.S., as amended (the “**Charter Intercept Statute**”). The Series 2025 Bonds qualify for such program and the Charter School’s application is expected to be submitted to the Colorado State Treasurer upon issuance of the Series 2025 Bonds. The Charter Intercept Statute shall not be construed to create a debt of the State or any State financial obligation whatsoever with respect to any bonds which qualify for direct payment pursuant to its provisions and no moneys can otherwise be paid by the State Treasurer under the Charter Intercept Statute unless an allocable portion of the State share of Total Program (defined below) funding which the Charter School is entitled to receive equals or exceeds the applicable amount of the payments which the State Treasurer is directed to make. Further, the Charter Intercept Statute shall not be construed to require the State to continue the payment of state assistance to any school district or to limit or prohibit the State from repealing or amending any law relating to the amount of State assistance to school districts or the manner or timing of the payment of such assistance. If direct payment of the Series 2025 Bonds is not made through the Charter Intercept Statute, the Charter School is required to make such payments

pursuant to the Lease and the Foundation is required to make such payments pursuant to the Loan Agreement. The information set forth in this Official Statement has not been verified or approved by the State and the State has no responsibility with respect to any disclosure matters relating to the offer or sale of the Series 2025 Bonds.

Financial information about the State is available at <http://www.colorado.gov/dpa/dfp/scho/cafr/cafr.htm>. The State's internet address is provided as a matter of convenience for purchasers of the Series 2025 Bonds. None of the Authority, the Charter School or the Foundation incorporate herein any information that may be provided at such internet address or any other internet addresses that may be contained therein, and disclaim any responsibility for any such information. The information at such internet address or internet addresses is not to be construed or incorporated as part of this Official Statement.

### Application of Bond Proceeds

The proceeds from the sale of the Series 2025 Bonds will be loaned to the Foundation in order to finance the cost of: (a) financing the design, construction, renovation, expansion and equipping of various improvements to the Facility (the “**Improvements**”); (b) funding capitalized interest, if any; (c) funding a Bond Reserve Fund; and (d) paying the costs of issuance of the Series 2025 Bonds.

The Improvements will add an additional 69,000 square feet of building space for a total of 244,960 square feet of building space at the Facility. The Improvements are planned to include a secondary school addition, a secondary school performing arts addition, a secondary school classroom addition, a secondary school library addition, a primary school vestibule addition, a primary school administration addition, and a primary school gym addition.

The Foundation has contracted with Legend Management to serve as the owner's representative for the Improvements, Hord Coplan Macht to serve as the architects for the Improvements and JHL Constructors to serve as the contractor for the Improvements.

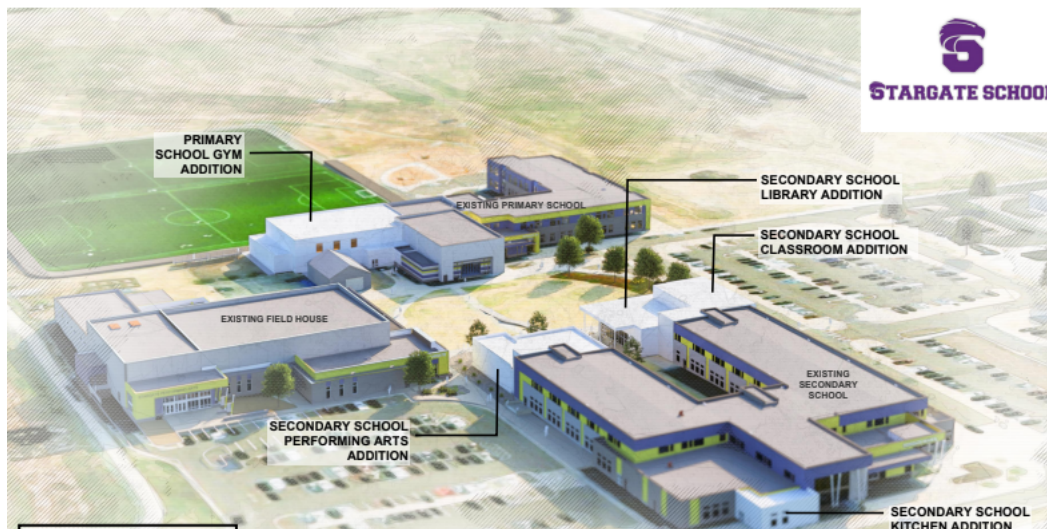
The Construction Budget for the Improvements is as follows:

Budget	
Purpose	Amount
Hard Costs	\$18,731,771
Soft Costs	2,869,000
Owner's Contingency	<u>1,873,177</u>
Total	<u>\$23,473,948</u>

Construction is anticipated to commence the summer of 2025 and be completed by the fall of 2026.

The following is an as built rendering of the Facility upon completion of the Improvements. The following is preliminary and subject to change.





***Adams 12 Five Star School District Bond Proceeds.*** The District received elector approval at the November 5, 2024 election for the issuance of bonds in the amount of \$830,000,000 (the “**District Bonds**”). The District expects to issue the District Bonds in three series. It issued the first series in January of 2025 in the amount of \$171,575,000 (the “**District 2025 Bonds**”). The District gave the Charter School \$5,463,616 from the proceeds of such bonds. The District anticipates issuing the second series of bonds by July of 2028 and plans to give \$18.2 million to the Charter School from proceeds of such second series. The Charter School anticipates using proceeds of the District Bonds to construct the Improvements and redeem the Series 2025 Bonds upon receipt of the proceeds from the second series of District Bonds. [TO BE UPDATED WITH DISTRICT APPROVAL]

***Sources and Uses of Funds.*** The sources of funds and the uses of funds are shown in the following table:

**Sources of Funds**

Bond Proceeds .....	
Original Issue Premium .....	
Original Issue Discount .....	
Total .....	

**Use of Funds**

Project Fund.....	
Deposit to Bond Reserve Fund.....	
Issuance Expense Fund (including Underwriter's Discount).....	
Total .....	

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Source: The Underwriter

**Optional Redemption of Bonds**

The Series 2025 Bonds are subject to redemption prior to maturity, at the option of the Foundation in Authorized Denominations on December 1, 20\_\_\*, and on any date thereafter, upon payment of par, plus accrued interest to the redemption date, without redemption premium.

**Redemption of Bonds Upon Occurrence of Certain Events**

The Series 2025 Bonds are also redeemable at the option and upon the written direction of the Foundation in whole at any time or in part (only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Bonds pursuant to paragraphs (a) or (b) of this Section) on any interest payment date from and to the extent of funds on deposit under the Indenture and available for this purpose at a redemption price equal to the principal amount of each Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(a) the Facility shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee (i) the Facility cannot reasonably be restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) the Foundation or its lessee are thereby prevented from carrying on its normal operations for a period of six consecutive months, or (iii) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of the Loan Agreement;

(b) title to, or the temporary use of, all or any substantial part of the Facility shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority or because of a defect in title; and

(c) as a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Foundation in good faith, the

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\* Preliminary; subject to change.



Loan Agreement or Deed of Trust shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the Foundation in respect to the Facility, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement. Redemption pursuant to this paragraph (c) shall be in whole only.

The Series 2025 Bonds are also redeemable on any date at a redemption price equal to the principal amount of each Bond redeemed and accrued interest to the redemption date upon the occurrence of a Determination of Taxability. Redemptions described in this paragraph are to be in whole only.

### **Sinking Fund Redemption**

#### ***Series 2025A Bonds.***

The Series 2025A Bonds maturing on December 1, 20\_\_\* are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Foundation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to redeem the following principal amount of the Series 2025A Bonds maturing on December 1, 20\_\_\* plus accrued interest thereon to the redemption date:

<b>December 1 of the Year</b>	<b>Principal Amount</b>
--	\$
--	--
--	--
--	--
-- <sup>1</sup>	--

<sup>1</sup> Maturity Date.

The Series 2025A Bonds maturing on December 1, 20\_\_\* are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Foundation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to redeem the following principal amount of the Series 2025A Bonds maturing on December 1, 20\_\_\* plus accrued interest thereon to the redemption date:

<b>December 1 of the Year</b>	<b>Principal Amount</b>
--	\$--
--	--
--	--
--	--
--	--
--	--
--	--
--	--

\* Preliminary; subject to change.

December 1 of the Year	Principal Amount
--	\$--
-- <sup>1</sup>	--

<sup>1</sup> Maturity Date.

**Series 2025B Bonds.** The Series 2025B Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Foundation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to redeem the following principal amount of the Series 2025B Bonds plus accrued interest thereon to the redemption date:

December 1 of the Year	Principal Amount
--	\$
-- <sup>1</sup>	--

<sup>1</sup> Maturity Date

Not more than 45 days nor less than 30 days prior to the sinking fund payment date for the Series 2025 Bonds, the Trustee is required to proceed to select for redemption (by lot in such manner as the Trustee may determine) from all outstanding Bonds, a principal amount of Bonds equal to the aggregate principal amount of Bonds, redeemable with the required sinking fund payment and is required to call such Bonds for redemption from the sinking fund on the next December 1 and give notice of such call.

### Security for the Series 2025 Bonds

The Series 2025 Bonds are special, limited obligations of the Authority as described in the documents included in “APPENDIX D—SUMMARY OF DEFINITIONS, THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST AND THE LEASE” attached hereto. Under the Loan Agreement, the Foundation is obligated unconditionally to pay amounts sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds. The Series 2025 Bonds are secured solely by a pledge of (a) certain rights and interests of the Authority under and pursuant to the Loan Agreement; (b) certain rights and interests of the Trustee under and pursuant to the Deed of Trust, encumbering the Facility, subject to Permitted Encumbrances; (c) the Gross Revenues of the Foundation and all rights and interests of the Authority in such Gross Revenues, subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Loan Agreement; (d) the rights and interests of the Trustee, the Authority and the Foundation in the Lease, except certain rights of the Trustee, the Authority, and the Foundation set forth in the Lease; (e) all Funds created in the Indenture (other than the Rebate Fund), subject to certain provisions of the Indenture; and (f) any and all other interests in real or personal property specifically mortgaged, pledged or hypothecated, as and for additional security under the Indenture as set forth therein. The Payments received by the Foundation from the Charter School under the Lease are the Foundation’s sole expected source of revenues.

The Series 2025 Bonds do not constitute debt or indebtedness of the Authority within the meaning of any provision or limitation of the constitution or statutes of the State and shall never constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing power of the Authority or the State. The Authority has no power to levy taxes or assessments. Recovery against the Foundation for any event of default under the Loan Agreement will likely be from the Gross Revenues of the Foundation, which are expected to be only the rental payments made by the Charter School under the Lease, and amounts realized from foreclosure on the Deed of Trust on the Facility. See “THE SERIES 2025 BONDS” and “APPENDIX D—SUMMARY OF

DEFINITIONS, THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST, AND THE LEASE.”

### **Bond Reserve Fund, CSDRF and Moral Obligation Program**

A bond reserve fund will be established pursuant to the Indenture (the “**Bond Reserve Fund**”). A bond reserve account will be established within the Bond Reserve Fund pursuant to the Indenture for the Series 2025 Bonds (the “**Series 2025 Bond Reserve Account**”) in an amount equal \$[\_\_\_\_\_]” (the “**Series 2025 Bond Reserve Requirement**”), which amount is equal to the maximum annual debt service on the Series 2025 Bonds, and is pledged for solely the repayment of the Series 2025 Bonds pursuant to the terms of the Indenture.

Anything contained in the Indenture to the contrary notwithstanding, \$[\_\_\_\_\_]” (the amount of the Bond Reserve Fund Requirement initially funded with the proceeds of the Series 2025B Bonds) on deposit in the Bond Reserve Fund, plus any interest earned thereon, to the extent such amounts do not consist of the proceeds of the Series 2025A Bonds, shall be transferred by the Trustee to the Debt Service Fund, as needed, to cure a deficiency, and, if, on any Interest Payment Date, the amount then on hand in the Debt Service Fund is not sufficient to pay the principal and interest then due on the Series 2025B Bonds, whether at maturity or upon redemption or by acceleration. No amounts in the Bond Reserve Fund funded with proceeds of the Series 2025A Bonds, or any interest earnings on such amounts, may be used to pay the amounts due on the Series 2025B Bonds.

The Charter School is entitled to participate and be a beneficiary of the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program which enhance the security for the Series 2025 Bonds. The CSDRF was created to provide a fund managed by the State Treasurer that is available to replenish amounts drawn from debt service reserve funds, once depleted, that secure qualifying charter school bond issues, such as the Bond Reserve Fund. Qualified charter schools are defined in State statutes as a school that has a stand-alone credit assessment or rating of at least equal to investment grade by a nationally recognized rating agency at the time of issuance of its bonds. The Series 2025 Bonds are additionally secured by the CSDRF and the Moral Obligation Program.

The CSDRF has been funded with \$7.5 million of State appropriated moneys and is being funded from certain interest earnings on such deposit. The CSDRF is additionally funded with monies on deposit in the State charter school interest savings account (the “**Interest Savings Fund**”), which deposits are from amounts contributed by charter schools that participate in the Moral Obligation Program in an amount equal to ten basis points of the principal amount of the bonds outstanding as of each annual calculation date and the interest earnings thereon. As of June 30, 2024, the balance in the CSDRF was \$8,963,471.37 (having received \$1,463,471.37 in interest earnings to date), and the balance in the Interest Savings Fund was \$9,396,846.05, including \$7,919,903.62 paid in by the participating schools plus \$1,476,942.43 in interest earnings to date. Amounts in the CSDRF are available to replenish the Series 2025 Bond Reserve Account, to the extent amounts are available, and any other bond reserve fund created to secure other qualifying bond issues. The CSDRF is required by State statute to be replenished if drawn upon from charter school facilities aid money. There can be no assurance that the CSDRF will be adequate to meet all the demands that might be made upon it because by statute the State has committed to allow up to \$1 billion in bonds to be secured by the CSDRF. As described in the Report to the State Auditor Issuance of Qualified Charter School Bonds Required by C.R.S. 22-30.5-407 and 408 by the Authority. As of June of 2025, there was approximately \$350,000,000 in additional funding capacity under the Moral Obligation Program.

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\* Preliminary; Subject to change.

If the Bond Reserve Fund is depleted and not immediately restored to the Bond Reserve Fund Requirement for the Series 2025 Bonds, in addition to the monies available under the CSDRF program, if any, the Board of Directors of the Authority is required by statute to submit to the Governor of the State a certificate certifying any amount of moneys required to restore such fund to the applicable Bond Reserve Fund Requirement for the Series 2025 Bonds. The Governor of the State is then required to submit a request for an appropriation from the State legislature in an amount sufficient to restore such account to the Bond Reserve Fund Requirement and the general assembly of the State may but shall not be required to appropriate moneys for such purpose.

### **Limitations on Incurrence of Additional Bonds and Additional Indebtedness**

Under the Indenture, the Authority may not issue additional Bonds unless, among other requirements, the Foundation meets the additional Indebtedness requirements under the Loan Agreement. Under the Loan Agreement, the Foundation agrees that it will not after the date thereof, except as provided below, incur any additional Indebtedness secured in whole or in part by the Facility or the Pledged Revenues, except as follows:

*Parity Indebtedness.* So long as the Lease is in effect, the Foundation may, with the written consent of the Charter School and written confirmation by the Trustee that the Trustee has received all documents and consents required pursuant the Indenture for the issuance of Additional Bonds, incur additional Indebtedness, which may be evidenced by amending the Loan Agreement, secured in whole or in part by Liens on the Facility and a security interest in the Pledged Revenues on a parity with amounts secured by the lien of the Deed of Trust on the Facility and the security interest in the Pledged Revenues granted by the Loan Agreement for the purposes provided in the Act, to pay the costs associated with such Indebtedness and/or for the purpose of refunding any Outstanding Bonds, if the following conditions are met: (i) the Foundation delivers a certificate signed by an Authorized Representative of the Foundation stating that no Event of Default is then existing under the Loan Agreement or any other Indebtedness then outstanding or any agreement entered into in conjunction with such Indebtedness; and (ii) sufficient funds are evidenced as follows:

(A) (1) Historical Coverage on Outstanding Indebtedness: the Foundation delivers a certificate signed by its Authorized Representative stating (and setting forth the calculation) that, for either the Charter School's most recently completed Fiscal Year or for any consecutive twelve (12) months out of the most recent eighteen (18) months immediately preceding the issuance of the additional Indebtedness, the Net Revenue of the Charter School, equals at least 1.10 times the annual debt service on all Indebtedness then Outstanding for such time period consistent with the time period selected above and prior to the issuance of the additional Indebtedness; and (2) Projected Coverage for Additional Indebtedness: the Foundation delivers a certificate signed by its Authorized Representative setting forth projections that indicate that the estimated Net Revenue of the Charter School are equal to at least 1.20 times Maximum Annual Debt Service for all Indebtedness then Outstanding, including the proposed additional Indebtedness, in the Fiscal Year immediately following the completion of the Project being financed with such additional Indebtedness, taking into account (i) the audited results of operations and verified enrollment of the Project for the most recent fiscal year for which audited financial statements are available, and (ii) the projected enrollment for the Fiscal Year immediately following the completion of the new Project, and shall assume that the proposed additional Indebtedness shall have been outstanding for the entire year; or

(B) Alternate Coverage for Additional Debt: the Foundation delivers a certificate signed by its Authorized Representative stating (and setting forth the calculation) that, based on the audited results of the operations for the most recent fiscal year for which audited financial statements are available, the

Net Revenue equals at least 1.10 times Maximum Annual Debt Service on all Indebtedness then Outstanding as well as the additional Indebtedness.

*Refunding.* If additional Indebtedness is being issued for the purpose of refunding any Outstanding Bonds, the reports required to be delivered above shall not be required so long as both the total and Maximum Annual Debt Service on all Outstanding Bonds after issuance of the additional Indebtedness will not exceed both the total and the Maximum Annual Debt Service on all Outstanding Indebtedness prior to the issuance of such additional Indebtedness.

*Non-Recourse Indebtedness.* The Foundation reserves the right to incur Indebtedness that is not secured by Liens on the Facility and a security interest in the Pledged Revenues on a parity with amounts secured by the lien of the Deed of Trust on the Facility and the security interest in the Pledged Revenues granted by the Loan Agreement. Such debt may be secured by a lien on all or any portion of the assets financed therewith.

*Senior Indebtedness.* The Foundation is precluded from incurring additional Indebtedness secured by Liens on the Facility or the Pledged Revenues that are senior to the lien of the Deed of Trust on the Facility and the security interest in the Pledged Revenues granted by the Loan Agreement and the Deed of Trust.

## **Financial Covenants**

*Operating Fund Balance.* The Charter School covenants and agrees in the Lease to maintain the following balances set forth below:

- (a) Days Cash on Hand of not less than 40 days;
- (b) emergency reserves in the amount required under Article X, Section 20(5) of the Colorado Constitution; and
- (c) cumulative unrestricted cash reserves sufficient to meet all accrued and unrestricted salary obligations of the Charter School; provided, however, such amount may be included in the Days Cash on Hand required pursuant to clause (a) hereof.

Such balances required above are required to be tested on June 30 of each year, commencing June 30, 2025. The Charter School is to provide the Trustee with a certificate stating whether the balances required above have been met and setting forth the calculation of such amounts on June 30 of each year no later than the two weeks after the completion of the Charter School's audit for such Fiscal Year.

If the Charter School's Days Cash on Hand on June 30 of any Fiscal Year is less than 40 days, then the Trustee is to give notice to the Registered Owners and, upon the written direction of a majority of the Registered Owners, the Charter School is to employ a Consultant to review and analyze the operations and administration of the Charter School, inspect the Leased Property and submit to the Charter School, the Authority and the Trustee written reports, and make such recommendations as to the operation and administration of the Charter School as such Consultant deems appropriate, including any recommendation as to a revision of the methods of operation thereof. The Charter School is to consider any recommendations by the Consultant and, apply a best efforts approach to carry out such recommendations, subject to the Charter School's annual appropriation therefor.

It constitutes an Event of Default if the Days Cash on Hand is less than 40 days on the June 30 testing date for two consecutive Fiscal Years.

**“Days Cash on Hand”** is defined in the Lease to mean as of any date of determination, the product of 365 times a fraction, (i) the numerator of which is the aggregate amount of the Charter School’s unrestricted cash, cash equivalents, liquid investments, and marketable securities (valued at the lower of cost or market); and (ii) the denominator of which is the total Operating Expenses, in each case, determined in accordance with Generally Accepted Accounting Principles.

