

PRELIMINARY OFFICIAL STATEMENT DATED MARCH [], 2023**NEW ISSUE****BOOK-ENTRY ONLY**

Moody's "[]"

See "RATING" herein

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Series 2023A Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Series 2023A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2023B Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel is also of the opinion that, pursuant to the Colorado Revised Statutes, the Series 2023A Bonds and the Series 2023B Bonds, the transfer thereof and the income therefrom (including any profit made on the sale thereof), shall be exempt at all times from all taxation and assessments in the state of Colorado. For a more complete description of such opinion of Bond Counsel, see "TAX MATTERS" herein.

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
EDUCATION FACILITY REVENUE BONDS**

(LEMAN ACADEMY OF EXCELLENCE - DOUGLAS COUNTY, COLORADO CAMPUS PROJECT)

\$[]*

SERIES 2023A

\$[]*

TAXABLE SERIES 2023B**Dated: Date of Delivery****Due: As shown on the inside cover**

The \$[]* Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project) Series 2023A (the "Series 2023A Bonds") and the \$[]* Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project) Taxable Series 2023B (the "Series 2023B Bonds," and together with the Series 2023A Bonds, the "Series 2023 Bonds") will be issued as fully registered bonds in minimum denominations of [\$5,000 and integral multiples of \$5,000 in excess thereof], and bear interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2023, until maturity or earlier redemption. DTC will act as securities depository for the Series 2023 Bonds, and the Series 2023 Bonds will be registered in the name of Cede & Co., as nominee of DTC. Capitalized terms used on this cover page are defined in APPENDIX D and in the Introduction to this Official Statement.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES,
AND CUSIPS ARE SHOWN ON INSIDE COVER.**

The Series 2023 Bonds are subject to optional, extraordinary and mandatory sinking fund redemption prior to maturity as set forth herein.

The Series 2023 Bonds will be issued by the Colorado Educational and Cultural Facilities Authority (the "Authority" or "Issuer"), an independent public body politic and corporate constituting a public instrumentality and political subdivision of the State of Colorado (the "State") pursuant to a Bond Indenture, dated as of March 1, 2023 (the "Bond Indenture"), between the Authority and UMB Bank n.a., as trustee (the "Bond Trustee"). The Authority will loan the proceeds of the Series 2023 Bonds to The Leman Academy of Excellence - Douglas County, Colorado (the "Borrower") pursuant to a Loan Agreement dated as of March 1, 2023 (the "Loan Agreement"), by and between the Authority and the Borrower, for the purposes of financing or refinancing, as applicable, the cost of (a) acquiring the leasehold interest to 11.3 acres of land and the construction, equipping and furnishing of an approximately 106,000 sq. ft. charter school facilities located at the Cielo Dedicated School site at the southwest corner of Vista Arroyo Drive and Estancia Boulevard, Douglas County, Colorado (collectively, the "Series 2023 Facilities") to be leased to the Charter School for use in connection with the charter school known as "Leman Academy of Excellence" (the "New Parker School"); (b) funding a Debt Service Reserve Fund; (c) funding capitalized interest, if any; and (d) paying costs associated with the issuance of the Series 2023 Bonds (collectively, the "Series 2023 Project").

The Borrower will lease the Series 2023 Facilities to Leman Classical School (the "Charter School"), a Colorado nonprofit corporation, pursuant to the terms and provisions of a Lease Agreement, dated as of March 1, 2023 (the "2023 Facilities Lease") by and between the Borrower, as lessor, and the Charter School, as lessee.

The Series 2023 Bonds will be payable solely from, and secured by a pledge of (i) all Revenues received by the Authority or the Bond Trustee pursuant to the Loan Agreement and the Bond Indenture, consisting primarily of loan repayments required to be made by the Borrower in the amounts sufficient to pay the principal of, premium, if any and interest on the Series 2023 Bonds, (ii) amounts held in any funds created under the Bond Indenture, including the Debt Service Reserve Fund but excluding the Rebate Fund (as defined herein) and excluding certain administration fees and expenses payable to the Authority and the Bond Trustee, and (iii) any amounts available for such purpose payable pursuant to Leman Academy of Excellence—Douglas County, Colorado Obligation No. 2A ("Obligation No. 2A") and Leman Academy of Excellence—Douglas County, Colorado Obligation No. 2B ("Obligation No. 2B" and collectively with Obligation No. 2A, "Obligation No. 2"). Obligation No. 2 will be made by the Borrower to the Bond Trustee and issued under and secured by the provisions of a Master Indenture of Trust, dated as of October 1, 2019, as supplemented by Supplemental Master Indenture for Obligation No. 1 (as defined below), dated as of October 1, 2019, and as further supplemented by the Supplemental Master Indenture for Obligation No. 2 (the "Supplement No. 2"), dated as of March 1, 2023 (the "Master Indenture"), by and between the Borrower, as the sole Member of the Obligated Group, and UMB Bank n.a., as master trustee (the "Master Trustee"). The Arizona Industrial Development Authority (the "Prior Issuer"), a nonprofit corporation designated as a political subdivision of the State of Arizona, incorporated with the approval of the Arizona Finance Authority (the "AFA"), previously issued its Education Facility Revenue Bonds (Leman Academy of Excellence - Parker, Colorado Campus Project) Series 2019A (the "Series 2019A Bonds") and its Education Facility Revenue Bonds (Leman Academy of Excellence - Parker, Colorado Campus Project) Taxable Series 2019B (the "Series 2019B Bonds," and together with the Series 2019A Bonds, the "Series 2019 Bonds") for the

purposes of financing the Original Parker School (as defined herein), and together with the Series 2023 Facilities, the "Facilities," and the Borrower previously issued Leman Academy of Excellence—Parker, Colorado Obligation No. 1A ("Obligation No. 1A") and Leman Academy of Excellence—Parker, Colorado Obligation No. 1B ("Obligation No. 1B" and collectively with Obligation No. 1A, "Obligation No. 1") pursuant to the Master Indenture. Security for the Obligations (as defined herein), including Obligation No. 1 and Obligation No. 2, under the Master Indenture will include the Deed of Trust (as defined herein) granting the Master Trustee a first priority lien on and security interest in the Facilities and the Pledged Revenues, consisting primarily of the revenues derived by the Borrower from the Pledged Campuses (as defined herein) and amounts held in the funds created under the Master Indenture. The sources of payment and security for the Series 2023 Bonds are more fully described herein. See "SECURITY FOR THE SERIES 2023 BONDS" herein. Payments to be received from the Charter School by the Borrower under the Leases (as defined herein) will be the Borrower's sole expected source of Pledged Revenues and the Leases are subject to annual appropriation by the Charter School.

THE SERIES 2023 BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE AUTHORITY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, 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 ANY TAXING POWERS OF THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. THE AUTHORITY HAS NO POWER TO LEVY ANY TAX OR ASSESSMENT.

This cover page contains certain information for quick reference only. It is not a summary of this issue. 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 2023 Bonds are offered when, as, and if issued by the Authority subject to the approval of legality and certain other matters by Ballard Spahr LLP, Denver, Colorado, Bond Counsel. Certain legal matters will be passed upon for the Borrower and the Charter School by their counsel Miller Farmer Carlson Law LLC, Colorado Springs, Colorado, and for the Authority by Sherman & Howard L.L.C., Denver, Colorado. Dickinson Wright, Troy, Michigan will serve as special counsel to Faustus (defined herein). Quarles & Brady LLP, Milwaukee, Wisconsin, is acting as counsel to the Underwriter. Specialized Public Finance Inc. is acting as financial advisor to the Charter School in connection with the issuance of the Series 2023 Bonds. It is expected that the Series 2023 Bonds will be available for delivery through the facilities of DTC on or about March [28], 2023*.

*Preliminary, subject to change.

BAIRD

MATURITY SCHEDULE*

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

\$[_____]*

EDUCATION FACILITY REVENUE BONDS

**(LEMAN ACADEMY OF EXCELLENCE - DOUGLAS COUNTY, COLORADO CAMPUS PROJECT)
SERIES 2023A**

\$ _____ % Term Bond maturing July 1, 20__, Yield: _____%, Price: _____%
CUSIP: _____**

\$ _____ % Term Bond maturing July 1, 20__, Yield: _____%, Price: _____%
CUSIP: _____**

\$ _____ % Term Bond maturing July 1, 20__, Yield: _____%, Price: _____%
CUSIP: _____**

\$ _____ % Term Bond maturing July 1, 20__, Yield: _____%, Price: _____%
CUSIP: _____**

\$[_____]*

EDUCATION FACILITY REVENUE BONDS

**(LEMAN ACADEMY OF EXCELLENCE - DOUGLAS COUNTY, COLORADO CAMPUS PROJECT)
TAXABLE SERIES 2023B**

\$ _____ % Term Bond maturing July 1, 20__, Yield: _____%, Price: _____%
CUSIP: _____**

* Preliminary, subject to change.