*Coverage Ratio.* The Charter School is required under the Lease to deliver annually to the Foundation and the Trustee a certificate stating the Coverage Ratio for the Fiscal Year then ended no later than two weeks after the completion of the Charter School’s audit for such Fiscal Year, commencing with the Fiscal Year ending June 30, 2025. The Coverage Ratio is required to be at or above 1.10 for any Fiscal Year. If such Coverage Ratio is below 1.10, the Charter School is required to retain, at its expense and subject to annual appropriation therefor, a Consultant to submit a written report and make recommendations within 60 days of being retained (a copy of such report and recommendations is to be filed with the Underwriter, the Authority and the Trustee) with respect to increasing income of the Charter School, decreasing Operating Expenses of the Charter School or other financial matters of the Charter School which are relevant to increasing the Coverage Ratio to at least the required level. The Trustee is to notify Registered Owners of the Outstanding Bonds if the Coverage Ratio is below 1.10. If the Coverage Ratio falls below 1.10, for two consecutive Fiscal Years, it constitutes an Event of Default under the Lease by the Charter School, and if the Coverage Ratio falls below 1.00 for any Fiscal Year, it constitutes an Event of Default under the Lease by the Charter School.

**“Coverage Ratio”** is defined in the Lease to mean, as of any date of determination, the ratio obtained by dividing (i) Net Revenue for the Fiscal Year ending on the date of determination by (ii) aggregate Base Rents plus any similar rental payments made for the lease purchase of additional facilities by the Charter School for the Fiscal Year ending on the date of determination due in connection with the Series 2025 Bonds.

**“Net Revenue”** is defined in the Lease to mean Gross Revenue of the Charter School, less Operating Expenses of the Charter School.

**“Gross Revenue”** is defined in the Lease to mean all income and revenues directly or indirectly derived by the Charter School from its operations, including without limitation per pupil revenues and other funding received from the Charter Authorizer, or by virtue of the Charter Contract and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for the payments required under the Lease.

**“Operating Expenses”** is defined in the Lease to mean all reasonable and necessary current expenses of the Charter School, paid or accrued, to operate the Charter School and provide educational services, including without limitation (a) salaries, employee retirement and health benefits, (b) the cost of instructional supplies and materials, (c) insurance premiums, (d) professional services, and (e) any payments made under the Lease which constitute Additional Rents and any similar rental payments made in connection with other lease-purchase agreements of the Charter School; provided however, there shall be excluded from Operating Expenses (i) any allowance for depreciation; (ii) expenses incurred in connection with Capital Improvements; (iii) expenses paid from grants from state, federal or local sources, or from any Person, which were not included as part of Gross Revenue; and (iv) Base Rents payments and any similar rental payments made for the lease-purchase of Capital Improvements.

*Provision of Financial and Related Information.* The Charter School agrees in the Lease to provide the Trustee and the Authority the following information during each Renewal Term (the information required to be provided to the Authority need only be provided to the Authority at its written



request): (a) audited financial statements within 210 days of each June 30; and (b) such other information required pursuant to the Continuing Disclosure Agreement.

*Additional Leases.* The Charter School agrees in the Lease that it will not enter into any capital leases or operating leases for additional facilities, unless the Foundation has satisfied the requirements of the Loan Agreement relating to additional Indebtedness. The Charter School may enter into capital leases for equipment and other non-facility items without meeting such requirements of the Loan Agreement.

### **Debt Service Requirements**

Set forth in the following table are the debt service requirements for the Series 2025 Bonds outstanding on a fiscal year basis.

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The following debt service requirements on the Series 2025 Bonds are based on the interest rates indicated on the inside cover page hereof.\*

DEBT SERVICE SCHEDULE				
Year Ended (June 30)*	Principal *	Interest <sup>1</sup>	Series 2018 Bonds Debt Service	Annual Total <sup>1</sup>
--	\$	\$	--	\$
--	--	--	--	--
--	--	--	--	--
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--	--	--	--	--
Total	\$	--	--	--

<sup>1</sup> Figures have been rounded

## RISK FACTORS

This Official Statement contains summaries of pertinent portions of the Series 2025 Bonds, the Indenture, the Loan Agreement, the Deed of Trust, the Lease, the Continuing Disclosure Agreement and other relevant documents. Such summaries and references are qualified in their entirety by reference to the full text of such documents. The following discussion of some of the risk factors associated with the Series 2025 Bonds is not, and is not intended to be, exhaustive, and such risks are not necessarily presented in the order of their magnitude.

\* Preliminary; subject to change.

## General

The Series 2025 Bonds do not constitute debt or indebtedness of the Authority within the meaning of any provision or limitation of the constitution or statutes of the State and shall never constitute or give rise to a pecuniary liability of the Authority. The Series 2025 Bonds are special and limited obligations of the Authority. They are secured by and payable solely from funds payable by the Corporation under the terms and conditions of the Loan Agreement and as otherwise described herein. Except as provided in the Loan Agreement with respect to certain fees, expenses, and indemnity rights of the Authority and the Trustee, recovery against the Corporation for any event of default under the Loan Agreement is limited to the Pledged Revenues and amounts realized from the foreclosure of the Deed of Trust encumbering the Facility. The obligations of the Corporation under the Loan Agreement (subject to such exceptions) are not general obligations of the Corporation and neither the Trustee, the Authority nor the Registered Owners of the Series 2025 Bonds shall have any recourse to any property, funds or assets of the Corporation (other than the Pledged Revenues and the Facility) with respect to such obligations.

## Sufficiency of Revenues

The Series 2025 Bonds are payable solely from certain payments, revenues and other amounts derived by the Authority pursuant to the Loan Agreement, and are secured only by such revenues and a pledge of certain funds and accounts created under the Indenture and the Trustee's rights and interest in the Deed of Trust on the Facility. The Corporation's sole expected source of revenues is the amount annually appropriated and allocated by the Charter School for rental payments under the Lease. See "APPENDIX D—FORMS OF THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST AND THE LEASE."

Based on present circumstances (*i.e.*, the Charter Contract and operating history), and based on its projections regarding enrollment, the Charter School believes it will generate sufficient revenues for payment of debt service on the Series 2025 Bonds and other obligations of the Charter School. However, the Charter Contract may be terminated or not renewed, or the basis of the assumptions used by the Charter School to formulate this belief may otherwise change. No representation or assurance can be made that the Charter School will continue to generate sufficient revenues for payment of debt service on the Series 2025 Bonds and other bonds issued for the benefit of the Charter School.

## Dependence on State Aid Payments; State Aid Payments Subject to Appropriation

Except for certain programs, the Charter School is not permitted to charge tuition to students. The primary source of funding for the Charter School comes from the District. District funds are based on the per pupil revenues ("PPR") as mandated by the School Finance Act and the Charter School Act. The amount of payments received by the Charter School is based on the per pupil funding allowance and its per pupil enrollment. The amount of aid available in any year to pay the per pupil allowance is subject to appropriation by the Colorado Legislature. The Legislature may not appropriate funds, or may not appropriate funds in a sufficient amount, to enable the Charter School to make lease payments and meet its general operating expenses and thus allow the Corporation to pay debt service on the Series 2025 Bonds and other bonds issued for the benefit of the Charter School. Similarly, the State allocation per pupil could be reduced or could fail to keep pace with expenses such that the aggregate amount of payments to the Charter School may be inadequate to allow the Charter School to pay its operating expenses and lease payments to the Corporation in an amount sufficient to pay debt service on the Series 2025 Bonds and other bonds issued for the benefit of the Charter School. No liability will accrue to the State in such event, and the State will not be obligated or liable for any future payments or any damages in such event. If the State were to withhold the payment of money from the Charter School for any reason, even a reason that is ultimately determined to be invalid or unlawful, it is likely the Charter

School would be forced to cease operations. There can be no assurance that the State will continue funding charter schools at the same rate as it has historically done.

### **State Financial Difficulties**

Charter schools depend on revenue from the State for a large portion of their operating budgets. The availability of State funds for public education is a function of legal provisions affecting school district revenues and expenditures, the condition of the State economy and the budget process. Decreases in State revenues may adversely affect education appropriations made by the Legislature. 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 "RISK FACTORS— Dependence on State Aid Payments; State Aid Payments Subject to Appropriation" above.

Beginning with the Fiscal Year 2010-2011, a new factor was introduced in the school finance formula due to the statewide budget balancing challenges the State was facing. This "**Budget Stabilization Factor**" reduces the amount of funding districts would have received prior to this factor's application in an equitable and fair manner. This factor acts as a reduction to other existing factors and does not reduce any base per-pupil funding districts receive through the school finance formula. See "APPENDIX A—THE CHARTER SCHOOL" herein for a more detailed description.

Any decreases in State revenues or increases in State expenditures may adversely affect education appropriations made by the Legislature. Neither the Charter School nor any other party to the bond transaction can predict how State revenues or State education funding will vary over the entire term of the Series 2025 Bonds.

No parties to the bond transaction take any responsibility for informing owners of the Series 2025 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. 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 the bond transaction take no responsibility for the accuracy, completeness or timeliness of such information, and no such information is incorporated herein by these references.

### **Nonrenewal of the Lease**

The expected source of Pledged Revenues for the repayment of the Series 2025 Bonds is the rental payments made by the Charter School under the Lease. The Lease will be subject to annual renewal by the Charter School. It is anticipated that amounts payable pursuant to the Lease will be sufficient to pay debt service on the Series 2025 Bonds. However, the Charter School's obligation to pay such amounts is subject to: (a) the continued existence of the Charter School, see "—Nonrenewal or Revocation of Charter Contract" hereafter; (b) the level of annual appropriations by the District to the Charter School; and (c) specific appropriations and allocations for such purpose by the Charter School. If the Charter School determines not to appropriate or allocate funds in order to make payments under the Lease, it is likely that minimal proceeds will be generated by the Trustee from the re-letting or sale of the Facility (which has been designed and built specifically for the purpose of operating a charter school). Pursuant to the Loan Agreement, the Corporation covenants and agrees to transfer and convey fee simple title and its ownership interest in the Facility to the Charter School at such time as the Series 2025 Bonds are no longer outstanding if the Lease is then in effect.

Pursuant to the Lease, the Charter School is responsible for paying the costs of operating, insuring and maintaining the Facility and the Corporation has no independent source of revenues to meet such costs, see “—Damage or Destruction of the Facility.” Nonrenewal of the Lease is not an Event of Default under the Loan Agreement or the Indenture. If the Charter School chooses not to renew the Lease, the only likely tenants for the Facility will be the District or another charter school located within the boundaries of the District, if any.

### **Nonrenewal or Revocation of Charter Contract**

Pursuant to the Charter School Act and the Charter Contract, the Charter Contract will terminate or be renewed on or about June 30, 2029, or may be earlier terminated by the District for the grounds set forth in the Charter Schools Act and/or for any material breach of the Charter Contract (after giving the Charter School notice of such breach and an opportunity to cure such breach). No assurance can be given that the Charter School will be able to maintain its Charter Contract. If the Charter Contract is revoked or not renewed and the Charter School is unable to enter into a new Charter Contract with a successor authorizer, the Charter School will be prohibited from renewing the Lease. See “—Nonrenewal of the Lease,” and “APPENDIX A—THE CHARTER SCHOOL—Charter School Authorization.”

### **Construction Risk**

Construction of the Improvements to the Facility is generally subject to all typical construction related risks. Such risks include, among others, labor disputes, defective building materials, schedule delays, shortages in various labor trades, fire or other property or casualty damage, unanticipated subsoil conditions and financial difficulties on the part of or disputes with a construction manager, key suppliers, contractors or subcontractors, inflation, material availability and costs. There can be no assurance that construction problems of the types described above, or other problems, will not frustrate the planned completion of any part of the construction of the improvements to the Facility.

Currently, the Improvements to the Facility are scheduled to be complete by the fall of 2026. The Corporation has not yet obtained all permits necessary for the completion of the Improvements.

### **Reputational Risk**

The Charter School is subject to financial and other risks, which risks may differ from those of other private, charter or public schools. For example, changes in the reputation of the Charter School, either generally or with respect to certain academic or extra-curricular areas, may affect the Charter School’s ability to attract students to projected enrollment levels and may affect the Charter School’s ability to attract quality teachers and staff at competitive salaries. In addition, litigation brought against the Charter School by parents, civil authorities, students or former or potential employees may have a materially adverse impact on the reputation of the Charter School. There can be no assurance that these or other factors will not adversely affect the Corporation’s ability to generate adequate funds from the Charter School to make payments under the Lease and debt service on the Series 2025 Bonds. See “APPENDIX A—THE CHARTER SCHOOL—School Safety.”

### **Key Personnel**

The Charter School’s curriculum and educational philosophy reflect the vision and commitment of members of the Board of Directors of the Charter School (the “**Charter School Board**”) and certain key personnel who comprise the upper management of the Charter School (“**Key Personnel**”). Loss of any Charter School Board members or Key Personnel could adversely affect the Charter School’s operations, its ability to attract and retain students and its financial results. See “APPENDIX A—THE

CHARTER SCHOOL—Administrative Staff and Management” for more information regarding the Charter School Board and its administrative staff and management.

### **Failure to Achieve or Maintain Enrollment**

The economic feasibility of the Project depends in large part upon the ability of the Charter School to attract enough students to maintain sufficient enrollment to meet the debt service requirements on the Series 2025 Bonds. The Charter School may not achieve its projected enrollment numbers. The Charter School’s ability to achieve its enrollment goals depends, to some extent, on factors outside of its control. If the Charter School fails to achieve the enrollment levels it currently anticipates, there may be insufficient revenues to make the Rent Payments under the Lease and to meet debt service requirements on the Series 2025 Bonds. See “APPENDIX A—THE CHARTER SCHOOL—Charter School Enrollment and Waitlist Policy.”

### **Competition for Students**

The Charter School is chartered through the District, located in Adams County, Colorado. The Charter School is located within the District boundaries and draws students from the surrounding area. The Charter School competes for students within the District, Thornton, Colorado, other surrounding school districts and private schools within or near the District. As of the 2024-2025 school year, the District has 30 elementary schools, 4 K-8 Schools, 7 middle schools, and 5 high schools. There are additionally 3 alternative schools, 2 career & technical education schools, 1 online school, and 4 charter schools in the District. The Charter School considers certain of these schools to be its competition for students. See “APPENDIX A—THE CHARTER SCHOOL—Charter School Enrollment and Waitlist Policy.”

There can be no assurances that the Charter School will continue to attract and retain the number of students that are needed to generate the Pledged Revenues that are necessary to pay the debt service on the Series 2025 Bonds.

### **Competition for Faculty and Staff**

The Charter School depends on the talent of its teachers and staff to provide quality education and instruction as set forth in the Charter Contract. The Charter School competes for teachers and staff members with other schools within the District, other surrounding districts and private schools within or near the District. Its ability to attract and retain teachers and staff is dependent on maintaining an appealing work environment and paying competitive salaries, in spite of limited financial resources. Although the Charter School has historically experienced low attrition, there can be no assurance that this trend will continue. If the Charter School is unable to attract and retain qualified teachers, its operations, its ability to attract and retain students and its financial results could be adversely affected. Historically, many of the teachers and staff at the Charter School have actively pursued employment at the Charter School for specific reasons such as school mission and vision, positive staff culture, professional development opportunities, and competitive salaries. There can be no assurance that the Charter School can continue to distinguish itself in these areas.

### **Damage or Destruction of the Facility**

The Loan Agreement and the Lease require that the Facility be insured against certain risks. There can be no assurance that the amount of insurance required to be obtained with respect to the Facility will be adequate or that the cause of any damage or destruction to the Facility will be as a result of a risk which is insured. Further, there can be no assurance as to the ongoing creditworthiness of the

insurance companies with which the Corporation or the Charter School obtains insurance policies. In addition, the Charter School may choose to terminate the Lease if a casualty renders the Facility totally or partially un-tenantable or unfit for their purposes, and if insurance proceeds are insufficient to restore the Facility to a tenantable condition. See “THE SERIES 2025 BONDS—Optional Redemption of Bonds” and “APPENDIX D—FORMS OF THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST AND THE LEASE—The Loan Agreement—*Insurance Provisions*.”

### **Public Health Emergencies**

Although the global pandemic known as “COVID-19” has abated, there can be no assurance that a future outbreak of COVID-19 or a similar public health emergency may not occur in the future. If and to the extent that any such public health emergency occurs, no assurances can be given as to the economic or operational effects of such public health emergency on the Charter School and its enrollment, operations or financial condition. Any such future public health emergency could materially adversely affect the Charter School’s financial condition.

### **Value of Facilities May Fluctuate**

The value of the Facility at any given time will be directly affected by market and financial conditions which are not in the control of the parties involved in this transaction. At any time there may be a difference between the actual market value of the Facility and the amount outstanding of the Series 2025 Bonds, and that difference may be material and adverse to Bondholders. In particular, it cannot be determined with certainty what the value of the property subject to the Deed of Trust would be in the event of a foreclosure under the Deed of Trust. Real property values can fluctuate substantially depending on a variety of factors. There is nothing associated with the Charter School’s educational facilities, which are designed for use as charter schools, which would suggest that their values would remain stable or would increase if the general values of property in the community were to decline.

There has not been a recent appraisal conducted on the Facility.

### **Foreclosure Delays and Deficiency**

Should Pledged Revenues be insufficient to pay the principal of and interest on the Series 2025 Bonds, the Trustee may seek to foreclose the Deed of Trust securing the Series 2025 Bonds. No assurance can be given that the value of the Facility will be sufficient to meet all remaining debt service requirements with respect to the Series 2025 Bonds at the time of any such foreclosure. In addition, the time necessary to institute and complete foreclosure proceedings would likely substantially delay receipt of funds from a foreclosure. There could also be delays in regaining possession of the Facility from the Charter School in the event of any nonrenewal of, default or dispute under the Lease. There can be no assurance of the amounts that would be realized upon a sale of the Facility.

### **Environmental Regulation**

The Facility 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 to the Corporation and to any beneficiary of the Deed of Trust, particularly following any sale or foreclosure proceeding, for remediating adverse environmental conditions on or relating to the Facility, whether arising from preexisting conditions or conditions arising as a result of activities conducted in connection with the ownership of and operations of the Facility. Costs incurred by the Corporation with respect to environmental remediation or liability could adversely affect its financial condition and its ability to generate funds for payment of debt service on the Series 2025 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 Facility.

### **Nonrecourse Obligation**

Except as otherwise provided in the Loan Agreement with respect to certain fees, expenses and indemnity rights of the Authority and the Trustee, recovery against the Corporation for any event of default under the Loan Agreement is limited to the Pledged Revenues and amounts realized from the foreclosure of the Deed of Trust encumbering the Facility. The obligations of the Corporation under the Loan Agreement are not general obligations of the Corporation and neither the Trustee, the Authority (subject to such exceptions) nor the Registered Owners of the Series 2025 Bonds will have any recourse to any property, funds or assets of the Corporation (other than the Pledged Revenues and the Facility) with respect to such obligations.

The Series 2025 Bonds are special, limited obligations of the Authority and also constitute nonrecourse obligations of the Authority. The Series 2025 Bonds and the interest thereon shall never constitute the debt or indebtedness of the Authority, the State or any political subdivision thereof, including the Authority, within the meaning of any provision of the Constitution and laws of the State and shall not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority, the Charter School, the District or the State. The Authority has no power to levy any tax or assessment.

### **Constitutional Provisions Affecting Revenues and Spending**

In 1992, the electors of the State approved an amendment to the Colorado Constitution, Article X, Section 20, which imposes certain spending, revenue and other limitations upon the State and its political subdivisions (including the Charter School). One of the subsections of Article X, Section 20 limits the maximum annual percentage change in the Charter School's fiscal year spending to an amount equal to inflation in the prior calendar year plus annual enrollment growth, adjusted for changes approved by voters after 1991. The Lease is subject to annual appropriation by the Charter School. There can be no assurances that Article X, Section 20 spending limitations would not impede the ability of the Charter School to make such appropriation. In addition, Article X, Section 20 contains many undefined or unclear terms and provisions which will require judicial interpretation or legislative action to clarify. Although certain clarifying judicial interpretations and legislative action have already occurred, the effect upon the Series 2025 Bonds of any future interpretations or action is impossible to determine at this time.

The Colorado General Assembly Office of Legislative Legal Services issued a memorandum dated September 19, 2003 which concludes that the application of any provision of the Charter School Facilities Financing Act does not violate Section 20(4)(b) of Article X of the Colorado Constitution by allowing the creation of any "multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years without creation of voter approval in advance."

Although constitutional provisions cannot be changed by the General Assembly, the General Assembly may, by resolution, or the electorate by petitioners may, submit reductions or limitations to the electorate. Adverse State budget considerations could result in the General Assembly seeking voter approval to reduce constitutional requirements for public school funding.



## **Changes to Charter Schools Act**

Future changes to either the Charter Schools Act or the School Finance Act by the Colorado General Assembly could be adverse to the financial interests of the Charter School and could adversely impact the security for the Series 2025 Bonds. There can be no assurance given that the Colorado General Assembly will not in the future amend either the Charter Schools Act or the School Finance Act in a manner which is adverse to the interests of the registered owners of the Series 2025 Bonds.

The State has historically experienced downturns in the economy. The State may experience additional downturns in the future that affect public revenues. While constitutional provisions cannot be amended by the General Assembly, School Finance Act provisions, such as the capital funding for charter schools, are subject to amendment, including reduction of funding, which could adversely affect the Charter School. STATE OF COLORADO BUDGET CONSIDERATIONS MAY ADVERSELY AFFECT APPROPRIATIONS FOR CHARTER SCHOOL FUNDING.

Although constitutional provisions cannot be changed by the General Assembly, the General Assembly may, by resolution, submit reductions or limitations to the electorate. Adverse State of Colorado budget considerations could result in the General Assembly seeking voter approval to reduce constitutional requirements for public school funding.

See “APPENDIX A—CHARTER SCHOOL FINANCIAL INFORMATION—Sources of Revenue” for a description of funding for charter schools in Colorado. Additional information relating to Colorado charter schools is available at <http://www.cde.state.co.us>. Such internet address is provided as a matter of convenience for the prospective purchasers of the Series 2025 Bonds. None of the Authority, the Charter School or the Corporation incorporates herein any information provided at such internet address or any other internet addresses that may be contained therein or herein, and the information at such internet address or internet addresses is not to be construed or incorporated as part of this Official Statement.

## **Factors Associated with Education**

There are a number of factors affecting schools in general, including the Charter School, that could have an adverse effect on the Charter School’s financial position and its ability to make the payments required under the Lease and thus debt service on the Series 2025 Bonds. These factors include, but are not limited to, the Charter School’s ability to successfully 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 Charter School’s work force with consequent impact on wage scales and operating costs of the Charter School; increased operating costs of the Charter School; changes in existing statutes pertaining to the powers of the Charter School and legislation which may affect program funding. The Charter School cannot assess or predict the ultimate effect of these factors on its operations or financial results of operations.

Future changes the Charter Schools Law by the State General Assembly could be adverse to the financial interests of the Charter School and could adversely impact the security for the Series 2025 Bonds. There can be no assurance given that the State General Assembly will not in the future amend either the Charter Schools Law in a manner which is adverse to the interests of the registered owners of the Series 2025 Bonds.

A recent Oklahoma Supreme Court case challenged the state’s approval of a Catholic charter school. The court ruled that the school’s formation violated the state and federal constitutions. The case is

being appealed to the U.S. Supreme Court. The School and the Charter School are not sponsored by or affiliated with any religious organization. Nevertheless, the outcome of such appeal could have a negative impact on the Charter Schools Law, including potentially rescinding such laws.

### **Potential Effects of Bankruptcy**

If the Corporation were to file a petition for relief (or if a petition were filed against the Corporation as a debtor) under the United States Bankruptcy Code, 11 U.S.C. Sections 101 et seq., as amended, or other similar laws that protect creditors, the filing could operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the property of the debtor. If the bankruptcy court so ordered, the debtor's property and revenues could be used for the benefit of the debtor despite the claims of its creditors (including the registered owners of the Series 2025 Bonds).

In a bankruptcy proceeding, the debtor could file a plan for the adjustment of its debts which modifies the rights of creditors generally or the rights of any class of creditors, secured or unsecured (including the registered owners of the Series 2025 Bonds). The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interest of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

### **Cybersecurity**

The Charter School, like many other public and private entities, relies on a technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Charter School is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Charter School's digital systems for the purpose of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that the Charter School's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Charter School.

### **Covenant to Maintain Tax-Exempt Status of the Series 2025A Bonds**

The excludability from gross income for federal income taxation purposes of the interest on the Series 2025A Bonds is based on the continuing compliance by the Corporation, the Trustee, the Charter School and the Authority with certain covenants contained in the Indenture, Lease, Loan Agreement and Tax Certificate, dated as of the date of delivery of the Series 2025A Bonds (the "**Tax Certificate**"), by and among the Authority, the Corporation, the Charter School and the Trustee. These covenants relate generally to restrictions on the use of the Facility financed with proceeds of the Series 2025A Bonds, restrictions on re-letting the Facility to organizations other than tax-exempt organizations under the Code, arbitrage limitations, and rebate of certain excess investment earnings, if any, to the federal government. Failure to comply with such covenants could cause interest on the Series 2025A Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2025A Bonds.

## **Tax Related Issues**

Purchasers of the Series 2025A Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property and casualty insurance companies, banks, thrifts or other financial institutions or certain recipients of Social Security benefits, are advised to consult their tax advisors as to the tax consequences of purchasing or owning Series 2025A Bonds.

The interest on the Series 2025A Bonds may become includible in gross income for purposes of federal income taxation retroactive to the date of issuance of the Series 2025A Bonds for a variety of reasons. The exclusion from gross income is dependent upon, among other things, compliance with certain restrictions regarding investment of bond proceeds and continuing compliance by the Charter School with the Loan Agreement, the Arbitrage and Tax Certificate and the Project Certificate under which enforcement remedies available to the Issuer and the Trustee are limited. Pursuant to the Loan Agreement, the Charter School will covenant and agree to maintain its status as an organization meeting the requirements of Section 501(c)(3) of the Code. See "TAX MATTERS" herein.

If interest on the Series 2025A Bonds should become includible in gross income for Federal income tax purposes, the market for and value of the Series 2025A Bonds could be adversely affected. Moreover, there can be no assurance that the presently advantageous provisions of the Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified, thereby resulting in the inclusion in gross income of the interest on the Series 2025A Bonds for Federal income tax purposes. While no such legislation has been proposed or adopted, there can be no assurance that Congress would not adopt legislation applicable to the Series 2025A Bonds or to the Charter School and that the Charter School's Facilities would be able to comply with any such future legislation in a manner necessary to maintain the tax-exempt status of the Series 2025A Bonds. The Charter School is required to use best efforts to comply with Federal income tax law requirements in order to maintain the tax-exempt status of the Series 2025A Bonds to the extent that any such other requirements are made applicable to the Charter School's Facilities. There is no assurance, however, that the Charter School would be able to comply with any such other requirements.

## **Tax-Exempt Status of the Charter School**

The tax-exempt status of the Series 2025A Bonds presently depends upon maintenance by the Charter School of its status as an organization described in Section 501(c)(3) of the Code. The maintenance of this status depends on compliance with general rules regarding the organization and operation of tax-exempt entities, including operation for charitable and educational purposes and avoidance of transactions that may cause earnings or assets to inure to the benefit of private individuals, such as the private benefit and inurement rules.

Tax-exempt organizations are subject to scrutiny from and face the potential for sanctions and monetary penalties imposed by the IRS. One primary penalty available to the IRS under the Code with respect to a tax-exempt entity engaged in inurement or unlawful private benefit is the revocation of tax-exempt status. Although the IRS has not frequently revoked the 501(c)(3) status of non-profit organizations, it could do so in the future. Loss of tax-exempt status by the Charter School could result in loss of tax exemption on the Series 2025A Bonds and any Additional Bonds, and defaults in covenants regarding the Series 2025A Bonds and other obligations may likely be triggered. Loss of tax-exempt status by the Charter School could also result in substantial tax liabilities on its income and property. For these reasons, loss of tax-exempt status of the Charter School could have material adverse consequences on the financial condition of the Charter School.

The Charter School may be audited by the IRS. Because of the complexity of the tax laws and the presence of issues about which reasonable person can differ, an IRS audit could result in additional taxes, interest and penalties. An IRS audit ultimately could affect the tax-exempt status of the Charter School, as well as the exclusion from gross income from federal income tax of the interest on the Series 2025A Bonds and any Additional Bonds.

### **Determination of Taxability**

Failure to comply with certain requirements imposed by applicable provisions of the Code, may result in a determination by the Internal Revenue Service that interest on the Series 2025A Bonds is includable in gross income for federal income tax purposes retroactive to the date of issuance. An initial or final Determination of Taxability (as defined in the Loan Agreement) with respect to the Series 2025A Bonds by the Internal Revenue Service could adversely affect the marketability and market price of the Series 2025A Bonds. If a Determination of Taxability were to occur, the Series 2025 Bonds would be subject to redemption on the 60<sup>th</sup> day following the Determination of Taxability, as a whole and not in part, at a redemption price equal to the principal amount of each Series 2025 Bond redeemed and accrued interest to the redemption date as set forth in the Indenture. There can be no assurance, however, that the Corporation would have sufficient funds on hand to satisfy such redemption. See “TAX MATTERS” in this Official Statement. See “APPENDIX D—FORMS OF THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST AND THE LEASE” attached hereto.

### **Additional Bonds**

The Indenture permits the Authority to issue Additional Bonds secured by and payable solely from the Trust Estate on a parity with the Series 2025 Bonds if certain conditions are met. See “APPENDIX D—FORMS OF THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST AND THE LEASE—THE INDENTURE—Supplemental Indentures of Trust,” and “THE SERIES 2025 BONDS—Limitations on Incurrence of Additional Bonds and Additional Indebtedness.” The issuance of Additional Bonds could adversely impact the investment security of the Series 2025 Bonds.

### **Bond Reserve Fund**

The Indenture has established the Bond Reserve Fund for payment of principal and interest due to the Registered Owners of the Series 2025 Bonds, to the extent Pledged Revenues are insufficient to make such payments. Although the Corporation believes such reserves to be reasonable and anticipates that Pledged Revenues will be sufficient to cover the debt service on the Series 2025 Bonds, there is no assurance that funds reserved and future Pledged Revenues will be sufficient to cover debt service on the Series 2025 Bonds. Additionally, the Series 2025 Bond Reserve Account within the Bond Reserve Fund shall be pledged solely for the repayment of the Series 2025 Bonds and amounts in the Series 2025 Bond Reserve Account within the Bond Reserve Fund funded with proceeds of the Series 2025A Bonds, or any interest earnings on such amounts, may not be used to pay the amounts due on the Series 2025B Bonds.

### **Enforcement of Remedies**

The remedies available to the Trustee or the Registered Owners of the Series 2025 Bonds upon an Event of Default under the Indenture, the Loan Agreement, the Deed of Trust or the Lease are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Indenture, the Loan Agreement, the Deed of Trust and the Lease may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as

to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the sovereign powers of the State and the constitutional powers of the United States of America, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

### **Risk of Amendment**

Many of the provisions of the Indenture, Loan Agreement and Lease may be amended with the consent of the holders of two-thirds in principal amount of Outstanding Bonds. If Additional Bonds are issued in an amount greater than the previously Outstanding Bonds, the owners of such new Additional Bonds could cause such to be amended in material ways.

### **Risk of Loss from Non-presentment upon Redemption**

The rights of the Registered Owners of the Series 2025 Bonds to receive interest will terminate on the date, if any, on which the Series 2025 Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the Indenture.

### **Failure to Provide Ongoing Disclosure**

The Charter School has previously entered into, and in connection with the issuance of the Series 2025 Bonds, will enter into a Continuing Disclosure Agreement pursuant to Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “**Rule**”). Failure to comply with the Continuing Disclosure Agreement, similar prior undertakings or the Rule in the future may adversely affect the liquidity of the Series 2025 Bonds and their market price in the secondary market. See “CONTINUING DISCLOSURE AGREEMENTS” and “APPENDIX E—FORMS OF CONTINUING DISCLOSURE AGREEMENTS.”

### **Legal Opinions**

The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein on the date thereof. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

In addition, such opinions will be qualified as to the enforceability of the various legal instruments by, among others, limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws affecting the enforcement of creditors’ rights generally.

## **LEGAL MATTERS**

### **Sovereign Immunity**

The Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S., as amended (the “**Governmental Immunity Act**”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity for injuries which lie in tort or could lie in tort, regardless of whether that may be the type or the form of relief chosen by the claimant. Further, the Governmental Immunity Act applies to any action brought against a public entity or a public employee in any Colorado *state* court having jurisdiction over any claim brought pursuant to any federal law, if such



action lies in tort or could lie in tort. The Governmental Immunity Act, however, does not apply to federal claims litigated in federal courts. Charter schools have been accorded the immunities provided by the Governmental Immunity Act.

The Governmental Immunity Act also waives immunity for injuries occurring as a result of certain specified actions or conditions. Such instances include, among other things, a dangerous condition of the public building, failure to perform an education employment background check, or any other types of injuries that the public entity waives by resolution. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employee that occurs during that public employee's performance of his/her duties and within the scope of his/her employment, except where such action was willful and wanton.

Additionally, sovereign immunity is waived for any claim of the Charter School's breach of its duty to exercise reasonable care to protect all students, faculty, and staff from harm resulting from acts committed by another person when the harm is *reasonably foreseeable*, while such students, faculty, and staff are within the school facilities or are participating in school-sponsored activities. This waiver under the Governmental Immunity Act is titled the "**Claire Davis School Safety Act**" and applies to incidences of school violence occurring on or after June 3, 2015. An employee of the charter school is not subject to suit under the Claire Davis School Safety Act in his/her individual capacity unless the employee's actions or omissions are willful and wanton.

The maximum amounts that may be recovered under the Governmental Immunity Act and the Claire Davis School Safety Act therein, whether from one or more public entities and public employees, are as follows for claims accruing on or after January 1, 2025 and before January 1, 2022: (a) for any injury to one person in any single occurrence, the sum of \$387,000; and (b) for any injury to two or more persons in any single occurrence, the sum of \$1,093,000, except that, in such instance, no person may recover in excess of \$387,000. These amounts are subject to adjustment on or before January 1, 2022, and every fourth year thereafter based on the consumer price index for Denver-Boulder-Greeley, or its successor index. A public entity may also increase any maximum amount by resolution. Suits against both the Charter School and a public employee will not increase the maximum amounts which may be recovered. The Charter School may not be held liable either directly or by indemnification for punitive or exemplary damages.

### **Pending and Threatened Litigation**

***[TO BE CONFIRMED]No Proceedings Against the Charter School.*** In connection with the issuance of the Series 2025 Bonds, the Charter School will deliver a certificate which will state that, as of the date of issuance of the Series 2025 Bonds, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending or, to the best of its knowledge, threatened against or affecting the Charter School, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture, the Loan Agreement, the Lease, the bond purchase agreement (referred to in "MISCELLANEOUS—Underwriter"), or this Official Statement, the validity and enforceability of the Indenture, the Loan Agreement, the Lease, the bond purchase agreement or the Series 2025 Bonds or the operations (financial or otherwise) of the Charter School.

***[TO BE CONFIRMED]No Proceedings Against the Foundation.*** In connection with the issuance of the Series 2025 Bonds, the Foundation will deliver a certificate which will state that, as of the date of issuance of the Series 2025 Bonds there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending or, to the best of its knowledge, threatened against or affecting the Foundation, wherein an unfavorable decision, ruling or finding would

adversely affect the transactions contemplated by the Indenture, the Loan Agreement, the Deed of Trust, the Lease, the bond purchase agreement (referred to in “MISCELLANEOUS—Underwriter”), or this Official Statement, the validity and enforceability of the Indenture, the Loan Agreement, the Lease, the bond purchase agreement or the Series 2025 Bonds or the operations (financial or otherwise) of the Foundation.

***No Proceedings Against the Authority.*** As of the date of this Official Statement, there is no pending or, to the knowledge of the Authority, threatened, any litigation against the Authority restraining or enjoining the issuance or delivery of the Series 2025 Bonds or questioning or affecting the validity of the Series 2025 Bonds or the proceedings or authority under which they are to be issued. As of the date of this Official Statement, there is no litigation pending or, to the Authority’s knowledge, threatened against the Authority which in any manner questions the right of the Authority to enter into the Loan Agreement with the Foundation or to issue and secure the Series 2025 Bonds in the manner provided in the Indenture.

## **TAX MATTERS**

*The following discussion of certain United States federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Series 2025 Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.*

The following is a summary of the material federal and State of Colorado income tax consequences of holding and disposing of the Series 2025 Bonds. Such summary is based upon laws, regulations, rulings, and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their own particular investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (including, but not limited to, dealers in securities or other persons who do not hold the Series 2025 Bonds as a capital asset, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Colorado, it does not discuss the consequences to an owner under any state, local, or foreign tax laws. This summary does not deal with the tax treatment of persons who purchase the Series 2025 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local, and other tax considerations of purchasing, holding, and disposing of the Series 2025 Bonds.

### **Series 2025A Bonds**

The Internal Revenue Code of 1986, as amended (the “**Code**”), includes requirements which the Authority, the Charter School, and the Corporation must continue to meet after the issuance of the Series 2025A Bonds in order that the interest on the Series 2025A Bonds be and remain excludable from gross income for federal income tax purposes. The Authority, the Charter School, or the Corporation’s failure to meet these requirements may cause the interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025A Bonds. The Authority, the Charter School, and the Corporation have covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the Authority, the Charter School, and the Corporation, and continuing compliance by the Authority, the Charter School, and the Corporation with the tax covenants referred to above, under



existing statutes, regulations, rulings and judicial decisions, interest on the Series 2025A Bonds is excludable from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Except as set forth below with respect to State of Colorado tax matters, Bond Counsel will express no opinion as to any other federal, state or local tax consequences under present law or any proposed legislation regarding the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding the acquisition, ownership, or disposition of the Series 2025A Bonds in light of their particular tax circumstances.

Interest on the Series 2025A Bonds included in the adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2025A Bonds, or the ownership or disposition of the Series 2025A Bonds. The accrual or receipt of interest on the Series 2025A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2025A Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Purchasers of the Series 2025A 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), 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 2025A Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service ("IRS") or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The IRS has initiated an expanded program for auditing tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2025A Bonds will be selected for audit by the IRS. Under existing procedures relating to audits of tax-exempt obligations such as the Series 2025A Bonds by the IRS, owners of the Series 2025A Bonds would have little, if any, right to participate in the audit examination process. It is also possible that the market value of the Series 2025A Bonds might be adversely affected as a result of such an audit of the Series 2025A Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series 2025A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2025A Bonds or their market value.

***Original Issue Premium and Discount.*** Certain of the Series 2025A Bonds ("**Premium Series 2025A Bonds**") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (or earlier for certain Premium Series 2025A Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period

to maturity of a Premium Series 2025A Bond, based on the yield to maturity of that Premium Series 2025A Bond (or, in the case of a Premium Series 2025A Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Series 2025A Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Series 2025A Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity), or other disposition of a Premium Series 2025A Bond, the owner's tax basis in the Premium Series 2025A Bond is reduced by the amount of bond premium that amortizes during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Series 2025A Bond for an amount equal to or less than the amount paid by the owner for that Premium Series 2025A Bond.

Certain of the Series 2025A Bonds ("**Discount Series 2025A Bonds**") may be offered and sold to the public at an original issue discount ("**OID**"). OID is the excess of the stated redemption price at maturity over the "issue price" of a Discount Series 2025A Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Series 2025A Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Series 2025A Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2025A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Series 2025A Bond.

Owners of Discount and Premium Series 2025A Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Series 2025A Bonds or Premium Series 2025A Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

***Changes in Tax Law.*** From time to time, there are legislative proposals suggested, debated, introduced or pending that, if enacted into law, could alter or amend one or more of the tax matters described above including, without limitation, the excludability from gross income of interest on the Series 2025A Bonds, adversely affect the market price or marketability of the Series 2025A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

***Information Reporting and Backup Withholding.*** Interest paid on tax-exempt bonds such as the Series 2025A Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2025A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2025A Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2025A Bonds and proceeds from the sale of Series 2025A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2025A Bonds. This withholding generally applies if the owner of Series 2025A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number

(“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Series 2025B Bonds**

In the opinion of Casey Parrot LLC, Broomfield, Colorado, as Bond Counsel, interest on the Series 2025B Bonds is included in gross income for federal income tax purposes. Interest on the Series 2025B Bonds is taxable as ordinary income for federal income tax purposes at the time the interest accrues or is received in accordance with a bondholder’s method of accounting for federal income tax purposes. Prospective purchasers of the Series 2025B Bonds, particularly purchasers who are not United States persons, as defined for federal tax purposes, may be subject to special rules and should consult their tax advisors.