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COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
EDUCATION FACILITY REVENUE BONDS
(LEMAN ACADEMY OF EXCELLENCE - DOUGLAS COUNTY, COLORADO CAMPUS PROJECT)

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REGARDING USE OF THIS OFFICIAL STATEMENT

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 offering of the Series 2023 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Authority, the Borrower, the Charter School 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 Borrower, the Charter School or the Underwriter since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. 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.

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 THE INFORMATION IN THIS OFFICIAL STATEMENT.

The explanations of provisions of laws and descriptions of the documents in this Official Statement are summaries thereof and reference is made to the actual laws and documents for a complete understanding of the contents of such documents.

In making an investment decision, investors must rely on their own examinations of the Borrower, the Charter School and the Facilities and the terms of the offering, including the merits and risks involved. The Series 2023 Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2023 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2023 BONDS OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Series 2023 Bonds or this Official Statement. Any representation to the contrary is unlawful.

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 \$[_____] * aggregate principal amount of Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project) Series 2023A (the "Series 2023A Bonds") and \$[_____] * Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project) Taxable Series 2023B (the "Series 2023B Bonds," and together with the Series 2023A Bonds, the "Series 2023 Bonds"). The Series 2023 Bonds will be issued by the Authority, an independent public body politic and corporate constituting a public instrumentality and political subdivision of the State of Colorado (the "State") pursuant to a Bond Indenture, dated as of March 1, 2023 (the "Bond Indenture"), between the Authority and UMB Bank n.a., as trustee (the "Bond Trustee"). The Authority will loan the proceeds of the Series 2023 Bonds to The Leman Academy of Excellence - Douglas County, Colorado (the "Borrower"), pursuant to a Loan Agreement dated as of March 1, 2023 (the "Loan Agreement"), by and between the Authority and the Borrower. Capitalized terms used but not defined in this Official Statement have the meanings assigned to them in Appendix D hereto. The offering of the Series 2023 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 2023 Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement and the appendices hereto, the words "estimate," "intend," "expect," 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 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; those differences could be material.

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.

Purpose of the Issue Proceeds of the Series 2023 Bonds will be used for the purposes of financing or refinancing, as applicable, the cost of (a) acquiring the leasehold interest to 11.3 acres of land and the construction, equipping and furnishing of an approximately 106,000 sq. ft. charter school facilities located at the Cielo Dedicated School site at the southwest corner of Vista Arroyo Drive and Estancia Boulevard, Douglas County, Colorado (collectively, the "Series 2023 Facilities") to be leased to the Charter School for use in connection with the charter school known as "Leman Academy of Excellence " (the "New Parker School"); (b) funding a Debt Service Reserve Fund; (c) funding capitalized interest, if any; and (d) paying costs associated with the issuance of the Series 2023 Bonds (collectively, the "Series 2023 Project"). See "THE SERIES 2023 BONDS—Use of Series 2023 Bond Proceeds."

The Borrower will lease the Series 2023 Facilities to Leman Classical School (the "Charter School"), a Colorado nonprofit corporation pursuant to the terms and provisions of a Lease Agreement, dated as of March 1, 2023 (the "2023 Facilities Lease") by and between the Borrower, as lessor, and the Charter School, as lessee. The Charter School may terminate its obligations under the 2023 Facilities Lease on an annual basis. The 2023 Facilities Lease is triple net and requires the Charter

* Preliminary, subject to change.

School to pay all expenses, insurance, taxes, fees, and operational costs associated with the Series 2023 Facilities.

The Authority..... The Authority is an independent public body politic and corporate constituting a public instrumentality and political subdivision of the State. The Authority was created in 1981 pursuant to the Colorado Postsecondary Educational Facilities Authority Act, Title 23, Article 15, Colorado Revised Statutes ("CRS"), as amended (the "Act"). The Authority was formed to promote the welfare of the people of the State by providing financing for educational and cultural institutions. See "THE AUTHORITY."

The Borrower..... The Borrower is a Colorado nonprofit corporation and is the owner of the Series 2023 Facilities and lessor under the 2023 Facilities Lease in connection with Series 2023 Bonds. The Borrower is also owner of the Original Parker School (as defined below), and leases the Original Parker School to the Charter School pursuant to a Lease Agreement, dated as of October 1, 2019 (the "Original Parker School Lease" and, together with the 2023 Facilities Lease, the "Leases"). The Borrower was incorporated as a Colorado nonprofit corporation on January 19, 2016. The Borrower received a determination letter, dated April 20, 2016, from the Internal Revenue Service (the "IRS") indicating that it is exempt from federal taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code.

The Charter School The Charter School is a Colorado nonprofit corporation organized under the laws of the State of Colorado (the "State" or "Colorado") and an organization described in Section 501(c)(3) of the Code. The Charter School is governed by a Board of Directors (the "Board"), which is responsible for the academic and operations programs of the Charter School.

The Charter School operates under a charter contract approved November 15, 2016 and effective July 1, 2016 (the "Charter Contract") with the Board of Education of the Douglas County School District RE-1 (the "Authorizer"). The initial term of the Charter Contract was through June 30, 2021, as amended to June 30, 2023, and the Charter School is expected to receive a renewal of the Charter Contract with a term through June 30, 2028. The Authorizer approved the replication application and granted the Charter School a replicated charter contract for the New Parker School on January 24, 2023, for a term of four years with operations to begin in Fall 2024. See "RISK FACTORS—Revocation or Nonrenewal of Charter Contract" and "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES."

The Charter School receives its funding from a combination of State Payments and several State and federal programs, based on student enrollment, and various other programmatic revenues. See "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES."

School Facilities and the Leases The Charter School currently operates the Leman Academy of Excellence – Parker (the "Original Parker School"), serving grades K-8 located at 19560 Stroh Road, Parker, Colorado (the "Original Parker Campus"). The Charter School leases from the Borrower the charter school facilities located at the Original Parker Campus under the terms of a Lease Agreement dated as of October 1, 2019, between the Borrower, as lessor, and the Charter School, as lessee (the "Original Parker Campus Lease").

Original Parker Campus

The Charter School commenced operations at the Original Parker School in August 2018 with grades K-8. The Original Parker Campus was constructed in 2017-18. The Original Parker Campus includes one building containing approximately 58,240 square feet. The building houses 34 classrooms, a gymnasium/multipurpose room (including a stage), a kitchen, a cafeteria, a music room, offices, storage space, restrooms, and common areas. Outside, the Original Parker Campus has playgrounds and other related improvements. In 2020-21, an additional building was constructed containing 27,180 square feet. The building contains 17 classrooms and a cafeteria. The total capacity for the K-8 Original Parker Campus is 1,175 scholars.

New Parker Campus

As further described herein, proceeds of the Series 2023 Bonds will be loaned by the Authority to the Borrower under the Loan Agreement and used by the Borrower to acquire a leasehold interest to the site for and to construct the New Parker Campus. The New Parker Campus will include one (1) building containing approximately 106,000 square feet with capacity for approximately 1,335 scholars. The building will house 46 classrooms, as well as a gymnasium/multipurpose room (including a stage), a kitchen, two (2) cafeterias for elementary and middle school, two (2) music and two (2) art rooms for elementary and middle school, offices and staff breakrooms/workrooms, storage space, restrooms, and common areas. The building also features a pre-school unit with three (3) pre-school classrooms, individual restrooms, a shared cubby/tumble room, storage, and direct access to the exterior. Outside, the New Parker Campus has three (3) separate playgrounds associated by age group with direct access to restrooms and traffic drop off zones.

The Borrower has entered into a Site Lease effective as of February 1, 2023 (the "Site Lease") by and between Douglas County School District RE-1 (the "District"), as ground lessor, and the Borrower, as ground lessee, pursuant to which the District has leased to the Borrower the unimproved real property located at the New Parker Campus for a term of thirty years, provided that if Series 2023 Bonds remain outstanding such term will be automatically renewed for annual periods until the Series 2023 Bonds are paid in full. The Charter School will lease from the Borrower the charter school facilities located at the New Parker Campus under the terms of the 2023 Facilities Lease (the 2023 Facilities Lease and the Original Parker Campus Lease are collectively the "Leases").

Pledged Campuses

The Pledged Campuses consist of the Original Parker School and the New Parker School (the "Facilities"). The Series 2023 Bonds will be secured by the revenues from the payments made by the Charter School under the Leases relating to the Pledged Campuses. The Borrower has no sources of revenues other than the payments received from the Charter School under the Leases.

For additional operational and financial information relating to the Charter School and the Pledged Campuses, as well as a description of the Facilities, see "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" and "THE SERIES 2023 BONDS—Use of Series 2023 Bond Proceeds."