### **State of Colorado Tax Exemption**

In the opinion of Bond Counsel, pursuant to the Colorado Revised Statutes, interest on the Series 2025 Bonds is exempt from all taxation and assessments in the State of Colorado. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Series 2025 Bonds, including whether interest on the Series 2025 Bonds is excluded from income for purposes of taxes on, or based on, income, under the laws of any jurisdiction other than the State of Colorado.

### **General**

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025 Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Series 2025 Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

See APPENDIX F hereto for the proposed Form of Bond Counsel Opinion.

## **MISCELLANEOUS**

### **Ratings**

Moody’s Investors Service (“**Moody’s**”) has assigned a rating of “\_\_\_” to the Series 2025 Bonds which is reflective of the Charter School’s participation in the Moral Obligation Program, as described in “THE SERIES 2025 BONDS—Security for the Series 2025 Bonds—Bond Reserve Fund.”

In addition, Moody’s has assigned the underlying rating of “\_\_\_”, to the Series 2025 Bonds, which is reflective of the capacity of the Charter School to fulfill its payment obligations under the Lease. Such ratings reflect only the view of Moody’s and any desired explanation of the significance of such ratings should be obtained from Moody’s at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007.

Generally, rating agencies base their ratings on the information and materials furnished to them and on investigation studies and assumptions of their own. There is no assurance that such ratings 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 judgement of such agency, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the Series 2025 Bonds.

### **Underwriter**

The Series 2025 Bonds are being sold by the Authority at an underwriting discount of \$512,687.50\* to the Underwriter pursuant to a bond purchase agreement entered into by and among the Underwriter, the Corporation, the Charter School and the Authority. Expenses associated with the issuance of the Series 2025 Bonds are being paid from proceeds of the Series 2025 Bonds and legally available funds. The right of the Underwriter to receive compensation in connection with the Series 2025 Bonds is contingent upon the actual sale and delivery of the Series 2025 Bonds. The Underwriter has initially offered the Series 2025 Bonds to the public at the prices or yields set forth on the inside cover page of this Official Statement, plus accrued interest from the date of the Series 2025 Bonds. Such prices or yields may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Series 2025 Bonds to the public.

### **Financial Advisor to the Charter School**

Specialized Public Finance Inc. has acted as the Charter School Financial Advisor in connection with the issuance of the Series 2025 Bonds. The Charter School Financial Advisor is not contractually obligated to undertake, and has not undertaken, to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the appendices hereto. Fees of the Charter School Financial Advisor with regard to the issuance of the Series 2025 Bonds are contingent upon the issuance and delivery of the Series 2025 Bonds.

### **Registration of Bonds**

Registration or qualification of the offer and sale of the Series 2025 Bonds (as distinguished from registration of the ownership of the Series 2025 Bonds) is not required under the federal Securities Act of 1933, as amended, or the Colorado Securities Act, as amended. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2025 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2025 BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

### **Continuing Disclosure Agreements**

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) (“**Rule 15c2-12**”), the Foundation and the Charter School have agreed for the benefit of the Registered Owners and Beneficial Owners of the Series 2025 Bonds to provide certain financial information, other operating data and notices of material events (the “**Continuing Disclosure Agreements**”). The form of the Continuing Disclosure Agreements are attached as an appendix to this Official Statement.

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\* Preliminary; subject to change.

[PERFECT COMPLIANCE DISCUSSION!]

### **Independent Auditors**

The Charter School's audited basic financial statements for the fiscal year ended June 30, 2024, prepared by Hinkle & Company, PC, Certified Public Accountants, Greenwood Village, Colorado, are attached hereto as "APPENDIX B—AUDITED CHARTER SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024," AND "APPENDIX C—AUDITED CHARTER SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023." [Such financial statements have been included without the review of the auditor.][IS CONSENT REQUIRED?]

### **Additional Information**

The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Official Statement do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge as described in "INTRODUCTION— Additional Information."

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### **Official Statement Certification**

The preparation of this Official Statement and its distribution have been authorized by the Foundation and the Charter School. This Official Statement is not to be construed as an agreement or contract between the Foundation or the Charter School and any purchaser, owner or holder of any Bond.

#### **STARGATE FOUNDATION**

By /s/  
President

#### **STARGATE CHARTER SCHOOL**

By /s/  
President

## APPENDIX A

### THE CHARTER SCHOOL

#### General

The Charter Schools Act authorizes teachers, parents and/or community members to contract with the local board of education to establish a publicly funded school operating with significant freedom from district policies and State regulations. A charter school is, nonetheless, a public school, which is part of the school district in which it is located. Charter schools operate under a “charter contract” between the charter school and the local board of education. If the local board of education fails to grant a charter, the charter school may appeal that decision to the State Board of Education.

The Charter School is located in Thornton, Colorado in the north central portion of the Denver metropolitan area. The District granted the Charter School an original contract effective July 1, 1994, which, as amended, expires on June 30, 2029 (the “**Charter**”). The Charter authorizes the Charter School to serve students in Kindergarten through 12<sup>th</sup> grade. The Charter School began operations in 1994 and on August 8, 2000, the Charter School filed its Articles of Incorporation with the Secretary of State to incorporate as a Colorado nonprofit corporation. In April 2002, the Charter School received recognition from the Internal Revenue Service as an organization described in Section 501(c)(3) of the Tax Code. The Charter School originally opened in 1994, serving students in grades 1st through 5th.

The purpose of the Charter School, as set forth in the Bylaws, is to provide a differentiated educational opportunity for identified intellectually gifted and talented students. The Charter School defines “gifted” children as learners who have advanced intelligence and whose thoughts and feelings are more complex and of greater depth than typical learners. Gifted learners have an extensive knowledge base and, because of their rapid learning rate, unusual memory ability, and high energy levels, they require constant challenge and interesting work. The Charter School provides an environment where gifted children feel like they “belong” and offers strategies to manage and address the needs of gifted children.

The Charter School is located at 14530 Washington Street in Thornton (the “**Facility**”). The Facility was financed in 2015 and refinanced in 2018. The Secondary and Elementary schools were planned to accommodate the Charter School’s decision to expand and add high school students to its gifted program. The Charter School’s 2024-2025 enrollment as of October 1, 2024 was 1570 students in grades K-12.

#### Charter School Board

The business and affairs of the Charter School are managed by the Charter School Board, except as otherwise provided in the Nonprofit Act or Charter’s Bylaws. The primary responsibilities of the Charter School Board, as set forth in the Bylaws, include, among others: (a) to determine the educational philosophy and culture of the School and uphold the School’s mission; (b) create a strategic vision and plan; (c) establish overall policy and policy by which the School is administered and/or managed; (d) assure financial stability through fiscal and financial oversight and be accountable for the financial health of the School; (e) Promote fundraising efforts for the School; and (f) ensure that the Charter School has appropriate resources to effectively implement the strategic plan and execute the day-to-day operations of the Charter School.

The Charter School includes two classes of Members. Each parent or legal guardian of a child enrolled at the Charter School is a “**Parent Member**” and each full-time employee of the faculty or



administration of the Charter School is a “**Staff Member**.” The Charter School Board consists of five Parent Members (each a “**Parent Director**”) and up to four directors who are neither Parent Members nor Staff Members and who have not been either within the prior year (each an “**Independent Director**”). Directors serve rotating three-year terms, such that the term of at least one Parent Director will expire each year, with no term limits. Elections for Parent Directors are held annually in May, wherein candidates receiving the greatest number of Parent Member and Staff Member votes are deemed elected. Vacancies are required to be filled within thirty days by a majority vote of the Charter School Board.

The Charter School Board is required to hold regular meetings at least eight times a year with special meetings held as necessary. Special meetings of the Members may be called by the President, any two Directors, or upon written request of ten percent of the Members.

No director receives compensation for service on the Charter School Board. Reimbursement for a director’s expenses related to attending meetings or conducting the business of the Charter School Board, however, is permitted.

The present members of the Charter School Board, their occupations, and terms of office are set forth hereafter.

Name	Office	Principal Occupation	Years of Service	Term Expires
Lindsey Paquette	President	Management Consultant	2	June 2026
Lumakar Challa	Vice President	IT Director	1	June 2027
Lisa Hosfelt	Secretary	Community Volunteer	5	June 2025
Samantha Howorko	Treasurer	Senior Commercial Relationship Manager and Vice President of Commercial Banking	6	June 2027
Dr. Meryl Faulkner	Director	Director of the Gifted and Talented department in DPS	2	June 2025
Lisa Griffin	Director	Marketing	1	June 2026
Bibi Paul	Director	Administrator	1	June 2027
Karla Lindgren	Director	Chief Legal Officer & General Counsel	1	June 2027

Certain information concerning the background and experience of the Directors is set forth below.

***Lindsey Paquette, President.*** Lindsey is the President of the Charter School Board. She has served on the Charter School’s School Accountability Committee for four years, where she was Committee Chair and Lead for KPI reporting. Lindsey was a part of the 2019-20 cohort of the Adams 12 Five Star Leadership Academy. Lindsey received a Bachelor’s degree in Management Information Systems from the University of Notre Dame and a Master of Business Administration from Northwestern’s Kellogg School of Business. She has professional experience in management consulting, IT audit consulting, and internal quality control.

***Lumakar Challa, Vice President.*** Lumakar Challa is the Vice-President of the Charter School Board. Over the past year, he has served as the Chair of the Charter School’s School Accountability Committee, contributing to the school’s parent survey and KPI reporting. Lumakar holds dual master’s degrees in Master of Computer Applications (MCA) and Master of Business Administration (MBA) from Colorado State University. As an IT Director, he has professional experience in various technologies, including applications, databases, licensing, and cybersecurity. Additionally, Lumakar has more than 10 years of teaching experience and has volunteered in different roles in educational institutions.

***Lisa Hosfelt, Secretary*** Lisa Hosfelt is the Secretary on the Charter School Board. She has been a member of the Charter School community for nine years, serving five years on the Governance Board and four years on the School Accountability Committee. She has fulfilled various leadership roles in both organizations and has led efforts to improve efficiency and organization. She graduated from Brigham Young University and worked in the investment industry for several years

***Samantha Howorko, Treasurer*** Samantha Howorko is the Treasurer of the Charter School Board. is an alumni of the Charter School and an independent member of the Charter School Board. She received her Bachelor's degree in Financial Analysis and International Business from Creighton University. Samantha is a Senior Commercial Relationship Manager and Vice President in commercial banking at Wells Fargo.

***Dr. Meryl Faulkner, Director*** Meryl Faulkner, EdD, is the Senior Manager of the Gifted and Talented department in Denver Public Schools. She received her doctorate from the University of Denver in Curriculum and Instruction with a specialization in Gifted Education and a Gifted and Talented Director administrator's license. She is the National Association for Gifted Children's Early Childhood Network Chair and a board member for the Colorado Academy for Educators of the Gifted, Talented, and Creative.

***Lisa Griffin, Director.*** Lisa Griffin is a Member of the Charter School Board. She has guided transformations and turnarounds in the telecommunications industry for more than 25 years, helping architect data-driven business and marketing strategies, global brands and customer experiences. She worked previously with the American Red Cross where she won numerous awards for PR, crisis communications and fundraising programs, as well as for organizational innovation and leadership. She has been a Charter School volunteer for 13 years, leading committees for Elections, Recruiting and Website. She holds a Master's in Business Administration with a Marketing emphasis from Oklahoma State University, a Master's of the Arts in International Relations from the University of Oklahoma, and a Bachelor's of Arts in Journalism from the University of Oklahoma.

***Bibi Paul, Director.*** Bibi Paul is a member of the Charter School Board. She received her Bachelor's degree in Organization Development from CSU. BiBi volunteered in several committees, school events, the library and the classrooms at the Charter School. BiBi was also a substitute teacher at the Charter School (K-12) and at the Academy of Charter schools (K-12). She is currently working at New York Life as an Administrator.

***Karla Lindgren, Director*** Karla Rocio Lindgren is an independent member of the Charter School Board. She is an education attorney. Karla has served as Chief Legal Officer & General Counsel for Rocky Mountain Prep for the past two years, with previous experience that includes BES and the Charter School Growth Fund. She has a JD from the University of Denver - Sturm College of Law and a Bachelor's of Arts in English Language and Literature from the University of Central Florida.

***Committees.*** The Bylaws require the Charter School Board to be served by the School Accountability Committee, which is an elected committee responsible for monitoring the effective governance of the Charter School by assessing the Charter School's progress toward its mission and reporting such information to the Charter School Board, and the standing Finance Committee and Governance Committee. The duties and responsibilities of the School Accountability Committee are as set forth in the Bylaws.

***Conflict of Interest Policy.*** The Charter School's bylaws contain its Conflict of Interest Policy, the purpose of which is to assure that the organization is operated for the general and public good, to carry out its stated mission, and not for the private benefit of any Covered Person or Related Person, as well as

to comply with the common law, Colorado statutes and Internal Revenue Code. A Related Person refers to spouses, parents, children, full and half siblings, grandparents, grandchildren, aunts, uncles, nephews, nieces or cousins to a Covered Person or Advisor. As set forth in the Bylaws, a Conflict of Interest exists whenever a direct or indirect contract, transaction, compensation or other relationship is being considered or exists between the Charter School and a Covered Person, Related Person, Advisor or any business entity in which such persons have a financial interest. In connection with any actual or possible Conflict of Interest, a Covered Person or Advisor must disclose the existence of the conflict in writing to the Charter School Board as soon as the actual or potential conflict is known and cannot vote on the matter if proposed or pending before the Charter School Board or attempt to influence the decisions of other Board members. The Charter School Board will not enter into any contract with any Covered Person or Related Person or with a firm or corporation in which one of them has a financial interest unless one or more of the following conditions are met: the contract is awarded to the lowest responsible bidder based on competitive bidding procedures; or the merchandise is sold to the highest bidder at a public auction.

### **Key Administration**

Certain information concerning the background and experience of the Charter School's leadership team is set forth below.

***Robin Greene, Executive Director, Academics*** – Ms. Greene joined the Charter School in August of 2024. She has more than 22 years prior experience as a gifted education leader. Prior to joining the Charter School, Ms. Greene was the Supervisor of Gifted Education for the Colorado Department of Education. She holds a Doctor of Education from University of Denver; a Master of Education in Administration from Texas Christian University, and a Bachelor of Arts in Interdisciplinary Studies: English and Elementary Education from University of Texas Arlington.

***Robert Cable, High School Principal*** – Mr. Cable joined the Charter School in August of 2013. He has more than 20 years of experience in education. Prior to joining the Charter School, Mr. Cable served as the Instructional Leader and Teacher-Business/Marketing and Information Technology for Legacy High School in Adams 12 Five Star School District. He holds a Master of Arts in Education/Administration and Supervision from University of Phoenix and a Bachelor of Science in Business Administration – Marketing from Colorado State University.

***Miranda Lamonski, Middle School Principal*** – Ms. Lamonski joined the Charter School as its Middle School Principal in August of 2008. She has worked in education for more than 20 years. Prior to joining the Charter School, she was the Recreation Leader/Keep Instructor for Skyview Elementary in Adams 12 Five Star School District. She holds a Bachelor of Arts in Human Performance and Sport, K-12 Physical Education Licensure from Metropolitan State College of Denver.

***Karen Wolfer, Elementary School Principal*** – Ms. Wolfer joined the Charter School as its Elementary School Principal in August of 2023. She has more than 20 years of experience instructing elementary aged students. Prior to joining the Charter School, she served as the Assistant Head of School at Horizons K-8 School in Boulder, Colorado. She obtained her Principal Licensure from Regis University. She holds a Masters of Arts in Teaching, Elementary Education from University of Puget Sound and a Bachelor of Arts in Psychology from University of Puget Sound.

### **Succession Policy**

The Charter School Board approved an Executive Director Planning Policy on July, 2014 and revised November, 2020 (the “**Succession Policy**”), which sets forth the process for hiring an executive director in the event the position needs to be filled. Additionally, the Succession Plan provides a process

for identifying current staff who have the potential for acting as, or replacing, the Administrator if needed. The Succession Policy obligates the Executive Director of Academics and Executive Director of Operations and Finance to document a succession plan in accordance with the Succession Policy, and requires the Charter School Board to review such succession plan no later than June 30 of each school year.

### **Office of Civil Rights Complaints**

The Charter School is currently responding to one open complaint filed with the Colorado Civil Rights Division (CCRD) by a former employee. The Complaint, which was filed in April 2025, alleges employment discrimination. We have cooperated fully with the CCRD throughout the process and have submitted all required documentation in a timely manner.

After an internal review and based on the facts available, we believe the claims are without merit and that the Charter School has acted in compliance with all applicable federal and state employment laws. We do not anticipate a finding of fault or liability in this matter.

Currently, there are no open Office for Civil Rights (OCR) complaints pending against the Charter School.

### **Charter School Employees and Labor Relations**

To provide the variety of services required by law, the Charter School currently employs 140 full-time and 63 part-time personnel. The following table sets forth historical and current information on employees of the Charter School.

Table [ ] Staff Composition		
Position	Full-Time	Part-Time
Teachers	79	32
Paraprofessionals	18	10
Office/Support	21	1
Administrative	15	1
Specials teachers	<u>7</u>	<u>19</u>
Total	140	63

Source: The Charter School

The following table sets forth information on historical teacher retention rates at the Charter School.

Table [ ] Historical Teacher Retention Rates	
Year	Percent Retained
From 2019-20 to 2020-21	94%
From 2020-21 to 2021-22	88
From 2021-22 to 2022-23	91
From 2022-23 to 2023-24	93
From 2023-24 to 2024-25	96

Salaries. The average teacher salary in the District is \$78,600.00. The Charter School has an average teacher salary of \$77,225.00.

Teachers at the Charter School hold the following degrees for the 2024-2025.

Table [ ] Teacher Educational Background	
Degree Held	Percent Holding Degree
Bachelors	24%
Bachelors Plus <sup>1</sup>	16
Masters	35
Master Plus <sup>1</sup>	21
Doctorate	4
Total	100%

<sup>1</sup> Credit hours acquired toward an advanced degree.

**Employee Benefits.** All employees are employed “at will” and none of the employees are represented by any collective bargaining unit. Employee benefits are comparable to what is offered by the District. Full-time employees currently receive medical, vision, dental and life insurance and accidental disability and dismemberment, as well as short term and long term disability insurance coverages at no cost. All Charter School employees are members of the Public Employees Retirement Association of Colorado, School Employees Division (“PERA”) to which the Charter School and employees are required to contribute a statutorily determined percentage of salaries paid. For additional information regarding the Charter School’s contribution to PERA, see “APPENDIX B—THE CHARTER SCHOOL FINANCIAL INFORMATION—Retirement and Pension Matters.”

**Labor Relations.** Teachers are employed by the Charter School pursuant to annual offer letters established by the Charter School Board. The faculty, administration and Charter School Board have a strong and collaborative working relationship. The Charter School considers its relations with the teachers to be “satisfactory”

### Charter School Admissions and Wait List Policy

**Enrollment.** Pursuant to the Charter, enrollment in the Charter School is open to all residents of the District and to any potential student who resides outside of the District. However, preference will be

given to resident applicants if space is limited. Absent expulsion, graduation, voluntary withdrawal, court order or IEP placement, students who enroll in the Charter School are to remain enrolled through 12<sup>th</sup> grade.

The following table provides current and historical enrollment figures for the Charter School. According to Charter School officials, the Charter School's student retention rate has historically been approximately 98%.

Table [ ] Historical and Current Enrollment by Grade					
Grade	2020-21	2021-22	2022-23	2023-24	2024-25
K	92	92	86	80	100
1 <sup>st</sup>	97	100	103	100	96
2 <sup>nd</sup>	100	100	102	100	100
3 <sup>rd</sup>	100	100	102	101	100
4 <sup>th</sup>	100	100	102	101	100
5 <sup>th</sup>	124	128	128	130	130
6 <sup>th</sup>	135	138	139	138	138
7 <sup>th</sup>	138	138	138	138	138
8 <sup>th</sup>	138	138	138	138	138
9 <sup>th</sup>	114	150	143	145	145
10 <sup>th</sup>	138	119	142	139	140
11 <sup>th</sup>	103	139	113	137	136
12 <sup>th</sup>	<u>114</u>	<u>109</u>	<u>137</u>	<u>125</u>	<u>137</u>
Total	1493	1551	1573	1572	1598

The following table sets forth projected enrollment for the next five years. The decline in enrollment set forth in the table below is the result of the Charter School right sizing certain grade levels.