Security The Series 2023 Bonds will be payable solely from, and secured by a pledge of (i) all Revenues (as defined herein) received by the Authority or the Bond Trustee pursuant to the Loan Agreement and the Bond Indenture, consisting primarily of loan repayments required to be made by the Borrower in the amounts sufficient to pay the principal of, premium, if any and interest on the Series 2023 Bonds, (ii) amounts held in any funds created under the Bond Indenture, including the Debt Service Reserve Fund but excluding the Rebate Fund (as defined herein) and excluding certain administration fees and expenses payable to the Authority and the Bond Trustee, and (iii) any amounts available for such purpose payable pursuant to Leman Academy of Excellence--Douglas County, Colorado Obligation No. 2A ("Obligation No. 2A") and Leman Academy of Excellence--Douglas County, Colorado Obligation No. 2B ("Obligation No. 2B" and collectively with Obligation No. 2A, "Obligation No. 2"). Obligation No. 2 will be made by the Borrower to the Bond Trustee and issued under and secured by the provisions of a Master Indenture of Trust, dated as of October 1, 2019, as supplemented by Supplemental Master Indenture for Obligation No. 1 (as defined below), dated as of October 1, 2019, and as further supplemented by the Supplemental Master Indenture for Obligation No. 2 (the "Supplement No. 2"), dated as of March 1, 2023 (the "Master Indenture"), by and between the Borrower, as the sole Member of the Obligated Group, and UMB Bank n.a., as master trustee (the "Master Trustee").

The Arizona Industrial Development Authority (the "Prior Issuer"), a nonprofit corporation designated as a political subdivision of the State of Arizona, incorporated with the approval of the Arizona Finance Authority (the "AFA"), previously issued its Education Facility Revenue Bonds (Leman Academy of Excellence - Parker, Colorado Campus Project) Series 2019A (the "Series 2019A Bonds") and its Education Facility Revenue Bonds (Leman Academy of Excellence - Parker, Colorado Campus Project) Taxable Series 2019B (the "Series 2019B Bonds," and together with the Series 2019A Bonds, the "Series 2019 Bonds") for the purposes of financing the Original Parker School, and the Borrower previously issued its Leman Academy of Excellence--Douglas County, Colorado Obligation No. 1A ("Obligation No. 1A") and Leman Academy of Excellence--Douglas County, Colorado Obligation No. 1B ("Obligation No. 1B" and collectively with Obligation No. 1A, "Obligation No. 1") pursuant to the Master Indenture.

Security for the Obligations (as defined herein), including Obligation No. 1 and Obligation No. 2, under the Master Indenture will include the Deed of Trust (as defined herein) granting the Master Trustee a first priority lien on and security interest in the Facilities and the Pledged Revenues, consisting primarily of the revenues derived by the Borrower from the Pledged Campuses and amounts held in the funds created under the Master Indenture. Obligation No. 2 evidences the joint and several obligations of the Members of the Obligated Group to make payments in amounts sufficient to pay debt service on the Series 2023 Bonds, plus certain other payments. See "SECURITY FOR THE SERIES 2023 BONDS – The Master Indenture – Obligations."

Pursuant to the Bond Indenture, the Authority will pledge to the Bond Trustee, for the benefit of the Registered Owners of the Series 2023 Bonds all of its interest in the Loan Agreement (other than the Issuer's Unassigned Rights), to secure payment of the principal of and premium, if any, and interest on the Series 2023 Bonds. The payments due from the Borrower pursuant to the Loan Agreement (the "Loan Payments") will be secured by Obligation No. 2A, in the principal amount of the Series 2023A Bonds, and Obligation No. 2B, in the principal amount of the Series 2023B Bonds, which will be dated the date of issuance

thereof, to be issued by the Borrower in its capacity as Obligated Group Representative, to the Bond Trustee, pursuant to the Master Indenture.

Obligation No. 2 will constitute unconditional promises by each Member of the Obligated Group to pay to the Master Trustee the amounts sufficient to provide for timely payment of the principal of (whether at maturity, by acceleration, or call for redemption), premium, if any, and interest on Obligation No. 2 (and, consequently, the Series 2023 Bonds) when due. Obligation No. 2 will be secured, on a parity basis with the Obligation No. 1 and any other Obligations hereafter issued under the Master Indenture, by (i) a first position lien on and security interest in the Facilities, pursuant to the Deed of Trust and (ii) a security interest in the Pledged Revenues (as hereinafter defined) of the Obligated Group pledged under the Master Indenture. **At the issuance of the Series 2023 Bonds, the Borrower will be the only Member of the Obligated Group.** However, the Obligated Group may admit future members in accordance with the provisions of the Master Indenture. See "RISK FACTORS – Withdrawal from and Entry into the Obligated Group" herein. The Borrower and each Member of the Obligated Group admitted in the future will be jointly and severally liable for the payment for all Obligations entitled to the benefits of the Master Indenture and will be subject to the financial and operating covenants thereunder. Provision is made in the Master Indenture for adding Members to the Obligated Group and for the withdrawal of Members of the Obligated Group under certain circumstances. See "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – THE MASTER INDENTURE – Membership in Obligated Group" and "– Withdrawal from Obligated Group" attached hereto.

"Pledged Revenues" is defined in the Master Indenture to mean, with respect to each of the Members, all revenues, rentals, fees, third-party payments, receipts or other income of the Members derived from the Leases, including the rights to receive such revenues (each subject to Permitted Liens), all as calculated in accordance with generally accepted accounting principles, including, without limitation, Lease Payments received for the Property, Plant and Equipment (whether paid to the Members or to the Master Trustee on behalf of the Members), proceeds derived from insurance and condemnation proceeds related to the Property, Plant and Equipment, whether now or hereafter owned, held or possessed by such Member. No other revenues or property of the Obligated Group (other than the Property, Plant and Equipment owned by the Members and encumbered by the Deed of Trust) are pledged by the Obligated Group to secure payment of the Required Payments or the Obligations issued under the Master Indenture.

Payments to be received from the Charter School by the Borrower under the Leases will be the sole expected source of Pledged Revenues and the Leases are subject to annual appropriation by the Charter School. See "SECURITY FOR THE SERIES 2023 BONDS" and "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS."

Bond	
Reserve Fund	As additional security for the Series 2023 Bonds, a deposit in the amount of \$[_____] (the "Debt Service Reserve Fund Requirement") will be made to a debt service reserve fund established for the Series 2023 Bonds under the terms of the Bond Indenture (the "Debt Service Reserve Fund"), of which \$[_____] will be maintained in the Series 2023A Account and

* Preliminary, subject to change.

\$[_____] will be maintained in the Series 2023B Account. Amounts in the Debt Service Reserve Fund will be applied by the Bond Trustee to make up any deficiency in the Bond Fund for the redemption or payment at maturity of the Series 2023 Bonds.

Limited Obligations..... The Series 2023 Bonds constitute special limited obligations of the Authority and, except to the extent payable from Series 2023 Bond proceeds and investment income, are payable solely from certain payments, revenues and other amounts pledged under the Master Indenture.

THE SERIES 2023 BONDS DO NOT CONSTITUTE THE 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 STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, OR A CHARGE AGAINST THE GENERAL CREDIT OR ANY TAXING POWER OF THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. THE AUTHORITY HAS NO POWER TO LEVY ANY TAX OR ASSESSMENT.

Pledge of Obligated Group

Member Funds..... The Charter School has entered into the Charter Contract with the Authorizer pursuant to which the Charter School operates the Original Parker School and the replicated charter contract for the New Parker School (the "Pledged Campuses"). See "APPENDIX B – THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" attached hereto. Pledged Revenues of the Obligated Group include, among other revenues, any and all lease payments made by the Charter School under the Leases. The payment obligations of the Charter School under the Leases will be secured under the Colorado Charter Intercept Program which implements a program to intercept payments made by the State to the Charter School pursuant to the Charter Contract (the "State Payments") that are permitted by State law to be used for the purposes set forth in the Master Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Leases herein.

The Charter School and the Colorado State Treasurer have previously entered into a State Treasurer Charter Intercept Agreement dated October 4, 2019 in connection with the Series 2019 Bonds pursuant to which the Charter School irrevocably directed the State Treasurer to make State Payments directly to the Master Trustee for deposit in the Pledged Revenue Fund. The Charter School will make application with the Colorado State Treasurer to continue the intercept of State Payments for the payment of the Series 2023 Bonds. The Master Trustee will deposit and disburse amounts in the Pledged Revenue Fund in accordance with the Master Indenture.

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture – Pledged Revenue Fund; Security Interest in Pledged Revenues" herein, and "APPENDIX A – CHARTER SCHOOLS IN COLORADO" and "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – THE MASTER INDENTURE" attached hereto.

Risk Factors A prospective purchaser is advised to read this entire Official Statement and the Appendices attached hereto in their entirety, particularly the section entitled "RISK FACTORS" herein, for a discussion of certain risk factors, which should be considered in connection with an investment in the Series 2023 Bonds.

Payment Provisions	The Series 2023 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 2023 Bonds is payable semiannually on January 1 and July 1 each year, commencing July 1, 2023.
Book-Entry-Only Registration	The Series 2023 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 2023 Bonds may be acquired in Authorized Denominations 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 2023 Bonds (the "Beneficial Owners") will not receive certificates evidencing their interests in the Series 2023 Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2023 Bonds. So long as DTC or its nominee is the registered owner of the Series 2023 Bonds, payments of principal, premium, if any, and interest on the Series 2023 Bonds, as well as notices and other communications made by or on behalf of the Authority, 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 2023 Bonds are subject to optional, extraordinary and mandatory sinking fund redemption prior to maturity as set forth in "THE SERIES 2023 BONDS—Prior Redemption."
Registration and Denominations	The Series 2023 Bonds are issued in fully registered form in denominations of [\$5,000 and integral multiples thereof].
Exchange and Transfer	While the Series 2023 Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners (as defined by the rules of DTC, defined below) may be made as described in "APPENDIX G —BOOK-ENTRY-ONLY SYSTEM."
Tax Status.....	In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Series 2023A Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax law. Interest on the Series 2023A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. Interest on the Series 2023B Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel is also of the opinion that pursuant to the Colorado Revised Statutes, the Series 2023A Bonds and the Series 2023B Bonds, the transfer thereof and the income therefrom (including any profit made on the sale thereof), shall be exempt at all times from all taxation and assessments in the state of Colorado. For a more complete description of such opinion of Bond Counsel, see "TAX MATTERS" herein.

Authority for Issuance.....	The Series 2023 Bonds are issued in 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 Board"). The Authority is authorized by the Act and Article 57, Title 11, Section 201, <i>et seq.</i> , CRS, as amended, to issue the Series 2023 Bonds.
Delivery Information.....	The Series 2023 Bonds are offered when, as, and if issued by the Authority and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel and certain other conditions. It is expected that the Series 2023 Bonds will be available for delivery through the facilities of DTC on or about March [28], 2023*.
Financial Statements	The audited financial statements of the Charter School for the fiscal year ended June 30, 2022, are included in APPENDIX C attached hereto.
Projections.....	<p>The projections of revenue, expenditures and net revenue available for debt service for the Charter School included in APPENDIX B attached hereto are projections of the future financial performance of the Charter School based upon certain assumptions made by the Borrower and the Charter School and contained therein.</p> <p>Such projections have been prepared and provided solely by the Borrower and the Charter School and have not been independently verified by any other party. No assurances can be given that the operations of the Borrower and the Charter School will equal or exceed the projections set forth in APPENDIX B.</p>
Agents and Advisors.....	Ballard Spahr LLP, Denver Colorado, has acted as Bond Counsel to the Borrower. Certain legal matters will be passed upon for the Borrower and the Charter School by their counsel Miller Farmer Carlson Law LLC, Colorado Springs, Colorado, and for the Authority by Sherman & Howard L.L.C., Denver, Colorado. Dickinson Wright, Troy, Michigan will serve as special counsel to Faustus. Quarles & Brady LLP, Milwaukee, Wisconsin, is acting as counsel to the Underwriter. Specialized Public Finance Inc. is acting as financial advisor to the Borrower in connection with the issuance of the Series 2023 Bonds. Robert W. Baird & Co. Incorporated is serving as the underwriter for the Series 2023 Bonds. See "MISCELLANEOUS—Underwriting." UMB Bank n.a. will serve as the Bond Trustee for the Series 2023 Bonds. Certain fees that are payable with respect to the Series 2023 Bonds to various counsel, the Underwriter and the Bond Trustee are contingent upon the issuance and delivery of the Series 2023 Bonds.
Additional Information	The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications, appraisals 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 at 3300 East Sunrise Drive, Suite 150, Tucson, Arizona 85718, or from Robert W. Baird & Co. Incorporated's offices at 210 University Boulevard, 8th Floor, Denver, Colorado 80206.

* Preliminary, subject to change.

THE AUTHORITY

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 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 has offered and plans to offer other obligations from time to time to finance other educational facilities and cultural institutions with respect to facilities located in the State and, subject to the satisfaction of certain requirements, other states. The Authority has financed educational facilities that compete with the Pledged Campuses and the Charter School, and may finance such additional facilities in the future. Such obligations have been and will be issued pursuant to and secured by instruments separate and apart from the Bond Indenture.

The Authority has not prepared or assisted in the preparation of this Official Statement except for statements relating to the Authority under the sections captioned "INTRODUCTION – The Authority," "THE AUTHORITY" and "LEGAL MATTERS – Pending and Threatened Litigation – No Proceedings Against the Authority" and, except as aforesaid, 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 2023 Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Series 2023 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 2023 Bonds. The Series 2023 Bonds are limited obligations of the Authority payable solely from the payments made by the Corporation under the Loan Agreement and from the money and securities held by the Trustee under the Bond Indenture. Neither the Authority nor its directors, officers or employees, past present or future, are personally liable with respect to the Series 2023 Bonds.

THE BORROWER

The Articles of Incorporation of the Borrower were filed with the Secretary of State of the State of Colorado on January 19, 2016. The Borrower was incorporated as a nonprofit corporation under the laws of the State of Colorado, to carry out educational and charitable purposes. The Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The objects and the purpose of the Borrower and the nature of the business to be carried on by the Borrower are to promote and fund public education programs and facilities for the benefit of teachers and students of the Charter School. The Borrower's Board of Directors (the "Borrower Board"), who conduct and manage the affairs of the Borrower, will consist of not less than three members. Directors are elected at each annual meeting and serve a three year term. Vacancies on the Borrower Board are to be filled by approval of the Borrower Board. The directors of the Borrower have no private or proprietary interest in the Borrower. The Directors of the Borrower Board serve without compensation (except reimbursement of expenses), and no part of the Borrower's net earnings, income or assets will inure to the benefit of any private entity or person.

THE CHARTER SCHOOL

The Charter School was organized as a Colorado nonprofit corporation on January 29, 2016. The Charter School has entered into the Charter Contract pursuant to Title 22 Article 30.5, Colorado Statutes, as amended (the "Charter School Act") and operates the Pledged Campuses. The Charter School is an organization described in Section 501(c)(3) of the Code.

The Charter School receives its funding from a combination of State Payments and several State and federal programs, based on student enrollment, and various other programmatic revenues.

The Charter School currently operates the Leman Academy of Excellence (the "Original Parker School"), serving grades K-8 located at 19560 Stroh Road, Parker, Colorado (the "Original Parker Campus"). As further described herein, proceeds of the Series 2023 Bonds will be loaned by the Authority to the Borrower under the Loan Agreement and used by the Borrower to acquire the leasehold interest to the site for and to construct the "New Parker Campus" at the Cielo Dedicated School site located at the southwest corner of Vista Arroyo Drive and Estancia Boulevard, Douglas County, Colorado to be leased to the Charter School for use in connection with a new charter school also to be known as "Leman Academy of Excellence" (the "New Parker School") serving grades PK-8. The Original Parker School and the New Parker School will be located approximately three (3) miles apart.

Original Parker Campus. The Charter School operates the Original Parker School at the Original Parker Campus. The Charter School leases from the Borrower the charter school facilities located at the Original Parker Campus under the terms of a Lease Agreement dated as of October 1, 2019, between the Borrower, as lessor, and the Charter School, as lessee (the "Original Parker Campus Lease"). The Charter School commenced operations at the Original Parker School in August 2018 with grades K-8. The Original Parker Campus was constructed in 2017-18. The Original Parker Campus includes one building containing approximately 58,240 square feet. The building houses 34 classrooms, a gymnasium/multipurpose room (including a stage), a kitchen, a cafeteria, a music room, offices, storage space, restrooms, and common areas. Outside, the Original Parker Campus has playgrounds and other related improvements. In 2020-21, an additional building was constructed containing 27,180 square feet. The building contains 17 classrooms and a cafeteria. The total capacity for the K-8 Original Parker Campus is 1,175 scholars.

New Parker Campus. The Borrower has entered into a Site Lease effective as of February 1, 2023 (the "Site Lease") by and between Douglas County School District RE-1 (the "District"), as ground lessor, and the Borrower, as ground lessee, pursuant to which the District has leased to the Borrower the unimproved real property located at the New Parker Campus for a term of thirty years, provided that if Bonds remain outstanding such term will be automatically renewed for annual periods until the Series 2023 Bonds are paid in full. On or after the date that is ten (10) years after the effective date, the Borrower has the option to purchase the New Parker Campus from the Authorizer for a purchase price of \$10, provided that the parties shall enter into a mutually acceptable agreement for the District's continued use of the Center-Based Program Improvements at no cost to the District (except as may be agreed to between the District and the Charter School).