Table [ ] Projected Enrollment by Grade					
Grade	2025-26	2026-27	2027-28	2028-29	2029-30
K	96	80	80	80	80
1 <sup>st</sup>	96	100	100	100	100
2 <sup>nd</sup>	100	100	100	100	100
3 <sup>rd</sup>	100	100	100	100	100
4 <sup>th</sup>	100	100	100	100	100
5 <sup>th</sup>	130	130	130	130	130
6 <sup>th</sup>	138	136	135	135	135
7 <sup>th</sup>	138	137	135	135	135
8 <sup>th</sup>	138	138	138	135	135
9 <sup>th</sup>	142	140	140	140	140
10 <sup>th</sup>	140	140	140	140	140
11 <sup>th</sup>	136	140	140	140	140
12 <sup>th</sup>	<u>137</u>	<u>140</u>	<u>140</u>	<u>140</u>	<u>140</u>
Total	1591	1581	1575	1575	1575

TABLE [ ]						
Percent of Students Retained by Grade						
Grade	2018-19 to 2019-20	2019-20 to 2020-21	2020-21 to 2021-22	2021-22 to 2022-23	2022-23 to 2023-24	2023-24 to 2024-25
1 <sup>st</sup>	96%	96%	96%	95%	90%	95%
2 <sup>nd</sup>	94%	98%	94%	99%	93%	95%
3 <sup>rd</sup>	94%	89%	94%	96%	95%	99%
4 <sup>th</sup>	97%	99%	96%	98%	93%	99%
5 <sup>th</sup>	97%	95%	91%	96%	94%	96%
6 <sup>th</sup>	96%	93%	95%	95%	97%	97%
7 <sup>th</sup>	96%	96%	99%	98%	97%	96%
8 <sup>th</sup>	98%	98%	95%	98%	96%	96%
9 <sup>th</sup>	61%	75%	65%	81%	79%	82%
10 <sup>th</sup>	92%	94%	96%	97%	91%	93%
11 <sup>th</sup>	93%	99%	96%	96%	94%	96%
12 <sup>th</sup>	98%	95%	99%	99%	96%	99%
<i>Overall Graduation Rate</i>	97%	97%	96%	97%	98%	98%

***Admissions Process; Lottery and Wait List Policy.*** The Charter School is a K-12 charter school for intellectually gifted students. The Charter School's Admissions Policy involves a two-step process. First, the school evaluates applications to determine if applicants are eligible by meeting admission requirements. Eligible applicants are then included in a priority-weighted random computerized lottery and chosen based on available seats per grade.

A student with an existing Colorado Advanced Learning Plan (ALP), and who meets the requirements for identification set forth in the Exceptional Children's Education Act (ECEA) 12.02(2)(c) already identified as gifted by a Colorado public school district, may be considered to have met eligibility requirements. The Charter School reserves the right to request supporting documentation with regards to a student's ALP. Without an existing Colorado ALP, the Charter School collects a body of evidence that includes multiple data points demonstrating giftedness or the potential for giftedness as outlined in ECEA 12.02(2)(c). Examples of evidence that might be included, but are not limited to, out-of-state learning plans, cognitive assessments in the 95th percentile or above, advanced achievement scores, documentation of advanced performance in academic competitions, portfolios, or written recommendations.

Applicants without an existing ALP, an IQ test, cognitive ability test, or any of the pieces of evidence as outlined in the Eligibility Requirements, may be tested by qualified Charter School staff. The Charter School reserves the right to retest any applicant whose tests were performed by a private agency, e.g., a non-public school. Permission to test is automatically granted to the Charter School by submitting the application form.

All eligible applicants are entered into a random computerized lottery system overseen by a lawyer, and seats are offered based on the following priorities and available spaces: (a) an eligible sibling of an enrolled student, regardless of residence status, receives first preference for admission; (b) eligible children of current employees, regardless of residence status, will receive next preference for admissions.; (c) eligible children of current or former Independent Charter School Board members who have served on the board for a full term and were in good standing, as defined by board policy, will receive the next preference for admission; (d) an eligible applicant who resides in Adams 12 Five Star School District will



receive next priority; and (e) students who reside in a district other than Adams 12 Five Star School District will have last priority.

The lottery list is composed of waitlist applicants from previous years and newly eligible applicants. The order of the list is based on priority status as described above and then created based on the results from the random (computerized) lottery system.

If an offer is not made to an applicant for the upcoming school year, the applicant will be removed from the lottery pool. In order to enter the lottery pool for the next school year, the applicant must login to the electronic application system and complete a new application for the next school year. No additional assessment information will be required as the Charter School will keep the applicant's body of evidence on file.

The enrollment policy is reviewed annually to ensure its integrity. Recommendations for changes are presented to the Governance Committee of the Charter School Board, who must approve any modifications.

Table [ ] Historical Waitlist					
Grade	2020-21	2021-22	2022-23	2023-24	2024-25
K	8	12	0	0	0
1 <sup>st</sup>	0	16	4	11	0
2 <sup>nd</sup>	5	23	21	21	30
3 <sup>rd</sup>	19	19	27	45	40
4 <sup>th</sup>	19	27	28	50	49
5 <sup>th</sup>	0	0	0	16	28
6 <sup>th</sup>	27	14	10	46	35
7 <sup>th</sup>	26	24	19	25	33
8 <sup>th</sup>	12	31	25	13	30
9 <sup>th</sup>	0	11	49	24	19
10 <sup>th</sup>	0	0	0	0	13
11 <sup>th</sup>	0	0	0	5	5
12 <sup>th</sup>	0	0	0	0	2
Total	116	177	183	256	284

### Charter School Facility and Capital Plans

**Existing Facility.** Net proceeds of the Series 2018 Bonds were loaned to the Foundation to refinance the Facility. The Facility includes approximately 40 acres of land located at 14530 Washington Street in Thornton Colorado. The Facility includes three buildings, consisting of an elementary school building, a secondary school building and an indoor athletic facility. The elementary school facility consists of an approximately 55,000 square foot 2 story building, including 28 regular classrooms, a special education breakout area, a large commons area, a gymnasium, including a climbing wall, a computer lab, an Adroit lab, administrative offices, conference room, teacher's lounge, and performance space. The secondary school facility consists of an approximately 90,000 square foot 2 story building, including 36 regular classrooms, a special education break-out area, a library, computer lab, music lab, cafeteria, conference room, administrative offices, and a teachers lounge. Additionally, the Facility contains a field house for athletic activities, which includes a gymnasium, and weight-lifting area. The Facility also includes athletic fields and play areas for both the elementary and secondary schools. The acquisition and construction costs of the Facility totaled approximately \$36,000,000. The Charter School

has used proceeds from previously issued District bonds together with the Series 2018 Bonds to construct the Facility.



### ***Improvements.***

The Charter School will use proceeds of the Series 2025 Bonds in the amount of \$18,200,000 together with the proceeds from the Series 2025 District Bonds in the amount of \$5,463,616 to construct the improvements described below (collectively, the “**Improvements**”).

The Improvements will add an additional 69,000 square feet of building space for a total of 244,960 square feet of building space at the Facility. The Improvements are planned to include a secondary school addition, a secondary school performing arts addition, a secondary school classroom addition, a secondary school library addition, a primary school vestibule addition, a primary school administration addition, and a primary school gym addition.

The Foundation has contracted with Legend Management to serve as the owner’s representative for the Improvements, Hord Coplan Macht to serve as the architects for the Improvements and JHL Constructors to serve as the contractor for the Improvements.

The Construction Budget for the Improvements is as follows:

Budget	
Purpose	Amount
Hard Costs	\$18,731,771
Soft Costs	2,869,000
Owner’s Contingency	<u>1,873,177</u>

Total \$23,473,948

Construction is anticipated to commence the summer of 2025 and be completed by the fall of 2026.

The following is an as built rendering of the Facility upon completion of the Improvements. The following is preliminary and subject to change.



***Adams 12 Five Star School District Bond Proceeds.*** The District received elector approval at the November 5, 2024 election for the issuance of bonds in the amount of \$830,000,000 (the “**District Bonds**”). The District expects to issue the District Bonds in three series. It issued the first series in January of 2025 in the amount of \$171,575,000 (the “**District 2025 Bonds**”). The District gave the Charter School \$5,463,616 from the proceeds of such bonds. The District anticipates issuing the second series of bonds by July of 2028 and plans to give \$18.2 million to the Charter School from proceeds of such second series. The Charter School anticipates using proceeds of the District Bonds to construct the Improvements and redeem the Series 2025 Bonds upon receipt of the proceeds from the second series of District Bonds. [TO BE UPDATED WITH DISTRICT APPROVAL]

***Equipment and Teaching Materials.*** Each grade level houses their individual curriculum including textbooks for science, social studies, math and differentiated literary texts. Materials are grade level and academic standard specific. In addition, the Charter School provides consumable workbooks for math and writing, safe, functional desks, chairs and furniture in all classrooms, 75 tablets, 170 mobile workstations, 60 desktop workstations, teacher workstation, document camera, and projector in every classroom, Smart board/projector in all classrooms, and sound systems located in gymnasium and multi-purpose room for school functions.

***Capital Improvements Plan.*** Following the construction of the improvements funded with the District bond proceeds described above, the Charter School does not anticipate any additional major capital projects for the foreseeable future. See “THE BONDS—Application of Bond Proceeds.”

## Curriculum and Instruction

**Mission.** The Charter School's mission is to provide a differentiated program designed specifically to meet the needs of identified intellectually gifted learners in order to challenge each student's academic abilities, support their unique emotional needs, promote individual character development and encourage a life-long love of learning.

**Curriculum.** The Charter School is one of the oldest charter schools in Colorado, with the K-8 program serving identified intellectually gifted children for 30 years. The high school was added to provide continuity for the specialized needs of the gifted student body and to provide the District's other gifted schools with a high school option. Aligning with their mission and vision the Charter School nurtures a love of learning while providing a rigorous learning environment that challenges and supports gifted students. The curriculum is evidence- and standards-based while remaining open-ended and responsive to students' needs, whether advanced in a subject area(s), on-level, or needing additional support. As a school of innovation, teachers have the creative freedom they need to modify curricular resources, lessons, activities, and assignments to match individual student's needs, strengths and/or interests. Teachers utilize advanced learning plans, differentiated teaching tools such as the depth and complexity framework, compacting, pacing, project- and problem- based learning and other hands-on experiential learning activities that are academically and socially appropriate for gifted students. Students are taught to think critically, ask questions, and view mistakes as an important part of the learning process. Subjects are studied and classes are often designed around unifying questions. Field trips and hands-on assignments are integrated into class work at all grade levels in support of the belief that children learn best when they find meaning in their work and are actively engaged in the process of discovery. Teachers work together across grades to provide continuity and to create individualized, flexible opportunities for students to develop as learners and leaders. The Charter has a policy that ensures all stakeholders, including parents and students, are involved in making decisions about primary instructional materials.

**Adroit.** In 2015, the high school program launched the Adroit Program which is a passion-based gifted program developed in partnership with the school at Stanford University. Adroit is one of the key programmatic elements that is unique to the Charter School. Based on the research-based Design Thinking process, the Charter School's Adroit program is dedicated to human-centered solution finding that supports students' engaging in empathy-based, 21st century skills. Design Thinking in Adroit allows students to deeply consider issues that are important to them and to explore, create, innovate, fail and succeed in finding solutions. Students in grades K-5 focus on learning the five design-thinking concepts – Empathize, Define, Ideate, Prototype and Test – and develop a mindset that allows them to approach problems with the idea and belief that they can solve all problems while understanding that failure is part of the process of creation. Middle School students refine their understanding of design principles and are given more opportunities to innovate and connect their work with real world issues while developing their areas of passion. Adroit at the High School level is designed to prepare students for their post-secondary journey by engaging in college and career research and planning and potentially earn a Project Management certificate.

**Acceleration.** Policy and protocols are in place to allow students to accelerate a whole grade level and/or by subject area, e.g., in math and reading. In elementary, nearly half of the Charter School's students are accelerated a full year in math. At the high school level, the Charter School focuses on preparing students for the demands of college, including the many competitive colleges the Charter's students attend. High school students are paired with one of their four counselors for all four years. Regardless of a student's grade level, students continue to take classes at their appropriate ability level, with many students working beyond traditional "grade level" classes including Honors courses, Advanced Placement classes and/or concurrent college courses.



**EXPLORE & Electives.** Students in grades K-5 rotate between six “Explore” classes throughout the course of the year: Vocal and Instrumental Music, Art, PE, Adroit, Technology, and GATE (Gifted and Talented Education). Students in grades 6-12 select elective classes based on their personal interests and desires for further exploration. Please see the [middle school](#) and [high school](#) Academic Planning Guides for examples of classes and electives.

The Charter School also offers before and after school programming to students who attend the school, as well as meals served on site via a partnership with a local vendor.

**Extracurricular Activities.** Extracurricular activities are available before and after school as well as weekends. Elementary students can participate in club basketball, the spelling bee, student government as well as the Battle of the Books and Noetic Math. Middle school students can participate in academic competitions (e.g. AMC 8, Destination Imagination, Math Counts, and spelling and geography bees), National Junior Honor Society, student council, Science Olympiad, yearbook, orchestra, Vex Robotics, and band. In addition to many of the extracurricular activities offered to middle school students, high school students can participate in other clubs including the Model United Nations, Mock Trial, ASL Club, Future Business Leaders of America (FBLA), Future Health Professionals (HOSA), National Honor Society, and so many more. Middle school and high school students can participate in interscholastic athletics, including basketball, soccer, and volleyball. High school sports also include cross country, track & field, sport climbing, football, baseball, sailing, equestrian team and a mountain biking club team.

**Electives.** The Charter School encourages students to appreciate and create art, music, languages, and other subject matter outside the Charter School’s core curriculum by offering electives. Currently, the Charter School offers visual art, general music, instrumental music, band and orchestra, physical education, elementary Spanish, and technology courses.

**Special Education.** The Charter School provides for an appropriate special education program for special needs students. During the 2024-2025 school year 36 elementary students, 16 middle school students, and 18 high school students have Individualized Education Plans, and 11 elementary students, 35 middle school students, and 74 high school students have 504 Plans.

**Reduced Lunch.** The Charter School provides free/reduced meals including both breakfast and lunch. During the 2024-2025 school year, 163 students qualified for the free/reduced lunch program.

**Transportation and Parking.** The Charter School does not provide transportation to students; therefore, parents are responsible for transporting students to and from school. There are 350 parking spaces available at the Charter School, which meet zoning requirements.

**Safety Policy.** The Charter School follows District emergency response crisis policy and procedure which includes emergency drills with the Thornton Police Department.

## **Student Performance**

Measurement of student performance will be accomplished through report cards and through use of outside measurement sources. The Charter School uses a variety of assessment techniques to collect qualitative and quantitative information. Assessment includes teacher observations, evaluation of assignments, student projects, teacher-made tests, along with standardized, normed and criterion-referenced tests.

Students attending the Charter School are required to participate in State, District, Charter School, and teacher assessments. The information from assessments allows parents, students, and educators to

monitor the progress and performance of both individuals and groups of students as well as make decisions regarding the design and implementation of instruction.

Multiple indicators are used to measure student achievement including, among others, the Colorado Measures of Academic Success (“CMAS”) assessment covering science, social studies, mathematics, and English language arts/literacy.

The CMAS is a statewide single point in time assessment, aligned with the State model content standards, which covers limited grades and subjects each year. The following table illustrates the percentage of students at the Charter School, the District as a whole, and the State who scored at the proficiency level or above on the CMAS tests for 2022 through 2024.

Table [ ] CMAS Results % Met or Exceeded <sup>1</sup>										
Grade	Subject	2022			2023			2024		
		Charter School	District	State	Charter School	District	State	Charter School	District	State
3 <sup>rd</sup>	ELA – English	74.00	39.70	40.70	74.20	38.70	39.90	71.30	40.90	42.10
	ELA – Spanish	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Math	75.00	35.40	39.40	81.60	35.80	40.40	74.30	37.90	41.70
4 <sup>th</sup>	ELA	78.40	40.00	44.10	76.70	43.50	43.80	81.20	38.80	42.00
	ELA – Spanish	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Math	63.90	29.10	30.70	78.70	34.50	32.70	78.00	34.60	34.10
5 <sup>th</sup>	ELA	81.80	44.10	45.40	81.40	44.20	47.80	84.10	45.10	47.30
	Math	80.60	36.50	34.90	70.30	37.20	36.50	79.50	37.70	37.30
	Science	82.00	56.00	-	62.40	32.00	33.90	71.70	38.00	37.90
6 <sup>th</sup>	ELA	70.60	39.20	43.00	75.20	38.30	43.40	69.00	39.60	44.00
	Math	69.00	26.30	26.30	72.10	28.20	28.20	71.90	27.20	29.20
7 <sup>th</sup>	ELA	75.50	39.50	41.80	78.80	43.20	45	75.03	43.40	46.30
	Math	66.30	26.30	25.10	66.70	24.70	26.30	78.40	28.70	29.80
8 <sup>th</sup>	ELA	75.00	40.70	43.90	79.70	36.90	42.40	65.60	40.60	42.80
	Math	70.70	34.40	32.40	73.40	30.00	32.70	72.70	33.10	32.50
	Science	82.00	49.00	-	78.10	29.40	31.30	74.60	35.90	32.20
HS	Science	--	--	--	73.3	27.9	24.6	77.40	26.60	24.80

<sup>1</sup> ELA is an acronym for English Language Arts.

\*\* The test results are not provided to protect student privacy.

\*\*\* 2022 science assessments only provided normative achievement indicators, not performance level information as typically provided. The State of Colorado was expected to resume providing performance level information after the spring 2023 assessment.

Source: Department of Education.

The Charter School administers the PSAT to its 9<sup>th</sup> and 10<sup>th</sup> graders and the SAT to its 11<sup>th</sup> graders. The following tables set forth spring 2024 SAT and PSAT test results for the Charter School, the District as a whole and the State, as applicable.

Table [ ] 2024 SAT Average Scores – Evidence Based Reading and Writing <sup>1</sup>			
Grade	Charter School	District	State
PSAT9	581	447	451
PSAT10	601	473	473
SAT (11)	649	498	500

<sup>1</sup>Mean Scale Score from CDE

Table [ ] 2024 SAT Average Scores – Math <sup>1</sup>			
Grade	Charter School	District	State
PSAT9	553	434	430
PSAT10	554	454	445
SAT (11)	624	486	477

<sup>1</sup>Mean Scale Score from CDE

### Unified Improvement Plan

The Colorado Education Accountability Act of 2009 authorized the Colorado Department of Education to conduct an annual review of the performance of public schools and districts in the State and to make recommendations to the State Board of Education concerning the type of school improvement plan to be implemented in each school and the accreditation category for each district. Each year, the State evaluates the performance of all Colorado schools and districts through the Charter School and District Performance Frameworks. The performance frameworks examine achievement and growth on State assessments, along with postsecondary measures such as graduation rates, drop-out rates, college entrance exams, and college matriculation rates. The Department of Education provides plan types to schools based upon the School Performance Frameworks, with the assigned plan type based upon an examination of student performance indicators, including achievement, growth and postsecondary and workforce readiness. All schools and districts are expected to complete an improvement plan

The Charter School's 2023 School Performance Framework score is 90.5/100, which exceeded the District's score of 57.2/100.

**Regulation.** Since its inception, the Charter School has been chartered through the District. As a result of the positive nature of the Charter School's relationship with the District, the District offered the Charter School an expedited Charter renewal process for the 2024 Charter Renewal. The Charter is for a five year term and expires June 30, 2029. The District requires monthly reports from the Charter School as set forth in the Charter to ensure compliance of superintendent policy. The Charter School is up-to-date with all required reports and continues to remain in good standing with the District.

### Parental Involvement

The Charter School was founded by parents and considers parent volunteers vital members of the Charter School, its classrooms, committees, and the larger community. The Charter School has numerous opportunities for parental involvement in the success of the Charter School. Parents can be involved in various committees including, among others, the Accountability Committee, Community Relations



Committee, Finance Committee, Fundraising Committee, Grant Committee, and Website Committee. In addition to committees, parents can get involved by volunteering as field trip chaperones, tutors, guest speakers/presenters, or assisting with home room/class parties and events, community events, teacher appreciation activities, and fundraising campaigns.

## **Competition**

The Charter School primarily serves the surrounding areas, competing with the District and private schools located in and near the District. See “RISK FACTORS—Competition” in the Official Statement.