If there is an "event of nonappropriation" or an "event of default" by the Charter School under the 2023 Facilities Lease or the Financing Documents (as defined below), then the Borrower shall cause the Charter School to vacate the site at the end of the then-current school year and shall give written notice of such event to the District. Within ninety (90) days from its receipt of the Borrower's notice, the District shall have the right, but not the obligation, to elect to either (i) assume the 2023 Facilities Lease from the Charter School and operate the site for any District purpose authorized by law, provided, however, the District shall not operate the site in such a way as to cause the interest on the Series 2023A Bonds to lose its exemption from federal or state income tax, or (ii) purchase the interest of the Borrower in the balance of the term of the Site Lease by paying an amount equal to the cost of defeasing or paying in full all outstanding Series 2023 Bonds, pursuant to and in accordance with the Financing Documents. If the District does not give the Borrower written notice of such election within the ninety-day period, then the Borrower may use the site or sublet the site to another charter school, an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 or as otherwise permitted pursuant to the terms of the Financing Documents.

Pursuant to the terms of the Site Lease, the Borrower has agreed to construct the Center-Based Program Improvements and allow and cause the Charter School to allow the District to operate the Center-Based Program Improvements at no cost therein (except as may otherwise be agreed to between the District and the Charter School) pursuant to a sublease, license, memorandum of understanding or other agreement acceptable to the District, the Borrower and the Charter School, one or more center-based programs for students with disabilities enrolled in the District during the term of the Site Lease. Notwithstanding anything in the Site Lease or the terms and conditions of the 2023 Facilities Lease, or the agreements related to the Series 2023 Bonds (the "Financing Documents"), any person or entity acquiring the leasehold interest under the Site Lease through an "event of default" or an "event of nonappropriation" (as those terms are defined in the Financing Documents) shall agree for itself and its successors in interest that the District's right to use the Center-Based Improvements under the Site Lease shall not be disturbed during the term of the Site Lease. If at any time during the term of the Site Lease there is no longer a public PK-8 charter school operating at the site, then the District shall have the right to use the Center-Based Program Improvements for any school district purpose permitted by law; provided, however, that if the Series 2023A Bonds

are outstanding, then the District shall not use the Center-Based Program Improvements in such a way as to cause the interest on the Series 2023A Bonds to lose its exemption from federal or state income tax.

The Charter School will lease from the Borrower the charter school facilities located at the New Parker Campus under the terms of the 2023 Facilities Lease (together with the Original Parker Campus Lease, the "Leases.") The Charter School plans to operate the New Parker School at the New Parker Campus (together with the Original Parker Campus, the "Facilities") beginning in Fall 2024 with grades PK-[5][6], adding a grade each year until reaching grades PK-8. The New Parker Campus will include one (1) building containing approximately 106,000 square feet with capacity for approximately 1,335 scholars. The building will house 46 classrooms, as well as a gymnasium/multipurpose room (including a stage), a kitchen, two (2) cafeterias for elementary and middle school, two (2) music and two (2) art rooms for elementary and middle school, offices and staff breakrooms/workrooms, storage space, restrooms, and common areas. The building also features a pre-school unit with three (3) pre-school classrooms, individual restrooms, a shared cubby/tumble room, storage, and direct access to the exterior. Outside, the New Parker Campus has three (3) separate playgrounds associated by age group with direct access to restrooms and traffic drop off zones.

See "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" for a more detailed description of the Charter School.

THE SERIES 2023 BONDS

Interest; Maturity; Payment

The Series 2023 Bonds will be issuable as fully registered bonds without coupons in minimum denominations of [\$5,000 and integral multiples thereof]. The Series 2023 Bonds will mature on the dates and in the amounts set forth on the inside front cover page of this Official Statement, subject to redemption prior to maturity, and will bear interest until paid at the rates shown on the inside front cover page of this Official Statement, payable on each January 1 and July 1 (each an "Interest Payment Date"), commencing on July 1, 2023. Interest on the Series 2023 Bonds is computed on the basis of a 360-day year comprised of twelve 30-day months.

The principal of, interest on and premium, if any, on the Series 2023 Bonds shall be payable when due by wire of the Bond Trustee to The Depository Trust Company, New York, New York ("DTC"), which will in turn remit such principal, interest and premium, if any, to Participants (as defined in APPENDIX G attached hereto), which Participants will in turn remit such principal, interest and premium, if any, to the Beneficial Owners (as defined in APPENDIX D attached hereto) of the Series 2023 Bonds as described herein. See "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

In the event the Series 2023 Bonds are not registered in the name of Cede & Co., as nominee of DTC, or another eligible depository as described below, the principal of and premium, if any, on each Series 2023 Bond will be payable only at the designated corporate trust office of the Bond Trustee, as described in the Bond Indenture.

Payment of interest on the Series 2023 Bonds will be paid by check or draft mailed on each Interest Payment Date by the Bond Trustee to the Registered Owners of record appearing on the registration books kept by the Bond Trustee as of the applicable Regular Record Date preceding each Interest Payment Date, or upon written request, as provided in the Bond Indenture, of any Registered Owner of at least \$500,000 in aggregate principal amount of Series 2023 Bonds Outstanding, by wire transfer on each Interest Payment Date to the account designated by such registered owner to the Bond Trustee in writing at least ten Business Days prior to the Regular Record Date for any interest payment. Any such interest not timely paid or provided for shall be payable at the close of business on a Special Record Date.

The Registered Owner of any Series 2023 Bond will be the person or persons in whose name or names a Series 2023 Bond is registered on the registration books kept for that purpose by the Bond Trustee in accordance with the terms of the Bond Indenture.

Prior Redemption*

Optional Redemption. The Series 2023A Bonds maturing on or after July 1, ____ are subject to redemption at the option of the Authority (which option shall be exercised upon the written direction of the Borrower from prepayment of the Loan by the Borrower pursuant to the Loan Agreement) in whole or in part on any date commencing _____ 1, 20__*, at the redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

The Series 2023B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption from Insurance or Condemnation Proceeds. The Series 2023 Bonds are subject to extraordinary redemption at the expense of the Borrower upon prepayment of Obligation No. 2 from the net proceeds of any insurance policy or condemnation award in excess of 10 percent (10%) of the Book Value of any individual Campus (as defined in the Master Indenture) if at any time any Facility or any portion thereof shall have been damaged or destroyed or taken in condemnation proceedings to the extent provided in the Master Indenture. If so called pursuant to the Bond Indenture, the Series 2023 Bonds are callable on the earliest date practicable selected by the Bond Trustee, in whole or in part, from and to the extent of funds on deposit under the Bond Indenture and available for this purpose, at a redemption price equal to the principal amount to be redeemed plus accrued interest on the redemption date, without premium.

Mandatory Sinking Fund Redemption. The Series 2023A Bonds maturing July 1, 20[____]*, are subject to mandatory sinking fund redemption prior to their stated maturity date, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Series 2023A Term Bond Maturing July 1, 20[____]*

<u>Date</u> <u>(July 1)</u>	<u>Principal Amount*</u>
20[____]	\$(____)
20[____]	[____]
20[____]	[____]
20[____]	[____]
20[____]	[____]
20[____]†	[____]
Total	\$(____)

† Final Maturity

* Preliminary, subject to change.

The Series 2023A Bonds maturing July 1, 20[]*, are subject to mandatory sinking fund redemption prior to their stated maturity date, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows

Series 2023A Term Bond Maturing July 1, 20[]*

<u>Date (July 1)</u>	<u>Principal Amount*</u>
20[]	\$()
20[]	()
20[]	()
20[]	()
20[]	()
20[]†	()
Total	\$()

† Final Maturity

The Series 2023A Bonds maturing July 1, 20[]*, are subject to mandatory sinking fund redemption prior to their stated maturity date, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Series 2023A Term Bond Maturing July 1, 20[]*

<u>Date (July 1)</u>	<u>Principal Amount*</u>
20[]	\$()
20[]	()
20[]	()
20[]	()
20[]	()
20[]†	()
Total	\$()

† Final Maturity

The Series 2023A Bonds maturing July 1, 20[]*, are subject to mandatory sinking fund redemption prior to their stated maturity date, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Series 2023A Term Bond Maturing July 1, 20[]*

<u>Date (July 1)</u>	<u>Principal Amount*</u>
20[]	\$()
20[]	()
20[]	()
20[]†	()
Total	\$()

† Final Maturity

* Preliminary, subject to change.

The Series 2023B Bonds maturing July 1, 20[]*, are subject to mandatory sinking fund redemption prior to their stated maturity date, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Series 2023B Term Bond Maturing July 1, 20[]*

Date (July 1)	Principal Amount*
20[]	\$[]
20[]†	[]
Total	\$[]

† Maturity Date

Mandatory Redemption upon Determination of Taxability. The Series 2023 Bonds are subject to mandatory redemption as a whole at the principal amount thereof, plus accrued interest thereon to the date of redemption, upon the occurrence of a Determination of Taxability related to the Series 2023A Bonds; provided, however, that the Bond Trustee will not redeem the Series 2023 Bonds unless the Bond Trustee has on deposit funds in the amount sufficient to pay the principal amount of and the redemption premium, if any, on, plus accrued interest on, the Series 2023 Bonds to be redeemed to the date of such redemption. The redemption date will be the earliest practicable date selected by the Bond Trustee, after consultation with the Borrower, but in no event later than six months following the finalization of the Determination of Taxability related to the Series 2023A Bonds.

Method of Selecting Series 2023 Bonds. In the event that less than all of the Outstanding Series 2023 Bonds shall be redeemed, the Series 2023 Bonds will be redeemed in inverse order of maturity or, if less than all of the Series 2023 Bonds in a single maturity shall be redeemed, the Series 2023 Bonds to be redeemed shall be selected by lot within such maturity or any other method deemed reasonable by the Bond Trustee.

Notices of Redemption. In the case of every redemption, the Bond Trustee shall cause notice of such redemption by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Series 2023 Bonds designated for redemption 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 more than 60 nor less than 30 days prior to the redemption date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2023 Bonds. The Bond Trustee may state that the redemption is conditioned upon receiving from the Borrower, prior to the redemption date, sufficient moneys to redeem such Series 2023 Bonds and that if such money is not so received, no Series 2023 Bonds shall be redeemed. The Bond Trustee shall furnish the Borrower and the Issuer with a copy of each notice of redemption given with respect to any optional redemption, extraordinary redemption or mandatory redemption as soon as practicable after the delivery of notice to the Registered Owners.

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 Series 2023 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 Series 2023 Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Series 2023 Bonds or portions thereof to be redeemed.

* Preliminary, subject to change.

Use of Series 2023 Bond Proceeds

Leasehold Acquisition and Construction of Charter School Facilities. A portion of the proceeds of the Series 2023 Bonds will be loaned by the Authority to the Borrower and used by the Borrower to acquire the leasehold interest to the New Parker Campus and construct thereupon the New Parker School.

See "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" for a description of the Series 2023 Facilities.

Additional uses being financed. In addition to the uses described above, a portion of the proceeds of the Series 2023 Bonds will be used by the Borrower to fund a bond reserve fund as described herein, fund capitalized interest, if any, and pay certain issuance expenses.

Sources and Uses of Funds. The approximate sources of funds and the uses of funds are shown in the following table.

Sources of Funds

Par Amount of the Series 2023A Bonds	\$
Par Amount of the Series 2023B Bonds	
Reoffering Premium/Discount	
Total	<u>\$</u>

Uses of Funds

Deposit to Project Fund	\$
Deposit to Debt Service Reserve Fund	
Deposit to Bond Fund (Capitalized Interest)	
Costs of Issuance Fund (including underwriting discount and Authority's fee) ..	
Total	<u>\$</u>

SECURITY FOR THE SERIES 2023 BONDS

General

THE SERIES 2023 BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, 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 ANY TAXING POWERS OF THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. THE AUTHORITY HAS NO POWER TO LEVY ANY TAX OR ASSESSMENT.

The Master Indenture

General. Concurrently with the issuance of the Series 2023 Bonds, the Borrower, as Obligated Group Representative, will issue Obligation No. 2 under the terms of Supplement No. 2 in favor of the Bond Trustee, as assignee of the Authority, to secure the obligations of the Borrower under the Loan Agreement. As of the date of issuance of the Series 2023 Bonds, the Borrower will be the only Member of the Obligated Group. Additional members may be added to the Obligated Group in the future. See "RISK FACTORS – Withdrawal from and Entry into the Obligated Group" herein.

Each Member of the Obligated Group will be jointly and severally liable for the payment for all Obligations entitled to the benefits of the Master Indenture and will be subject to the financial and operating covenants thereunder. As of the date of issuance of the Series 2023 Bonds, Obligation No. 1 and Obligation No. 2 will be Outstanding under the Master Indenture.

Entry Into and Withdrawal from the Obligated Group. Under certain conditions described in "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – THE MASTER INDENTURE – Membership in the Obligated Group" attached hereto, additional Members of the Obligated Group may be added to the Obligated Group from time to time after the issuance of the Series 2023 Bonds and made jointly and severally liable with respect to Obligation No. 2 and all other Obligations Outstanding under the Master Indenture. Additionally, under certain conditions described in "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – THE MASTER INDENTURE – Withdrawal from Obligated Group" attached hereto, a Member of the Obligated Group may withdraw from the Obligated Group from time to time and be released from all liability with respect to the Obligations.

Obligations. Under the Master Indenture, the Borrower, as Obligated Group Representative, is authorized to incur, pursuant to a supplement to the Master Indenture, for itself and on behalf of the other Members of the Obligated Group, Obligations (such as Obligation No. 1 and Obligation No. 2) to evidence or secure Indebtedness (or other obligations of a Member of the Obligated Group not constituting Indebtedness). As of the date of issuance of the Series 2023 Bonds, the Borrower will be the only Member of the Obligated Group, and, as such, will be solely liable for the payment of the Obligations issued under the Master Indenture. The Obligated Group and any future Member of the Obligated Group will be jointly and severally liable with respect to the payment of each Obligation, including Obligation No. 1 and Obligation No. 2, incurred under the Master Indenture.

Obligation No. 2 constitute additional indebtedness under the Master Indenture and are issued on a parity with Obligation No. 1 previously issued under the Master Indenture by the Borrower and, together with Obligation No. 2 and any future obligations issued under the Master Indenture, the "Obligations"). Leman Academy of Excellence--Douglas County, Colorado Obligation No. 1A ("Obligation No. 1A") and Leman Academy of Excellence--Douglas County, Colorado Obligation No. 1B ("Obligation No. 1B" and collectively with Obligation No. 1A, "Obligation No. 1") were issued under the Master Indenture in connection with the Arizona Industrial Development Authority's Education Facility Revenue Bonds (Leman Academy of Excellence - Parker, Colorado Campus Project) Series 2019A and Taxable Series 2019B, dated October 1, 2019 (together, the "Series 2019 Bonds") for the purpose of financing the Original Parker School (the "Series 2019 Facilities"). The Obligation No. 1 remains issued and outstanding under the Master Indenture in the aggregate principal amount of \$33,050,000. After the issuance of the Series 2023 Bonds and the application of the proceeds thereof, the Obligations will be outstanding in the aggregate principal amount of \$[_____]".

Joint and Several Obligations of the Obligated Group. Under the Master Indenture, each Member (currently only the Borrower) jointly and severally covenants and agrees (a) to pay or cause to be paid promptly all Required Payments at the place, on the dates and in the manner provided in the Master Indenture, in any Related Supplement and in said Obligations and (b) to faithfully observe and perform all of the conditions, covenants and requirements of the Master Indenture, any Related Supplement and any Obligation. Each Member acknowledges and agrees that the time of such payment and performance is of the essence of the obligations under the Master Indenture.

Subject to (1) the provisions of the Master Indenture permitting withdrawal from the Obligated Group, (2) the provisions of the Master Indenture with respect to the limitation on the amount payable by the Obligated Group (as discussed in " – Limited Obligation of Obligated Group; Pledged Revenues" herein), and (3) any provisions contained in a Related Supplement executed in connection with the addition of a Member to the Obligated Group limiting the amount payable by such Member, the obligation of each Member to make Required Payments is a continuing one and is to remain in effect until all Required Payments have been paid in full in accordance with the Master Trustee. All moneys from time to time received by the Obligated Group Representative or the Master Trustee to reduce liability on Obligations, whether from or on account of the Members or otherwise, will be regarded as payments in gross without any right on the part of any one or more of the Members to claim the benefit of any moneys so received until the whole of the amounts owing on Obligations has been paid or satisfied and so that in the event of any such Member's filing bankruptcy, the Obligated Group Representative or the Master Trustee will be entitled to prove up the total indebtedness or other liability on Obligations Outstanding as to which the liability of such Member has become fixed.

* Preliminary, subject to change.

Each such Obligation will be a primary obligation and will not be treated as ancillary to or collateral with any other obligation and will be independent of any other security so that the covenants and agreements of each Member hereunder will be enforceable without first having recourse to any such security or source of payment and without first taking any steps or proceedings against any other Person. The Borrower, as the Obligated Group Representative, and the Master Trustee are each empowered to enforce each covenant and agreement, as hereinbefore provided, and to enforce the making of Required Payments.

Limited Obligation of Obligated Group; Pledged Revenues. Notwithstanding anything in the Master Indenture to the contrary, the Obligated Group's obligation to make Required Payments is limited solely to the Pledged Revenues. "Pledged Revenues" is defined in the Master Indenture to mean, with respect to each of the Members, all revenues, rentals, fees, third-party payments, receipts or other income of the Members derived from the Leases, including the rights to receive such revenues (each subject to Permitted Liens), all as calculated in accordance with generally accepted accounting principles, including, without limitation, Lease Payments received for the Property, Plant and Equipment (whether paid to the Members or to the Master Trustee on behalf of the Members), proceeds derived from insurance and condemnation proceeds related to the Property, Plant and Equipment, whether now or hereafter owned, held or possessed by such Member. "Property, Plant and Equipment" means, with respect to any Member, the Property owned by that Member and encumbered by a Deed of Trust and leased to one or more School Operators pursuant to one or more Leases, other than the respective Member's interest in the real property, fixtures, equipment and other personal property identified in the Master Indenture.