## **Charter School Authorization**

The Charter expires on June 30, 2029. Pursuant to Section 22-30.5-110(3) of the Charter Schools Act, the Charter may be revoked or not renewed by the District if the District determines that the Charter School engaged in any of the following: (a) committed a material violation of any of the conditions, standards, or procedures set forth in the charter contract; (b) failed to meet or make adequate progress toward achievement of the goals, objectives, content standards, pupil performance standards, targets for the measures used to determine the levels of attainment of the performance indicators, applicable federal requirements, or other terms identified in the charter contract; (c) failed to meet generally accepted standards of fiscal management; or (d) violated any provision of law from which the charter school was not specifically exempted. See also “RISK FACTORS—Revocation or Nonrenewal of Charter.”

A decision to revoke or to not renew the Charter may be appealed to, or facilitation may be sought from, the Colorado State Board of Education pursuant to the provisions of Section 22-30.5-108 of the Charter Schools Act. A “charter authorizer standards review committee” has been created to make recommendations to the State Board of Education concerning standards for charter schools and charter school authorizers. The Charter Schools Act also sets forth certain procedures for resolving any disputes that may arise between a charter school and its chartering school district concerning governing policy provisions of the school’s charter contract and an appeal process for decisions of the local board of education of the authorizing district.

The Charter additionally provides that grounds for termination, revocation, or denial include, but are not limited to: (a) the Charter School is accredited with a priority improvement plan or turnaround plan for a combined total of three consecutive years or any lesser number of years established by the State Board of Education after which closure or restructuring is required; and (b) the Charter School is accredited with a turnaround plan and does not attain a higher accreditation rating at its next performance review in accordance with State law.

## **The District**

The District is not liable or responsible for any costs associated with repayment of the Bonds, the Loan Agreement or the Lease, the costs of operation or maintenance of the Facility, or any other expenses associated with the Facility and its financing, and the holders of the Bonds shall not rely on any District involvement in payment of such costs or other involvement within the Facility. The District has not assumed any duties and has no duties to investors with respect to the Facility, its operation, maintenance or financing, disclosure to investors or monitoring any of the foregoing.

## THE CHARTER SCHOOL FINANCIAL INFORMATION

**No Tuition Charges.** The Charter School is not permitted to charge tuition to students, except for before/after school programs, preschool programs or intersession programs, and the Charter School is required under State law to waive all fees for indigent students. If the Charter School enrolls a nonresident student with disabilities, the Charter School can collect from the school district of residence tuition for certain costs incurred in educating the child.

**District Funding.** The primary source of funding for the Charter School comes from the District. For the 2024-2025 budget year, school districts in the State will be funded pursuant to the Public School Finance Act of 1994, Article 54 of Title 22, C.R.S. (the “**1994 Act**”), which was recently amended by the Public School Finance Act of 2024, Article 54 of Title 22, C.R.S. (the “**2024 Act**”). As further described below, the provisions of the 2024 Act will apply to funding for the Charter School beginning with the 2025-2026 budget year. The 1994 Act and the 2024 Act each set forth a formula (the “**Total Program**”) for determining State and local funding amounts for each school district in the State based on a variety of factors including pupil count, local costs of living, personnel costs, the size of each district, the number of at-risk pupils, the number of on-line pupils, as described in “Total Program Funding” below. Local funding for each school district comes from property taxes and specific ownership tax collections within the school district (the “**Local Share**”). The total amount of State aid required by the 1994 Act and the 2024 Act is the total funding required across all school districts, as further described below, less the total Local Share received across all school districts. Information about the 1994 Act is available at <http://www.cde.state.co.us>, which is an internet address for the Colorado Department of Education; provided, however, such web page and any links to other web pages are not incorporated herein by this reference and are not part of this Official Statement. Information about the 2024 Act is not yet available at such internet address.

In 2020 the Colorado general assembly approved a bill that reset the number of property tax mills levied for school funding (total program mill levy) for school districts that have obtained voter approval to retain revenue above the constitutional limit. Specifically, the mills were reset to the lesser of 27 mills or the level they were at when the district obtained voter approval, with any subsequent adjustments that would have occurred (“**reset mill levy**”), and required school districts to establish a tax credit for the difference between the reset mills and number of mills levied in tax year 2019. As a result, the bill did not change the amount of property tax collected in that year. However, in 2021 the State legislature enacted law that requires the Colorado Department of Education to phase out the tax credits, by no more than one mill per year, thereby slowly increasing the mill levies paid by such school districts, until the district reaches their reset mill levy. The bill also requires that any savings in the state share of school finance resulting from phasing out tax credits must continue to be spent on school finance, the constitutionality of which was affirmed by the Colorado Supreme Court.

Under the Charter Contract, the Charter School will receive funding in an amount equal to 100% of the District’s Total Program for any budget year divided by the district’s funded pupil count for said budget year (“**District PPR**”), subject to adjustment in accordance with State law. A charter school, at its discretion, may contract with its school district for the direct purchase of district services, including, but not limited to, food services, custodial services, maintenance, curriculum, media services and libraries. The District is responsible for paying the excess costs associated with placing a student with a disability in an approved special education program of the District.

School district funding is based on the Total Program formula which, for the 2024-2025 budget year is set forth in the 1994 Act and for the years thereafter is set forth in the 2024 Act. Notwithstanding the foregoing, for budget years 2025-2026 through 2029-2030, the Total Program is calculated pursuant to the formulas set forth in both the 1994 Act and the 2024 Act. Generally, during those budget years

(subject to some exceptions if certain negative economic factors occur), a District's Total Program is the greater of the District's Total Program calculation pursuant to the 1994 Act plus 0.5 percent of such calculation, or the amount calculated pursuant to the 1994 Act plus a percentage of the difference between the District's Total Program calculation pursuant to the 2024 Act and pursuant to the 1994 Act. Such percentage is 18 percent for the 2025-2026 budget year, 34 percent for the 2026-2027 budget year, 50 percent for the 2027-2028 budget year, 66 percent for the 2028-2029 budget year, and 82 percent for the 2029-2030 budget year.

For each pupil funded in a district's October 1 pupil count, the Total Program allocates a base per-pupil amount of money plus additional amounts based on district-by-district variances. The Total Program is determined as expressed in the following formula:

$$\text{Total Program} = \frac{\text{Funded Pupil Count}}{\text{Total Per-Pupil Funding}} \times \text{Total Per-Pupil Funding} + \text{At-Risk Funding} + \text{Online and/or ASCENT Funding}$$

Under the 1994 Act, every school district starts with a base per pupil funding amount. The base is increased annually by an amount equal to the rate of inflation. The base amount of per pupil funding for the 2024-2025 fiscal year will be \$8,496.38. The base amount is then adjusted in each school district to account for differences between districts in cost of living, school district size, personnel costs (under the 1994 Act only) and location (under the 2024 Act only). The cost of living factor is adjusted every two years to allow for timely recognition of economic changes in each district; provided, however, that under the 2024 Act the cost of living factor will be adjusted annually for the 2025-2026 through 2027-2028 budget years. The personnel and size factors are determined using enrollment based calculations, making them unique to each school district. The locale factor is determined based on the District's location classification by the U.S. Department of Education's National Center for Education Statistics in the Institute of Education Sciences.

For each fiscal year, the General Assembly establishes a minimum amount of funding per pupil statewide based on a statutorily established "minimum per pupil funding base." Each district has its own formula. The following table sets forth the actual historical per pupil revenue for the Charter School.

Table [ ] Historical Per Pupil Rate ("PPR")	
School Year	PPR
2020-2021	\$ 7,958.48
2021-2022	\$ 8,872.44
2022-2023	\$ 9,487.74
2023-2024	\$ 10,496.57
2024-2025	\$ 11,267.00

Source: The Charter School.

The Total Program calculation is adjusted upward for each pupil qualifying as "at risk." Whether a student is "at risk" is generally determined based on eligibility for participation in the free or reduced-price lunch under federal school lunch program. Under the 1994 Act, a school district can receive additional funding equal to 12-30% of its per pupil funding for each at risk pupil (with the amount of at risk funding increases as a district's percentage of at risk pupils increases above the State average), while under the 2024 Act, a school district can receive 25-32% of its per pupil funding for each at risk pupil. Beginning in 2020-2021, the State introduced a new factor, the "ELL factor" to the funding formula for all non-fully proficient English language learning pupils; provided, however, that such factor will not be included in the 2024-2025 budget year. The factor is calculated as a percentage of each district's

preliminary per pupil funding, multiplied by the district's ELL enrollment, which is 8 percent under the 1994 Act and 25 percent under the 2024 Act.

Funding of District PPR for each fiscal year begins in July. Funding is adjusted again to reflect the October actual enrolled student count as compared to the student count used at the beginning of the year. In addition, to the extent the District experiences any increase or reduction in State equalization support by a legislative rescission or other action, proportionate increases or reductions will be made to the Charter School by adjustment or set off in subsequent months.

The Charter School agrees, pursuant to the Lease, to cooperate in relation to all actions necessary pursuant to and in accordance with the Colorado Charter School Intercept Program in order to have the State Treasurer deposit the amounts due under the Lease, representing debt service on the Series 2025 Bonds, directly with the Trustee from the PPR due monthly to the Charter School under the Charter Contract and the Charter Schools Act. The Charter School is to submit to the State Treasurer a valid State Treasurer Charter Intercept Agreement to provide for such deposits. The Charter School's obligation to make such payments under the Lease is subject to annual appropriation.

***District Mill Levy Override Funding.*** The Charter School receives a portion of the revenue collected by the District pursuant to certain mill levy override ballot issues approved by District voters. The mill levy override rate is recalculated annually. The State's general assembly recently adopted legislation that requires school districts that collect revenues from mill levies in addition to the Total Program mill levy and that authorize an innovation or charter school, such as the District, to adopt a plan for distributing such revenue to the schools of the school district, including charter schools, for the benefit of all students enrolled in the school district or distribute 95% of the PPR of such mill levy funding to its innovation schools and charter schools. The District has elected to distribute 95% of the PPR of its mill levy funding to its innovation schools and charter schools. The Charter School anticipates receiving \$2,627,081.00 in District mill levy override funding for the 2024-2025 Fiscal Year.

***Capital Construction Funding.*** Under State law, qualified charter schools are eligible to receive additional funding for capital construction from the State Education Fund ("**Capital Construction Funds**"). The Charter School is a qualified charter school for purposes of such capital funding upon execution of the Lease or any similar lease. The statewide aggregate amount available to all charter schools for the 2021-2022 fiscal year and each year thereafter, subject to future amendments, is \$20,000,000 multiplied by the quotient of the number of students included in the statewide funded pupil count who were enrolled in charter schools for the school year immediately preceding the budget year and the number of students included in the statewide funded pupil count who were enrolled in charter schools for the 2017-2018 school year. The statewide aggregate amount available to all charter schools for the 2024-2025 school year is currently estimated to be \$42,892,701.96. See "RISK FACTORS—Changes to Charter Schools Act." Under the Charter Schools Act, Capital Construction Fund payments made to charter schools may be reduced by up to 50% for charter schools participating in the State's Moral Obligation Program and 10% for charter schools not participating in the Moral Obligation Program, if there are un-replenished draws on the Charter School Debt Service Reserve Fund of the Interest Savings Fund under the Moral Obligation Program. The State is expected to pay the Charter School \$609,927.89 from the Capital Construction Fund in the 2024-2025 school year, which amount is based on the Charter School's 2022-2023 enrollment of 1,570 full time equivalent students.

***Grants and Donations.*** The Charter School is authorized to accept gifts, donations, or grants of any kind made to the Charter School and to expend or use said gifts, donations or grants in accordance with the conditions prescribed by the donor; however, no gift, donation or grant can be accepted by the Charter School Board if it is subject to any condition contrary to law or contrary to the contract between the Charter School and the District or that would be inconsistent with its tax status.

## Historical and Budgeted Financial Information

***Accounting Principles.*** The Charter School maintains a General Fund to account for all transactions of the Charter School. The General Fund represents and accounts for the Charter School's ordinary operations financed primarily from PPR revenue. The following information should be read together with the Charter School's financial statements appended hereto. Pursuant to the Charter Contract, an annual financial audit is to be conducted to assure that expenditures of public funds by the Charter School were properly made and accounted for.

As set forth in the Charter Contract, the Charter School agrees to establish, maintain and retain appropriate financial records in accordance with all applicable federal, state and local laws, rules, policies and regulations, and to make such records available to the District, as requested, from time to time. The financial statements of the Charter School are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles applicable to government organizations.

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The following tables set forth the Charter School's history of revenues and expenditures for the General Fund.

Table [ ] Historical General Fund Revenue, Expenditures and Changes in Fund Balance <sup>1</sup>					
	2020	2021	2022	2023	2024
<b>Revenues</b>					
Local sources					
Per Pupil Revenue	\$ 11,787,477	\$ 11,818,298	\$ 13,228,748	\$ 14,702,322	\$ 16,555,587
District Mill Levy	2,002,337	2,140,510	2,189,361	2,430,975	2,480,242
Tuition and Fees	433,532	144,508	412,172	574,177	475,992
Food Service Fees	9,553	521	88	--	--
Rental Income	950	6,775	866	--	--
Investment Income	36,372	4,152	(5,089)	243,844	449,809
Miscellaneous	763,646	474,269	969,102	1,099,438	1,078,976
State sources					
Capital Construction	395,688	449,305	442,128	534,737	613,919
Food Service Fees	--	--	--	--	286,532
Grants	414,648	205,738	449,611	803,811	410,373
Federal sources					
Food Service Fees	--	--	--	--	83,074
Grants	139,325	154,243	23,904	50,884	160,031
<b>Total Revenues</b>	<b>\$15,983,528</b>	<b>\$15,398,319</b>	<b>\$17,710,891</b>	<b>\$20,440,188</b>	<b>\$22,594,535</b>
<b>Expenditures</b>					
Salaries	\$ 8,026,653	\$ 7,511,975	\$ 8,086,615	\$ 8,827,688	\$ 10,982,918
Employee Benefits	2,664,448	2,253,602	2,719,560	3,174,221	3,246,930
Purchased Services	1,676,646	1,444,389	1,709,880	2,205,346	2,492,894
Supplies	668,449	531,029	699,484	932,022	1,162,127
Property	324,102	84,813	351,997	135,429	63,550
Other	38,763	71,014	58,423	54,941	40,508
Building Lease	2,354,317	2,457,442	2,456,983	2,464,459	2,460,046
Capital Outlay	--	--	--	384,082	764,086
Debt service – Principal	--	--	--	53,856	64,469
Debt service – Interest	--	--	97,522	20,532	13,419
<b>Total Expenditures</b>	<b>\$15,753,378</b>	<b>\$14,354,264</b>	<b>\$16,180,464</b>	<b>\$18,252,576</b>	<b>\$21,290,947</b>
<b>Other Financing Sources (Uses)</b>					
Gain on Sale of Asset	--	\$ 5,800	--	--	--
Proceeds from Capital Lease	--	--	195,885	--	--
Transfers from (to) other funds	53,496	--	--	98,953	149,609
Debt Issuance Costs	--	--	--	(41,125)	--
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 53,496</b>	<b>\$ 5,800</b>	<b>\$ 195,885</b>	<b>\$ 57,828</b>	<b>\$ 149,609</b>
<b>Net Change in Fund Balance</b>	<b>283,646</b>	<b>1,049,855</b>	<b>1,726,312</b>	<b>2,245,440</b>	<b>1,453,197</b>
<b>Beginning Fund Balance</b>	<b>2,125,569</b>	<b>2,409,215</b>	<b>3,459,070</b>	<b>5,185,382</b>	<b>7,430,822</b>
<b>Ending Fund Balance</b>	<b>\$2,409,215</b>	<b>\$3,459,070</b>	<b>\$5,185,382</b>	<b>\$7,430,822</b>	<b>\$8,884,019</b>

<sup>1</sup> Figures may not total due to rounding.  
Source: The Charter School.

***Budgetary Process and Information.*** The Charter School prepares and files with the District its proposed balanced budget for the following fiscal year for District review for statutory compliance and compliance with the terms and conditions of the Charter. The budget is prepared in accordance with State statutes. The following table sets forth the Charter School's general fund budgets for fiscal years ended June 30, 2024, and June 30, 2025, as well as the audited figures for the 2023-2024 school year and the year to date unaudited figures for the 2024-2025 school year.



Table [__] General Fund Budget Summary and Comparison <sup>1</sup>				
	2023-2024 Budget (as amended)	2023-2024 Actual Year to Date (audited)	2024-2025 Budget (as amended)	2024-2025 Actual Year to Date (unaudited) <sup>2</sup>
<b>Revenues</b>				
Local sources				
Per Pupil Revenue	\$ 16,511,781	\$ 16,555,587	17,518,060	13,257,357
District Mill Levy	2,513,904	2,480,242	2,627,081	1,976,439
Tuition and Fees	500,000	475,992	460,000	336,100
Food Service Fees	520,000	369,606	475,000	281,984
Investment Income	440,000	449,809	460,000	339,637
Interest Income				
Miscellaneous	1,161,135	1,078,976	633,750	621,158
State sources				
Capital Construction	621,287	613,919	621,720	459,089
Food Service Fees	-	-	-	-
Grants <sup>3</sup>	806,394	410,373	315,000	323,608
Special Education				
ECEA	--	--	--	--
Read Act	--	--	--	--
State In Kind PERA	--	--	500,000	--
GT	--	--	--	--
Federal sources	--	--	--	--
Food Service Fees	--	--	--	--
Grants <sup>4</sup>	178,180	160,031	--	--
Title II	--	--	40,000	--
Title IV	--	--	<u>20,000</u>	--
IDEA B Funding	<u>-</u>	<u>-</u>	<u>124,754</u>	<u>124,754</u>
Total Revenues	\$23,252,681	\$22,594,535	\$23,795,365	\$17,720,126
<b>Expenditures</b>				
Salaries	\$ 11,175,552	\$ 10,982,918	\$ 11,606,856	7,961,878
Employee Benefits	4,140,270	3,246,930	4,614,241	2,536,623,
Purchased Services	2,927,647	2,492,894	2,722,591	1,513,612
Supplies	1,358,794	1,162,127	1,237,499,	805,364
Property	65,000	63,550	20,000	14,222
Other	211,900	40,508	--	--
Building Lease	2,460,046	2,460,046	2,462,775	2,343,399
Cap Reserve Expense	--	--	--	--
Capital Outlay	620,000	764,086	398,000	398,000
Dues and Fees	--	--	70,000	27,965
Centralized & Direct				
Cost to District	--	--	563,237	464,566
Debt service – Principal	65,000	64,469	67,500	49,996
Debt service – Interest	15,000	13,419	12,500	9,622
Contingency	<u>-</u>	<u>-</u>	<u>7,000,000</u>	<u>-</u>
Total Expenditures	\$23,039,209	\$21,290,947	\$22,775,199	\$16,125,247

<sup>1</sup> Figures may not total due to rounding.<sup>2</sup> Actual unaudited figures through March 31, 2025.

Source: The Charter School.

## Financial Reporting

Under State law the Charter School is required to post in a timely manner as provided by state law, certain financial information on-line, in a downloadable format, for free public access. Such financial information includes, among others: (a) adopted budgets for the current and past two years, (b) annual audited financial statements, (c) salary schedules, (d) required state waiver information, and (e) actual expenditures. State law also provides that the Charter School is required to provide online, in downloadable formats, for free public access, accounts payable, check registers and credit, debit, and purchase card statements, and investment performance reports or statements. The Charter School is also required to post on its website its federal Forms 990 and provide the name and contact information for the Charter School employee that can provide additional information regarding state waivers.

## Retirement and Pension Matters

The Charter School contributes to the School Division Trust Fund (“SDTF”), a cost sharing multiple employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the Charter School are members of the SDTF and receive equal benefits commensurate with their levels of pay and years of service. No differentiation is made based on personnel category. Employer contributions are statutorily mandated. The Charter School is currently required by statute to contribute to PERA, from the Charter School’s funds, a statutorily determined percentage of the gross salaries of member employees. In addition, each member employee contributes a statutorily determined percentage of his or her salary. Vesting, accrual of benefits, eligible retirement ages and levels are all determined by PERA. For the fiscal year ended June 30, 2024, the Charter School’s employer contributions for the SDTF were approximately \$2,080,982.

Beginning with the 2014-2015 audited financial statements, the Charter School is required to record its share of PERA’s unfunded liability. PERA conducted actuarial studies and then provided its member institutions with the amounts of their unfunded liability. As of June 30, 2024, the Charter School reported a net pension liability of \$25,642,722. The amount of PERA’s unfunded liability allocable to the Charter School is not immediately due and cannot be paid off under any accelerated schedule to remove the liability from its financial statements. Only the Colorado Legislature has the power to change the contribution rate under the State statutes. For further information, see Note 8 to the Charter School’s audited financial statement appended hereto.