The Members may use other legally available funds or assets to make Required Payments, but the Master Trustee agrees that under no circumstances shall the Members be required to advance any moneys derived from, nor shall the Master Trustee have recourse to, any revenues or assets attributable to, or designated by any third party for, any school operated by any school operator that is an Affiliate of the Members other than the School Operators or pledged by any of the Members to secure loans to or financings or leases for such other schools. Such other school operator's moneys, assets and revenues would include income and revenues directly or indirectly derived by a Member's or the School Operator's operation of the other school, including without limitation per pupil revenues and other funding received from the State of Colorado or by virtue of the charter granted the other school operator for the other school and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent specifically restricted by the donor or maker thereof to the other school and such moneys would also include net insurance or condemnation proceeds received or payable to any Member or other school operator on account of damage or destruction of the other school or its property or other loss incurred by any Member or other school operator with respect to its operation of the other school or its property.

Pledge and Security Interest. To secure the payment of Required Payments and the performance of the other obligations of the Members under the Master Indenture, each Member pledges in the Master Indenture and, to the extent permitted by law, grants a security interest in all of its right, title and interest in, if any, the Pledged Revenues, the Leases, the Property, Plant and Equipment, the Pledged Revenue Fund and the Repair and Replacement Fund to the Master Trustee for the benefit of the Holders of the Obligations. Additionally, each Member with respect to each School Operator will have delivered a fully-executed Irrevocable Intercept Direction with respect to each School Operator by it to the Master Trustee with respect to the State Payments to secure the obligations of the Members under the Master Indenture. Each such Irrevocable Intercept Direction will remain irrevocable so long as any obligations of the Members under the Master Indenture remain outstanding or unsatisfied. In the event any Member receives any State Payments directly from the State Treasurer in violation of an Irrevocable Intercept Direction, the Member will immediately remit the same to the Master Trustee for deposit into the Pledged Revenue Fund.

Deed of Trust. In connection with the issuance of the Series 2023 Bonds, the Borrower will deliver, for the benefit of the Master Trustee, the Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, dated as of March 1, 2023, as amended and supplemented for the New Parker Campus (the "Leasehold Deed of Trust"). The Leasehold Deed of Trust, along with the Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, dated as of October 1, 2019, as amended and supplemented for the Original Parker Campus, are together, the "Deed of Trust."

The Deed of Trust is subject to certain Permitted Encumbrances as described therein. See "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – THE DEED OF TRUST" attached hereto.

For a description of the Facilities subject to the Deed of Trust, see "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" herein.

Pledged Revenue Fund. There will be deposited in the Pledged Revenue Fund as and when received, the State Payments paid to the Master Trustee pursuant to each Irrevocable Intercept Direction and all other moneys deposited into the Pledged Revenue Fund pursuant to the Master Indenture. All moneys deposited in the Pledged Revenue Fund will be disbursed by the Master Trustee commencing on the dates provided below and in the following order of priority:

FIRST: on each Scheduled State Payment Date, to each Holder of an Obligation, an amount, less any credits received against such amount, equal to (i) the Required Payments with respect to any Obligation issued pursuant to a Related Supplement due prior to the next Scheduled State Payment Date, plus (ii) any amount previously due under this paragraph that remains unpaid because of a prior insufficiency in moneys available therefor;

SECOND: on each Scheduled State Payment Date, to the Tax and Insurance Escrow Fund, an amount equal to (i) the Tax and Insurance Escrow Payment due on such Scheduled State Payment Date, plus (ii) any amount previously due under this paragraph that remains unpaid because of a prior insufficiency in moneys available therefor;

THIRD: on each Scheduled State Payment Date, commencing on the first Scheduled State Payment Date occurring after [____], to the Expense Fund, an amount equal to (i) the portion of the Master Trustee's Fee and Master Trustee's Expenses determined by dividing the Master Trustee's Fee and Master Trustee's Expenses by the number of Scheduled State Payment Dates that will occur during the period beginning on the last date on which such fees were paid (or, if such fees have not yet been paid, [____]) and the day preceding the next January 1 or July 1, as applicable, plus (ii) any amount previously due under this paragraph that remains unpaid because of a prior insufficiency in moneys available therefor;

FOURTH: on each Scheduled State Payment Date, commencing on the first Scheduled State Payment Date occurring after [____], to the Repair and Replacement Fund, an amount equal to (i) the portion of the Repair and Replacement Fund Annual Deposit determined by dividing the Repair and Replacement Fund Annual Deposit by the number of Scheduled State Payment Dates that will occur during the period beginning on the last date on which amounts were paid (or, if such amounts have not yet been paid, [____]) and ending on the day preceding the next July 1, or such lesser amount as is necessary to cause the aggregate amount in the Repair and Replacement Fund to equal the Repair and Replacement Fund Requirement; and

FIFTH: on each Scheduled State Payment Date, if no Event of Default has occurred under the Master Indenture, all amounts of money remaining on deposit in the Pledged Revenue Fund after the Master Trustee has made the disbursements required in FIRST through FOURTH above will be disbursed to an account designated by the Obligated Group Representative for allocation and disbursement to the Members entitled thereto.

Tax and Insurance Escrow Fund. The Master Trustee shall deposit into the Tax and Insurance Escrow Fund all amounts required to be deposited therein pursuant to the Master Indenture.

Amounts on deposit in the Tax and Insurance Escrow Fund shall be used to:

(i) pay real property or ad valorem taxes with respect to the Property, Plant and Equipment; and

(ii) to pay premiums for the insurance policies required to be maintained with respect to the Property, Plant and Equipment.

The Master Trustee shall, at the request of an Authorized Representative of the Borrower, as the Obligated Group Representative, disburse moneys from the Tax and Insurance Escrow Fund in payment of the costs set forth in subsections (i) and (ii) above upon receipt by the Master Trustee of a requisitions in form acceptable to the Master Trustee signed by an Authorized Representative of the Borrower, as the Obligated Group Representative:

- (i) stating with respect to each payment to be made:
 - (A) the date of the requisition,
 - (B) the name and address of the entity to whom payment is due,
 - (C) the amount to be paid,
 - (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Tax and Insurance Escrow Fund, and has not been the basis of any previous withdrawal, and
 - (E) that the disbursement requested will be used to pay taxes or insurance with respect to the Property, Plant and Equipment as described above; and
- (ii) accompanied by a bill, invoice or statement of account for such obligation.

Notwithstanding the foregoing, the Master Trustee will have the right, but not the obligation, to withdraw moneys from the Tax and Insurance Escrow Fund at any time and to use those funds to pay the items described above without a requisition from an Authorized Representative of the Obligated Group Representative in order to maintain the insurance with respect to any Property, Plant and Equipment as provided above or to prevent any of the items described above from becoming past due.

Repair and Replacement Fund. There will be deposited into the Repair and Replacement Fund as and when received (i) all amounts required to be deposited therein pursuant to the Master Indenture and (ii) all other moneys received by the Master Trustee when accompanied by directions from an Authorized Representative of the Obligated Group Representative not inconsistent with the Master Indenture that such moneys are to be paid into the Repair and Replacement Fund. There will also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund.

Absent an Event of Default under the Master Indenture, the Master Trustee is authorized and directed to make each disbursement from the Repair and Replacement Fund upon receipt of a written requisition from an Authorized Representative of the Obligated Group Representative in the form set forth in the Master Indenture setting forth the amount and the payee for the purpose of paying the cost of capital expenditures related to maintenance, improvements, and replacements which may be required for the Property, Plant and Equipment, including, but not limited to, replacement of equipment, replacement of any roof or other structural component, replacement of flooring, interior and exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment.

Moneys in the Repair and Replacement Fund also may be used for the payment of Required Payments on the Obligations in the event moneys in the Pledged Revenue Fund are insufficient to make such payments when due. Upon the occurrence of an Event of Default and the exercise by the Master Trustee of the remedy described in the Master Indenture, any moneys in the Repair and Replacement Fund will be applied in accordance with the Master Indenture.

The Master Trustee will keep and maintain adequate records pertaining to the Repair and Replacement Fund and all disbursements therefrom and will annually file an accounting thereof with the Obligated Group Representative.