## Insurance

The Charter School acts to protect itself against loss and liability by maintaining certain insurance coverages and the Charter School’s administration believes the present insurance coverage to be adequate and customary for similar schools. However, there can be no assurance that the Charter School will continue to maintain this level of coverage. See also “APPENDIX H—FORMS OF THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST AND THE LEASE.”

## Other Financial Obligations

Other than the monthly lease payments for the Facilities, the Charter School will have no other outstanding related debt obligations, other than the Series 2018 Bond and the Series 2025 Bonds.

## Projections

The following table provides projected revenue and expense information of the Charter School. The following projections are “forward-looking statements” and are subject to the general qualifications and limitations described under “INTRODUCTION—Forward-Looking Statements” with respect to such statements. See also “RISK FACTORS—Sufficiency of Revenues.”

The information contained in the following table has been prepared by the Charter School. Such projections relate only to a limited number of fiscal years and consequently do not cover the entire period that the Series 2025 Bonds will be outstanding. Neither the Underwriter of the Series 2025 Bonds nor the Authority have independently verified the following projections, and they make no representation nor give any assurances that such projections or the assumptions underlying them are complete or correct. The financial projections are based on assumptions made by the Charter School (on matters such as future enrollment, revenues and anticipated expenses), but there can be no assurance that actual enrollment, revenues and expenses will be consistent with such assumptions. Actual operating results of the Charter School may be affected by many factors, including, but not limited to, increased costs, lower than anticipated revenues (as a result of insufficient enrollment, reduced payments from the State, or otherwise), employee relations, changes in taxes, changes to applicable government regulation, changes in demographic trends, factors associated with education, competition for students, and changes in local or general economic conditions.

NO REPRESENTATION OR ASSURANCE CAN BE GIVEN THAT THE CHARTER SCHOOL WILL REALIZE REVENUES IN AMOUNTS SUFFICIENT TO MAKE ALL REQUIRED PAYMENTS ON THE SERIES 2025 BONDS. THE REALIZATION OF FUTURE REVENUES DEPENDS ON, AMONG OTHER THINGS, THE MATTERS DESCRIBED IN “RISK FACTORS” AND FUTURE CHANGES IN ECONOMIC AND OTHER CONDITIONS THAT ARE UNPREDICTABLE AND CANNOT BE DETERMINED AT THIS TIME. THE UNDERWRITER AND THE AUTHORITY MAKE NO REPRESENTATION AS TO THE ACCURACY OF THE PROJECTIONS CONTAINED HEREIN.

[TO BE ADDED]

**APPENDIX B**

**AUDITED CHARTER SCHOOL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**APPENDIX C**

**AUDITED CHARTER SCHOOL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED JUNE 30, 2023**

## **APPENDIX D**

### **SUMMARY OF DEFINITIONS, THE INDENTURE, THE LOAN AGREEMENT, THE DEED OF TRUST, AND THE LEASE**

## APPENDIX E

### FORMS OF CONTINUING DISCLOSURE AGREEMENTS

#### CONTINUING DISCLOSURE AGREEMENT OF CHARTER SCHOOL FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (B)(5) OF SEC RULE 15C2-12, AS AMENDED

This Continuing Disclosure Agreement (this “**Agreement**”) is executed and delivered by and between Stargate Charter School, a Colorado charter school (the “**Charter School**”) and Digital Assurance Certification, LLC, in connection with the issuance by the Colorado Educational and Cultural Facilities Authority (the “**Authority**”) of its \$[A-PAR]\* aggregate principal amount of Charter School Revenue Bond (Stargate Charter School Project), Series 2025A (the “**Series 2025A Bonds**”) and its \$[B-PAR]\* aggregate principal amount of Charter School Revenue Bond, Federally Taxable Series 2025B Bonds (the “**Series 2025B Bonds**”, and together with the Series 2025A Bonds, the “**Bonds**”). The Series 2025 Bonds are being issued pursuant to an Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the “**Indenture**”), by and between the Authority and ZB, National Association dba Zions Bank, as trustee thereunder (the “**Trustee**”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

In consideration of the issuance of the Series 2025 Bonds by the Authority and the purchase of such Bonds by the owners thereof, the Charter School hereby covenants and agrees as follows:

**Section 1. Purpose of this Agreement.** This Agreement is executed and delivered by the Charter School as of the date set forth below, for the benefit of the holders and owners (the “**Bondholders**”) of the Series 2025 Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below).

**Section 2. Definitions.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“**Agreement**” means the obligations of the Charter School pursuant to Sections 4 and 5.

“**Annual Financial Information**” means the financial information and operating data described in **Exhibit I**.

“**Annual Financial Information Disclosure**” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“**Audited Financial Statements**” means the audited consolidated financial statements of the Charter School, prepared pursuant to the standards and as described in **Exhibit I**.

“**Commission**” means the Securities and Exchange Commission.

“**Dissemination Agent**” means Digital Assurance Certification, LLC, or any successor in interest thereto.

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\* Preliminary, subject to change.



“**EMMA**” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Material Event**” means the occurrence of any of the events with respect to the Series 2025 Bonds set forth in **Exhibit II**.

“**Material Events Disclosure**” means dissemination of a notice of a Material Event as set forth in Section 5.

“**MSRB**” means the Municipal Securities Rulemaking Board.

“**Participating Underwriter**” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2025 Bonds.

“**Prescribed Form**” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org) (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“**Rule**” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“**State**” means the State of Colorado.

**Section 3. CUSIP Number/Final Official Statement.** The nine digit CUSIP<sup>1</sup>, © of the final maturity of the Series 2025 Bonds is 19645R \_\_\_\_\_. The Official Statement relating to the Series 2025 Bonds is dated June \_\_, 2025 (the “**Official Statement**”).

**Section 4. Annual Financial Information Disclosure.** Subject to Section 10, of this Agreement, the Charter School hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in **Exhibit I**) by the Charter School’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 210 days of the completion date of the Charter’s Schools fiscal year (the “**Annual Filing Date**”).

The Charter School is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Charter School will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

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<sup>1</sup> The Authority, Charter School and Corporation take no responsibility for the accuracy of the CUSIP number, which is included solely for the convenience of owners of the Series 2025 Bonds.

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**Section 5. Material Events Disclosure.** Subject to Section 10 of this Agreement, the Charter School hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2025 Bonds pursuant to the Indenture. From and after the Effective Date, the Charter School is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

**Section 6. Duty To Update EMMA/MSRB.** The Charter School shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

**Section 7. Consequences of Failure of the Charter School to Provide Information.** The Charter School shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

If the Dissemination Agent has not received Annual Financial Information and the Audited Financial Statements by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter), a failure to file event shall have occurred and the Charter School irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB without reference to the anticipated filing date for the Annual Financial Information and the Audited Financial Statements.

In the event of a failure of the Charter School to comply with any provision of this Agreement, the Bondholder of any Bond may seek specific performance by court order to cause the Charter School to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or the Loan Agreement or any other agreement, and the sole remedy under this Agreement in the event of any failure of the Charter School to comply with this Agreement shall be an action to compel performance.

**Section 8. Amendments; Waiver.** Notwithstanding any other provision of this Agreement, the Charter School may amend this Agreement, and any provision of this Agreement may be waived, if:

- (i) The amendment or waiver is made 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 the Charter School or type of business conducted;
- (ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2025 Bonds, as determined either by parties unaffiliated with the Authority or the Charter School (such as the Trustee) or by an approving vote of the Bondholders of the Series 2025 Bonds holding a majority of the aggregate principal amount of the Series 2025 Bonds (excluding Bonds held by or on behalf of the Charter School or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or
- (iv) The amendment or waiver is otherwise permitted by the Rule.

**Section 9. Termination of this Agreement.** This Agreement of the Charter School shall be terminated hereunder when the Charter School shall no longer have any legal liability for any obligation

on or relating to the repayment of the Series 2025 Bonds. The Charter School shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable. This Agreement may be terminated by either party hereto provided that the Charter School enters into a new continuing disclosure agreement with a dissemination agent with terms similar to those set forth in this Agreement.

**Section 10. Dissemination Agent.** So long as the Series 2025 Bonds are outstanding, the Charter School shall appoint and continuously engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement. The Charter School hereby appoints Digital Assurance Certification, LLC as Dissemination Agent, and the Dissemination Agent hereby accepts such appointment. The Dissemination Agent hereby agrees to notify the Charter School 30 days prior to the required dissemination of disclosure filings pursuant to Sections 4 and 11 hereof. The Dissemination Agent additionally agrees to disseminate the information required by Sections 4 and 11 hereof, and any information provided to the Dissemination Agent under Section 5 hereof, pursuant to the terms of this Agreement.

The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Charter School has provided such information to the Dissemination Agent as required by this Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information or any other information, disclosures or notices provided to it by the Charter School and shall not be deemed to be acting in any fiduciary capacity for the Charter School, the owners of the Series 2025 Bonds or any other party. The Dissemination Agent shall have no responsibility for the Charter School's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Charter School has complied with this Agreement. The Dissemination Agent may conclusively rely upon certifications of the Charter School at all times.

The obligations of the Charter School under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Series 2025 Bonds.

All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

**Section 11. Additional Information.** Nothing in this Agreement shall be deemed to prevent the Charter School from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Charter School chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Charter School shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event. Under the Lease, the Charter School shall disseminate the financial and related information listed in Section 10.09 thereof, including, annual budgets, within 30 days of adoption by the Board of Directors of the Charter School.

**Section 12. Beneficiaries.** This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Charter School, the Dissemination Agent, if any, the Authority, the Trustee and the Bondholders of the Series 2025 Bonds, and shall create no rights in any other person or entity.

**Section 13. Recordkeeping.** The Charter School shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

**Section 14. Assignment.** The Charter School shall not transfer its obligations under this Agreement unless the transferee agrees to assume all obligations of the Charter School under this Agreement or to execute a new continuing disclosure agreement under the Rule.

**Section 15. Electronic Transactions.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 16. Governing Law.** This Agreement shall be governed by the laws of the State.

**EXHIBIT I****ANNUAL FINANCIAL INFORMATION AND TIMING AND  
AUDITED FINANCIAL STATEMENTS**

*“Annual Financial Information”* means financial information and operating data exclusive of Audited Financial Statements set forth below.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Charter School shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 210 days after the last day of the Charter School’s fiscal year. Audited Financial Statements prepared as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the Charter School.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Agreement, including for this purpose a change made to the fiscal year-end of the Obligated Person, the Charter School will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

Staff Composition	
	20__ - 20__
Teachers	
Paraprofessionals	
Office/Support	
Administrative	
Specials teachers	
Total	

Historical Teacher Retention Rates	
Year	Percent Retained
From 20__ to 20__	__%

Teacher's Degree Held	Percent Holding Degree
[SCHOOL YEAR]	
Bachelors	
Bachelors Plus <sup>1</sup>	
Masters	
Master Plus <sup>1</sup>	
Doctorate	
Total	100%

<sup>1</sup> Credit hours acquired toward an advanced degree.

October 1 Student Count/Enrollment by Grade	
Grade	[SCHOOL YEAR]
K	
1 <sup>st</sup>	
2 <sup>nd</sup>	
3 <sup>rd</sup>	
4 <sup>th</sup>	
5 <sup>th</sup>	
6 <sup>th</sup>	
7 <sup>th</sup>	
8 <sup>th</sup>	
9 <sup>th</sup>	
10 <sup>th</sup>	
11 <sup>th</sup>	
12 <sup>th</sup>	
Total	

Next Five Years of Projected Enrollment by Grade										
Grade	20	-20	20	-20	20	-20	20	-20	20	-20
K										
1 <sup>st</sup>										
2 <sup>nd</sup>										
3 <sup>rd</sup>										
4 <sup>th</sup>										
5 <sup>th</sup>										
6 <sup>th</sup>										
7 <sup>th</sup>										
8 <sup>th</sup>										
9 <sup>th</sup>										
10 <sup>th</sup>										
11 <sup>th</sup>										
12 <sup>th</sup>										
Total										

Waitlist	
Grade	[SCHOOL YEAR]
K	
1 <sup>st</sup>	
2 <sup>nd</sup>	
3 <sup>rd</sup>	
4 <sup>th</sup>	
5 <sup>th</sup>	
6 <sup>th</sup>	
7 <sup>th</sup>	
8 <sup>th</sup>	
9 <sup>th</sup>	
10 <sup>th</sup>	
11 <sup>th</sup>	
12 <sup>th</sup>	
Total	

Transitional Assessment Program Percentage of Students that Scored at Proficiency Level or Above				
[SCHOOL YEAR]				
Grade	Subject	Charter School	District	State
Grade 3	Reading			
	ELA			
	Math			
Grade 4	Reading			
	ELA			
	Math			
Grade 5	Reading			
	ELA			
	Math			
Grade 6	Reading			
	ELA			
	Math			
Grade 7	Reading			
	ELA			
	Math			
Grade 8	Reading			
	ELA			
	Math			



CMAS Science and Social Studies Scores Percentage of Students that Scored Meets or Exceeds				
[SCHOOL YEAR]				
Grade	Subject	Charter School	District	State
Grade 5	Science			
Grade 8	Science			
Grade 4	Social Studies			
Grade 7	Social Studies			

NOTE: The State mandated testing changes from year to year, and Charter School shall disseminate the testing results mandated by the State in a format comparable to the foregoing, as applicable.

Historical Per Pupil Revenue		
School Year	PPR Rate	Percent Change (rounded)
20__ - __		%

## EXHIBIT II

### EVENTS WITH RESPECT TO THE SERIES 2025 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

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. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Charter School \*
13. The consummation of a merger, consolidation or acquisition involving the Charter School or the sale of all or substantially all of the assets of the Charter School, 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
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Charter School in a proceeding under the U.S. 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 Charter School, 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 authority having supervision or jurisdiction over substantially all of the assets or business of the Charter School.

## FORM OF CONTINUING DISCLOSURE AGREEMENT

### CONTINUING DISCLOSURE AGREEMENT OF THE CORPORATION FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (B)(5) OF SEC RULE 15C2-12, AS AMENDED

This Continuing Disclosure Agreement (this “**Agreement**”) is executed and delivered by and between Stargate Foundation, a Colorado nonprofit corporation (the “**Foundation**”) and Digital Assurance Certification LLC, as Dissemination Agent, in connection with the issuance by the Colorado Educational and Cultural Facilities Authority (the “**Authority**”) of its \$[A-PAR]\* aggregate principal amount of Charter School Revenue Bond (Stargate Charter School Project), Series 2025A (the “**Series 2025A Bonds**”) and its \$[B-PAR]\* aggregate principal amount of Charter School Revenue Bond, Federally Taxable Series 2025B Bonds (the “**Series 2025B Bonds**”, and together with the Series 2025A Bonds, the “**Bonds**”). The Series 2025 Bonds are being issued pursuant to an Amended and Restated Indenture of Trust, dated as of June 1, 2025 (the “**Indenture**”), by and between the Authority and ZB, National Association dba Zions Bank, as trustee thereunder (the “**Trustee**”). In connection with the issuance of the Series 2025 Bonds, the Foundation will enter into a Amended and Restated Loan and Security Agreement, dated as of June 1, 2025 between the Foundation and the Authority. Capitalized terms used but not otherwise defined shall have the meanings assigned thereto in the Indenture.

In consideration of the issuance of the Series 2025 Bonds by the Authority and the purchase of such Bonds by the owners thereof, the Foundation hereby covenants and agrees as follows:

**Section 1. Purpose of this Agreement.** This Agreement is executed and delivered by the Foundation as of the date set forth below, for the benefit of the holders and owners (the “**Bondholders**”) of the Series 2025 Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below).

**Section 2. Definitions.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“**Agreement**” means the obligations of the Foundation pursuant to Sections 4 and 5.

“**Annual Financial Information**” means the financial information and operating data described in **Exhibit I**.

“**Annual Financial Information Disclosure**” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“**Audited Financial Statements**” means the audited consolidated financial statements of the Foundation described in Section 8.04 of the Loan Agreement, prepared pursuant to the standards and as described in **Exhibit I**.

“**Commission**” means the Securities and Exchange Commission.

“**Dissemination Agent**” means Digital Assurance Certification, LLC, or any successor in interest thereto.

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\* Preliminary, subject to change.

“**EMMA**” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Material Event**” means the occurrence of any of the events with respect to the Series 2025 Bonds set forth in **Exhibit II**.

“**Material Events Disclosure**” means dissemination of a notice of a Material Event as set forth in Section 5.

“**MSRB**” means the Municipal Securities Rulemaking Board.

“**Participating Underwriter**” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2025 Bonds.

“**Prescribed Form**” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org) (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“**Rule**” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“**State**” means the State of Colorado.

**Section 3. CUSIP Number/Final Official Statement.** The nine digit CUSIP<sup>1</sup>,<sup>©</sup> of the final maturity of the Series 2025 Bonds is 19645R \_\_\_\_\_. The Official Statement relating to the Series 2025 Bonds is dated June \_\_\_, 2025 (the “**Official Statement**”).

**Section 4. Annual Financial Information Disclosure.** Subject to Section 10 of this Agreement, the Foundation hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in **Exhibit I**) by the Foundation’s delivery of such Annual Financial Information and the Audited Financial Statements to the MSRB within 210 days of the completion of the Foundation’s fiscal year (the “**Annual Filing Date**”), only if required by Sections 8.04 and 8.05 of the Loan Agreement. The Foundation is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Foundation will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

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<sup>1</sup> The Authority, Charter School and Corporation take no responsibility for the accuracy of the CUSIP number, which is included solely for the convenience of owners of the Series 2025 Bonds.

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**Section 5. Material Events Disclosure.** Subject to Section 10 of this Agreement, the Foundation hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2025 Bonds pursuant to the Indenture. From and after the Effective Date, the Foundation is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

**Section 6. Duty To Update EMMA/MSRB.** The Foundation shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

**Section 7. Consequences of Failure of the Foundation to Provide Information.** The Foundation shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

If the Dissemination Agent has not received Annual Financial Information and the Audited Financial Statements by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter), a failure to file event shall have occurred and the Foundation irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB without reference to the anticipated filing date for the Annual Financial Information and the Audited Financial Statements.

In the event of a failure of the Foundation to comply with any provision of this Agreement, the Bondholder of any Bond may seek specific performance by court order to cause the Foundation to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or the Loan Agreement or any other agreement, and the sole remedy under this Agreement in the event of any failure of the Foundation to comply with this Agreement shall be an action to compel performance.

**Section 8. Amendments; Waiver.** Notwithstanding any other provision of this Agreement, the Foundation may amend this Agreement, and any provision of this Agreement may be waived, if:

- (i) The amendment or waiver is made 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 the Foundation or type of business conducted;
- (ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2025 Bonds, as determined either by parties unaffiliated with the Authority or the Foundation (such as the Trustee) or by an approving vote of the Bondholders of the Series 2025 Bonds holding a majority of the aggregate principal amount of the Series 2025 Bonds (excluding Bonds held by or on behalf of the Foundation or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or
- (iv) The amendment or waiver is otherwise permitted by the Rule.

**Section 9. Termination of Agreement.** This Agreement shall be terminated hereunder when the Foundation shall no longer have any legal liability for any obligation on or relating to the repayment of

the Series 2025 Bonds. The Foundation shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable. This Agreement may be terminated by either party hereto provided that the Foundation enters into a new continuing disclosure agreement with a dissemination agent with terms similar to those set forth in this Agreement.

**Section 10. Dissemination Agent.** The Foundation must appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement. The Foundation hereby appoints Digital Assurance Certification, LLC as Dissemination Agent, and the Dissemination Agent hereby accepts such appointment. The Dissemination Agent hereby agrees to notify the Foundation 30 days prior to the required dissemination of disclosure filings pursuant to Section 4 hereof. The Dissemination Agent additionally agrees to disseminate the information required by Section 4 and any information provided to the Dissemination Agent under Sections 5 and 11 hereof pursuant to the terms of this Agreement.

The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Foundation has provided such information to the Dissemination Agent as required by this Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information or any other information, disclosures or notices provided to it by the Foundation and shall not be deemed to be acting in any fiduciary capacity for the Foundation, the owners of the Series 2025 Bonds or any other party. The Dissemination Agent shall have no responsibility for the Foundation's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Foundation has complied with this Agreement. The Dissemination Agent may conclusively rely upon certifications of the Foundation at all times.

The obligations of the Foundation under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Series 2025 Bonds.

All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

**Section 11. Additional Information.** Nothing in this Agreement shall be deemed to prevent the Foundation from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Foundation chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Foundation shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

**Section 12. Beneficiaries.** This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Foundation, the Dissemination Agent, if any, the Authority, the Trustee and the Bondholders of the Series 2025 Bonds, and shall create no rights in any other person or entity.

**Section 13. Recordkeeping.** The Foundation shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

**Section 14. Assignment.** The Foundation shall not transfer its obligations under this Agreement unless the transferee agrees to assume all obligations of the Foundation under this Agreement or to execute a new continuing disclosure agreement under the Rule.

**Section 15. Electronic Transactions.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 16. Governing Law.** This Agreement shall be governed by the laws of the State.

[Remainder of Page Intentionally Left Blank]



## **EXHIBIT I**

### **ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

**“Annual Financial Information”** means financial information and operating data exclusive of Audited Financial Statements as set forth below of the type appearing or incorporated by reference under Sections 8.04 and 8.05 of the Loan Agreement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Foundation shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 210 days after the last day of the Foundation’s fiscal year. Audited Financial Statements prepared as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the Foundation.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Agreement, including for this purpose a change made to the fiscal year-end of the Obligated Person, the Foundation will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

## EXHIBIT II

### EVENTS WITH RESPECT TO THE SERIES 2025 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

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. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Foundation\*
13. The consummation of a merger, consolidation or acquisition involving the Foundation or the sale of all or substantially all of the assets of the Foundation, 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
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Foundation in a proceeding under the U.S. 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 Foundation, 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 authority having supervision or jurisdiction over substantially all of the assets or business of the Foundation.

**APPENDIX F**  
**FORM OF BOND COUNSEL OPINION**  
**[TO BE PROVIDED]**

## APPENDIX G

### BOOK-ENTRY-ONLY SYSTEM

*The information in this section concerning The Depository Trust Company (“DTC”) New York, New York and DTC’s book-entry-only system has been obtained from DTC, and the Authority, Foundation, Charter School, Trustee and the Underwriter take no responsibility for the accuracy thereof.*

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 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 certificate will be issued for the Series 2025 Bonds, as set forth on the inside cover page hereof, in the aggregate principal amount of each maturity of the Series 2025 Bonds and deposited with DTC.

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 3.5 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 & 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 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 2025 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 the Series 2025 Bonds, except in the event that use of the book entry-system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the

Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts 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 the Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 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 will be sent to DTC. If less than all of the Series 2025 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 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 the Series 2025 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 2025 Bonds are to 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 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 Trustee or 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 name as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the 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.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2025 Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2025 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2025 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities 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.

# Coversheet

## Finance Report

<b>Section:</b>	III. School Operations
<b>Item:</b>	B. Finance Report
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	FY 2025-2026 Budget Worksheet Stargate.xlsx Appropriation Resolution FY2025-2026 Adopted Budget 6.1.2025.docx Supplemental Appropriations 2025 Final.docx 2025 Stargate Charter School Engagement Letter 06.30.2025.pdf



## Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

FY 2025-2026 Budget Worksheet Stargate.xlsx





14530 WASHINGTON STREET | THORNTON, CO 80023

OFFICE: 303.450.3936 | FAX: 303.450.3941 | INFO@STARGATESCHOOL.ORG

Stargate Charter School  
Fiscal Year 2025-2026  
Appropriation Resolution

BE IT RESOLVED by the Board of Directors of Stargate Charter School, Adams County State of Colorado that the amounts set forth in the following schedule be appropriated to each fund as specified in the "Adopted Budget" for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

General Fund	\$ 32,459,386.00
Special Revenue Fund (Athletics)	\$ 328,229.00
Special Revenue Fund (Pupils)	\$ 422,339.00
Special Revenue Fund Fund Raising	\$ 412,366.00
Before and After School Care	\$ 646,924.00
Capital Projects Fund	\$ 1,500,000.00
Special Revenue Fund (Foundation)	\$ 24,195,466.00
Bond Projects Fund	\$ 2,642,492.00

TOTAL	<u>\$ 62,607,202.00</u>
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BE IT FURTHER RESOLVED that all 2024-2025 fiscal year ending fund and account balances reports, maintained or held by and on behalf of the charter school that are not excluded from "fiscal year spending" under Article X, Section 20 of the Colorado Constitution, are hereby designated, budgeted, and appropriated as "reserves" in the 2024-2025 fiscal year and are available for current and subsequent fiscal years' expenditures; and

BE IT FURTHER RESOLVED that the adoption of this Appropriation Resolution shall be deemed to include the exercise of the school's rights, if any, to renew for the 2025-2026 fiscal year its lease with Stargate Foundation and any other leases, lease purchase agreements, lease agreements with an option to purchase, or other agreements in accordance with their terms that have been authorized and approved by the Board of Directors; and

BE IT FURTHER RESOLVED that the designation "Budget Resolution" the name Stargate Charter School, the date of adoption and the signature of the president of the Board of Directors be entered upon the Budget Resolution and that the Budget, the Budget Resolution and this Appropriation Resolution be placed on file at the principal administrative office of the school, where they shall remain throughout the 2025-2026 fiscal year and be open for inspection during reasonable business hours.





14530 WASHINGTON STREET | THORNTON, CO 80023

OFFICE: 303.450.3936 | FAX: 303.450.3941 | [INFO@STARGATESCHOOL.ORG](mailto:INFO@STARGATESCHOOL.ORG)

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Lindsey Paquette- President, Board of Directors



## Resolution

### Supplemental Appropriation

Be it resolved that the additional expenditure and revenue amounts shown below be appropriated to the General Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

Adopted this 12th day of June 2025 by the Board of Directors of Stargate Charter School.

Salaries and Wages (Fund 11)	\$450,000.00
Property (Fund 11)	\$150,000.00
Other Services (Fund 23)	\$ 30,000.00
Supplies (Fund 23)	\$ 60,000.00

In addition, budget transfers are approved as follows:

\$100,000 from Supplies to Other Purchased Services (Fund 11)

In addition, fund transfers are approved as follows:

Additional \$90,000.00 from Fund 11 to Fund 23

Additional \$5,000.00 from Fund 27 to Fund 11

Additional \$5,000.00 from Fund 11 to Fund 23

Additional \$20,000.00 from Fund 11 to Fund 26

Transfer \$900,000.00 from Fund 11 to Fund 43      (Maintenance Reserve)

Additional revenue in the amounts of \$398,000 (Fund 11), \$30,000.00 (Fund 23).

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Lindsey Paquette, Board President



May 12, 2025

Board of Directors  
Stargate Charter School  
14530 Washington Street  
Thornton, Colorado 80023

We are pleased to confirm our understanding of the services we are to provide to the Stargate Charter School (the School). We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the related notes to the financial statements, which collectively comprise the basic financial statements of the School, as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Stargate Charter School's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to Stargate Charter School's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Supplementary Pension Disclosures
3. Budgetary Comparison Schedules

Office Locations:

Colorado Springs, CO  
Denver, CO  
Frisco, CO  
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

### **Audit Objective**

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America. Our audit will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether (1) from errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or regulations that are attributable to the School or to acts by management or employees acting on behalf of the School.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.





### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the School and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under standards established by the American Institute of Certified Public Accountants.

### **Audit Procedures – Compliance**

Identifying and ensuring that the School complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the School's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation of the financial statements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the School from whom we determine it necessary to obtain audit evidence.

Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.



Stargate Charter School  
Engagement Letter  
Page 4

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the School involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the School received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the School complies with applicable laws and regulations.

Management is responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

### **Fees and Timing**

Jim Hinkle is the engagement partner for the audit services specified in this letter. His responsibilities include supervising the auditing services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as printing, postage, travel, etc.) except that we agree that our maximum fee, including expenses, will not exceed \$10,400. Our invoices for these fees will be rendered as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our fees to prepare the Form 990 tax returns will not exceed \$1,700 for each tax return.

### **Other Matters**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We appreciate the opportunity to be of service to the Stargate Charter School and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter, and return it to us.



Stargate Charter School  
Engagement Letter  
Page 5

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

*Hick & Company, PC*



This letter correctly sets forth the understanding of the Stargate Charter School.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



Finley & Cook, PLLC 405-878-7300 Finley-Cook.com 1421 East 45th Street   
Shawnee, OK 74804

## **Report on the Firm's System of Quality Control**

To the Partners of Hinkle & Company, PC and  
the Peer Review Committee of the Oklahoma Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Hinkle & Company, PC (the "firm") in effect for the year ended September 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

To the Partners of Hinkle & Company, PC and  
the Peer Review Committee of the Oklahoma Society of CPAs  
Page -2-

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Hinkle & Company, PC in effect for the year ended September 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Hinkle & Company, PC has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma  
August 30, 2023

Administered in Oklahoma  
and South Dakota by the  
Oklahoma Society of CPAs



Peer Review  
Program

December 04, 2023

James Hinkle  
Hinkle & Company PC  
5028 E 101st ST Ste A  
Tulsa, OK 74137-5821

Dear James Hinkle:

It is my pleasure to notify you that on November 30, 2023, the Oklahoma Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is March 31, 2026. This is the date by which all review documents should be completed and submitted to the administering entity. Since your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

*OSCPA Peer Review Committee*

Peer Review Committee  
peerreview@oscpa.com  
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Review Number: 601404

# Coversheet

## Executive Director of Academics Report

<b>Section:</b>	III. School Operations
<b>Item:</b>	C. Executive Director of Academics Report
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	_EDA Report June 2025.docx





**Executive Director- Academics  
Governance Board of Directors Report**

**Date: 6/18//2025**

**Prepared by: Dr. Robin Greene, Executive Director- Academics**

**Strategic Work:**

- **Responsible Leadership**
  - Org Chart review, including delegation of duties review and hiring needs
  - Leadership training of both academic and operations staff member
    - Goal setting, prioritization, scope of work determined
  - **Retention**

2024-2025 Retention Rates By School:

- **Elementary Retention:** 88%
  - Multiple factors impacted this number- including teachers moving
- **Middle School Retention:** 100%
- **High School Retention:** 90%
- **Retention Rates of Stargate School as a Campus:**

Historical Teacher Retention Rates	
Year	Percent Retained
From 2019-20 to 2020-21	94%
From 2020-21 to 2021-22	88
From 2021-22 to 2022-23	91
From 2022-23 to 2023-24	93
From 2023-24 to 2024-25	96

- - **Fundraising**
    - Set goal of 100,000 for the gala
    - Total for the 24-25 SY earned
    - Reviewing sponsorship packet details
- **Shared Decision Making**
  - Staff led-professional development committee met to discuss goals and purpose
- **Engaged Community**
  - Bibi and Lisa will share this work

- [Emerging themes and recommendations from community engagement survey](#)
- **Financial Stability**
  - Moody's affirmed our Baa rating
  - Transition of finance leadership ongoing
- **Exceptional Staff**
  - Working Genius Leadership Retreat
  - RANDA end of year evaluations all completed (school administrators is ongoing will be complete by June 13)
  - Evaluation for classified staff
  - Reviewing 360s with school leaders
- **Differentiated Learning Environment**
  - Staff led professional development committee met
  - Incorporating Depth and Complexity next year for 6-12
  - Supported

**Admissions/Enrollment:**

- [Current enrollment numbers](#)

**Bond Update**

- [Moody's Rating](#)
- [Draft Schedule of Events](#)

**Construction Update**

- Community updates weekly
- Focus on kitchen, elementary vestibules and possibly the front offices

**Miscellaneous/FYI:**

Office hours for Secondary

# Coversheet

## Election Committee Report

<b>Section:</b>	V. Committee Reports
<b>Item:</b>	B. Election Committee Report
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	Election Committee Report to Board_6.12.25_v2.docx

## Monthly Report to the Stargate Governing Board

<b>Committee Name:</b>	Election
<b>Members:</b>	Lisa Griffin, Board Liaison; Danielle Fox, Communications Coordinator and Recruiting Representative; Yawning Liu, Technical Support/Member; Tien Tong, Chair
<b>Report Date:</b>	6/12/25
<b>Meeting Dates:</b>	February 24, 2025 at 5:00 PM: Set up Spring Election May 1, 2025 at 7 PM: Meeting to finalize ballot May 2, 2025 at 12 PM: Lock the ballot Next meeting to ratify results: May 19th at 4:30 PM Follow-up discussions: May 29th at 11:30 AM
<b>Summary:</b>	

## **Board Parent Director Results:**

### **Results - 2025 Stargate School Spring Board Election**

**Start:** 2025-05-05 00:00:00 America/Denver

**End:** 2025-05-19 16:00:00 America/Denver

**Turnout:** 448 (20.1%) of 2224 electors voted in this ballot.

#### **Stargate School Governance Board**

Option	Votes
Jess Painz	273 (22.4%)
Hari Sonnenahalli	194 (15.9%)
Lauren Steele	192 (15.7%)
Kim Kohler	165 (13.5%)
Caroline Hatfield	151 (12.4%)
Melissa Hollenbaugh	141 (11.5%)
Jose Luis Perales	105 (8.6%)

#### **VOTER SUMMARY**

Total	448
Abstain	6 (1.3%)

Results for 3 parent director positions, two 3-year terms, one 2-year term.

## **Bylaw Results:**

Although the Bylaws indicate that each section passed, **none were ratified** because only 20.1% of our community voted, which does not satisfy the minimum of a 30% vote requirement for Bylaw changes. **Therefore there will be NO change to the current Bylaws.**

### **Ratification results and Election Committee discussions (May 19th Meeting)**

#### **Validation:**

- Bi-member password protection and verification of the last login known to the committee.
- Review of IP clusters to verify any unordinary activity.

Insufficient voter counts (20.1% of the community voted) for proposed by-law changes to be ratified for this election.

- The voter counts were disappointingly low, despite substantial efforts through enhanced and varied communication platforms to get the Community to participate in the Election.
- Committee reviewed voter turnouts and spikes in voting that coincide with communications/voting reminders.
- Unknown how many/whether ballots were started but not completed/submitted.

Committee reviewed candidate results. No discussion.

- Tien motioned for the Committee to accept the results; Danielle seconded the motion; All in favor.
- The committee divided up candidates for each member to notify of Election results.
- Danielle will submit a communication draft to Stacy and update the website.
- Lisa will share the results with the Governance Board.
- Notices to those who were not Elected will include encourage candidates to volunteer on Recruiting and/or Election Committee.

#### Election policy discussion:

- Interpreting the language around the timeframes between Recruiting and Election, in consideration of background check processes and potential delays.
- The Committee's approach to a ballot that has been locked prior to a candidate withdrawing from the Election.
- The Committee will follow-up with this discussion next week and send recommendations to the board around these policies.

#### **Election Committee Meeting - Follow-up Discussions (May 29th Meeting)**

There are two points in the by-laws that reference a "Nomination Period" in relation to the "Election period."

First reference: "The Board will designate a "Nomination Period" of no less than twenty days prior to each election." Our interpretation of this statement is that it does not directly impact the Election timeline, rather, requires the nomination period to run for no less than twenty days, and occur prior to the Election. We support this directive and have no concerns.

Second reference: "The Nomination Period will close no more than fifteen and no less than five days prior to the scheduled election." The Committee has collective concerns around the time between the close of Nominations and the start of an Election. In the past three Elections, the Election period was scheduled only 6 days after the close of Nominations. This restrictive time period creates a heightened pressure for both Recruiting and Elections to set up candidate information and Elections on time. Our opinion is that an extended time period would provide a better organized Election overall. Advantages of additional time:

- Allows the community to learn more about candidates before voting
- Candidates have more time to plan and schedule forum attendance
- Accounts for issues with candidate vetting
- More time for electors to set-up emails in Infinite Campus
- More time for the Committee to set-up the Election (website set-up, ballot set-up, payment, communications, etc.) and problem solve for potential issues—there are always issues that come up!
  - Most recently, one candidate's background check did not come back on time by the start of Elections. Though not ideal, the Committee decided to retain this candidate on the ballot, given the circumstances beyond their control, pending the background decision.

- Also, twice in the past two years, we have had candidates withdraw after the Election started. Delaying the start could prevent this decision from happening too late. The Committee acknowledged a potential risk of extending the timeline of additional candidates falling off, but agreed that a little extra time shouldn't make a substantial difference.

How to handle Stargate.org email addresses:

- The Committee confirmed that correspondences regarding Stargate Elections are subject to CORA, and the Committee members are not comfortable using personal email for the purpose of communications related to Elections.
- We also understand and respect the need to regulate organization email accounts. Our request is for the decision-makers to allow the Election Committee to keep active up to four email accounts open at a given time for these key functions: Chair, Technical, Communications, and a shared Committee email.

### **Questions for the Board:**

Committee's Recommendation:

- 1) Upon review of the by-laws, and in consulting with Karla Lindgren for guidance of by-law interpretation, the Committee recommends that the Board set an Election calendar for the next school year that considers a nomination period of at least 20 days and a period between the close of nominations and the start of Elections of 15 days.
- 2) Additionally, given the recent scenario with the background check timeline, the Election Committee recommends adding the following changes to the Election Policy: "Candidate eligibility is contingent on a national criminal background check (see Stargate Bylaws Section 5.3.6 for terms of disqualification) initiated by a Board member, as soon as possible, after candidate nomination. All candidates who have submitted all information required for candidacy, including background check information and authorization, are presumed, in good faith, to be eligible for placement on the ballot unless the Election Committee receives information before locking the ballot that makes them ineligible."
- 3) Regarding emails, our preference would be to retain individual emails assigned to these members, by name, for the purpose of accurately identifying responsible parties. However, functional emails (i.e. ElectionCommunications@stargateschool.org, etc.) would also suffice.

### **Election Results Document:**



[Results Folder](#) - folder where we store voting records & trend data, including the following documents:

- 1) [Simply Voting Certified Results Summary](#) - this file is accessible to the community from the Election Results page on the website, it's where we post the PDF with the election summary we create from SimplyVoting.
- 2) [Election Summary Info](#) - contains year-over-year trend reports.
- 3) [Election Results Individual Candidate Info](#) - this is a simple spreadsheet of individual candidate data.
- 4) [Ballot Support Requests](#) - log of voter email requests for support.
- 5) [Year-End "By the Numbers" Report](#) - year-end voting summary including both Fall and Spring election data.

# Coversheet

## Community Engagement Update

<b>Section:</b>	VII. Discussion Items
<b>Item:</b>	A. Community Engagement Update
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	Engagement Initiative_Board Update 6.11.25.pdf



## Community Engagement Project

planning for 2025-26

work to date summary, 6/11/25

### 1. Current Initiatives

Baseline assessment complete, including SAC data, State of School & Stakeholder updates, Reimagine Report and anecdotal feedback from key stakeholders

### 2. Community Receptiveness

Surveys conducted to parents and staff; past surveys to students also reviewed to get a sense of priorities and gauge interest, in particular, in event participation

### 3. Organizational Readiness

Baseline assessment complete, including high-level inventory of current staff and volunteer resources to support engagement initiatives, as well as gaps in systems and processes to support efforts.

### 4. Prioritized Areas for Intervention

Nine engagement areas considered for priority focus in 2025-26. Three selected based on combination of greatest need, opportunity for quick wins, and benefit to other engagement initiatives & broader school goals.

### 5. Engagement Activities

We are here. Next meetings to be scheduled in June.

Graphic & planning constructs adapted from: <https://icma.org/documents/building-effective-community-engagement-strategy>

Engagement work in support of 2024-25 strategic plan is documented / captured in school KPIs and strategic plan summary. The focus of Engagement Initiative work for past three months has been around planning for 2025-26 and positioning Stargate for future success.

Engagement type	Definition	Priority
Volunteering	Donating time and skills to projects or initiatives that address community needs.	1
Civic Engagement	Staying informed about key issues, attending stakeholder meetings, and voting in elections.	2
Building Relationships	Connecting with people from diverse backgrounds and building strong, supportive relationships within the community. (i.e. community U) <i>note: combine with advocacy</i>	3
Advocacy	Supporting local policies and initiatives that benefit the community.	
Community Events	Participating in festivals, cultural events, and other gatherings that foster a sense of belonging and connection.	
Communication	Productively sharing ideas, feedback, and concerns with community leaders and decision-makers.	
Financial Support	Contributing funds to support the organization, its student, staff or projects.	
Problem-Solving	Identifying community challenges and collaborating with others to find solutions. Work groups identified with specific expertise.	
Collaboration	Working with neighbors, community organizations, and other stakeholders to achieve shared goals.	

Recommended focus areas for 2025-26

These are listed in no particular order. They will continue to receive attention through committee work, staff work, etc. and will benefit from work happening in areas prioritized as 1-2-3 above.