The "Repair and Replacement Fund Annual Deposit" means for any Fiscal Year, one-half of 1 percent (.005) of the budgeted Operating Expenses for that Fiscal Year, as set forth in the notice required to be given by the Obligated Group Representative to the Master Trustee pursuant to the Master Indenture. "Operating Expenses" means, with

respect to a School Operator, all reasonable and necessary current expenses of the School Operator (all as reflected in the financial statements prepared and maintained for the School Operator), both paid or accrued, and as included in the annual budget of the School Operator, including without limitation (a) salaries 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 that constitute Rent (other than Extraordinary Monthly Rent) and expenses; provided however, there shall be excluded from Operating Expenses (i) any allowance for depreciation or amortization or extraordinary expenses (as defined under generally accepted accounting principles), (ii) expenses incurred in connection with capital improvements, (iii) expenses or other amounts paid into and from the Repair and Replacement Fund and any debt service reserve fund established under a Related Bond Indenture, (iv) expenses paid from grants from state, federal or local sources, or from any Person, which were not included as part of Gross Revenues, and (v) payments of debt service on any Related Bonds, including Base Rent payments and any similar rental or other payments made for the lease-purchase or financing of capital improvements.

Additional Indebtedness.

Each Member covenants and agrees that it will not incur any Additional Indebtedness except as follows:

(a) Upon delivery of a certificate signed by an Authorized Representative of the Member stating that no Event of Default is then existing under the Master Indenture or the Loan Agreement the Member may incur Long-Term Indebtedness if prior to the issuance of such Additional Indebtedness the following is satisfied:

Historical Coverage on Outstanding Debt. Delivery of a certificate signed by an Authorized Representative of the Member stating that, for the Member's most recently completed Fiscal Year immediately preceding the issuance of the additional Indebtedness, Net Income Available for Debt Service for the School Operators was equal to at least 1.10 times that Fiscal Year's Annual Debt Service on all Long-Term Indebtedness then outstanding; and

(i) *Projected Coverage for Additional Debt.* Delivery of a report of an Independent Consultant setting forth projections which indicate that the estimated Net Income Available for Debt Service for each of the three consecutive Fiscal Years beginning on the first full Fiscal Year following the estimated date of completion of all facilities to be financed with such Indebtedness, based upon a certified written estimated completion date by the consulting engineer for such facility or facilities, is equal to at least 1.20 times Annual Debt Service then outstanding during such Fiscal Year plus the additional Annual Debt Service Requirements for the Long-Term Indebtedness to be issued; or

(ii) *Alternate Coverage for Additional Debt.* In lieu of the requirements described above, the Member may deliver a certificate signed by an Authorized Representative of the Member stating that, based on the audited results of the operations for the most recently completed Fiscal Year, the Net Income Available for Debt Service equals at least 1.0 times Maximum Annual Debt Service on the aggregate of all parity Long-Term Indebtedness then Outstanding plus the proposed additional Long-Term Indebtedness.

(b) Long-Term Indebtedness may be incurred for the purpose of refunding any Outstanding Indebtedness, if prior to the incurrence thereof, there is delivered to the Master Trustee an Officer's Certificate demonstrating that (i) the Maximum Annual Debt Service will not increase by more than 10 percent after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof, or (ii) the total Debt Service Requirement on the Indebtedness being refinanced will not increase by more than 10 percent after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof, or (iii) the requirements of subsection (a) above are met; provided that the foregoing shall not apply to any refinancing with Balloon Indebtedness.

(c) Short Term Indebtedness may be incurred by any Member if there is delivered to the Master Trustee an Officer's Certificate demonstrating that the Short Term Indebtedness is made payable from Pledged Revenues, if any, received pursuant to the Master Indenture.

(d) Indebtedness consisting of purchase money obligations with respect to any item of equipment related to the Property, Plant and Equipment may be incurred without limitation; provided there is delivered to the Master Trustee an Officer's Certificate demonstrating that such Indebtedness is secured only by such equipment.

(e) Indebtedness consisting of leases which are considered operating leases under generally accepted accounting principles may be incurred without limitation.

(f) Subordinated indebtedness may be incurred in an aggregate amount of not more than either (i) 15 percent of the Pledged Revenues during the preceding Fiscal Year based on audited results or (ii) 15 percent of the projected Pledged Revenues for the first full Fiscal Year in which the obligor of such subordinated Additional Indebtedness will have scheduled payments of interest on or principal of the subordinated Additional Indebtedness to be issued for the payment of which provision has not been made from proceeds of such Additional Indebtedness as shown in a written report provided to the Master Trustee of an Independent Consultant selected by the Obligated Group Representative; provided, however, such limitation does not include the Existing Subordinated Debt.

Nothing in this Section shall be construed as limiting the Members' ability to incur obligations or other indebtedness that does not constitute Indebtedness.

"Short-Term Indebtedness" means all Indebtedness having an original maturity less than or equal to one year and not renewable at the option of a Member for a term greater than one year from the date of original incurrence or issuance.

"Long-Term Indebtedness" means Indebtedness having an original maturity greater than one year or renewable at the option of a Member for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least 20 consecutive days during each calendar year.

"Balloon Indebtedness" means Long-Term Indebtedness 25 percent or more of the principal of which becomes due (either by maturity or mandatory redemption) during any period of 12 consecutive months, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date.

"Indebtedness" means all obligations for borrowed money, installment sales and capitalized lease obligations, incurred or assumed by a Member under this Master Indenture and secured by the Property, Plant and Equipment, the Leases or the Pledged Revenues (other than Indebtedness of one Member to another Member or the Guaranty by any Member of Indebtedness of any other Member), including any Guaranty, Long-Term Indebtedness, Short-Term Indebtedness or any other obligation for payments of principal and interest with respect to money borrowed, provided, however, that if more than one Member shall have incurred or assumed a Guaranty of a Person other than a Member, or if more than one Member shall be obligated to pay any obligation, for purposes of any computations or calculations hereunder such Guaranty or obligation shall be included only one time. Financial Products Agreements shall not constitute Indebtedness.

"Guaranty" means all loan commitments and all obligations of any Member guaranteeing in any manner whatever, whether directly or indirectly, any obligation of any other Person that would, if such other Person were a Member, constitute Indebtedness.

Rates and Charges. Each Member covenants and agrees to fix, charge and collect, or cause to be fixed, charged and collected, rental rates, fees and charges for the use of its Property, Plant and Equipment and for the services furnished or to be furnished by the Members to the School Operators to produce sufficient Pledged Revenues to pay all Required Payments under the Master Indenture and the Obligations.

Consolidated Days Cash on Hand Covenant; Retention of Independent Consultant. Each Member covenants and agrees to cause each School Operator to maintain Days Cash on Hand in an amount that causes the Consolidated Days Cash on Hand to equal at least 45 days as of each June 30 (each a "Testing Date"), commencing June 30, 2023.

The Obligated Group Representative shall deliver to the Master Trustee an Officer's Certificate no later than six months after the close of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2023, based on audited results, setting forth a computation of the Consolidated Days Cash on Hand as of such date.

If on any Testing Date, the Obligated Group is unable to meet the Consolidated Days Cash on Hand required in above, the Obligated Group Representative shall, at the Obligated Group's expense, engage an Independent Consultant. Such Independent Consultant (including the specific individuals) and the timeframes and scope of its engagement must be acceptable to the [Master Trustee and the] Holders of a majority of the Outstanding Obligations. The Master Trustee and the Holders shall be granted independent access to the Independent Consultant. Within 21 days after an Independent Consultant is retained, the Obligated Group Representative shall cause such Independent Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Members and the School Operators with respect to the Schools, which report shall state the extent to which prior recommendations (if any) of the Independent Consultant may not have been complied with by the Members and/or the School Operators with respect to the Schools. The recommendations of the Independent Consultant shall include a recommendation as to whether the existing management should continue to be retained. A copy of the report shall be submitted to the Master Trustee and to each requesting Holder of the Outstanding Bonds as soon as practicable but in no event later than 60 days after the date on which the Independent Consultant is required to be retained, and shall be posted to the Electronic Municipal Market Access system ("EMMA").

Within seven months after the submission of its initial report, the Independent Consultant shall submit to the Master Trustee and each requesting Holder a follow-up report indicating whether or not the recommendations contained in its initial report are being complied with. The Obligated Group Representative hereby covenants and agrees to file the report of the Independent Consultant with the Master Trustee and requesting Holders and to post it on the EMMA. In addition, the Members covenant to immediately implement and follow (or cause the School Operators to immediately implement and follow) the recommendations of the Independent Consultant to the extent permitted by law and consistent with their boards' fiduciary duties. Upon submission of the Independent Consultant's report, the Obligated Group Representative shall arrange for payment of the amount owed to the Independent Consultant.

(ii) So long as the Obligated Group is otherwise in full compliance with its obligations under this Master Indenture, including following the recommendations of the Independent Consultant, it shall not constitute an event of default if the Obligated Group is unable to cause the School Operators to meet the Consolidated Days Cash on Hand requirement.

"Days Cash on Hand" means, with respect to a School Operator, as of any date of determination, the product of 365 times a fraction, (a) the numerator of which is the aggregate amount of the School Operator's (i) unrestricted cash, (ii) unrestricted investments, and (iii) board designated funds that are not otherwise restricted (either permanently or temporarily) as to their use; and (b) the denominator of which is total Operating Expenses, in each case, for the period of four fiscal quarters ended on the date of determination, and determined in accordance with generally accepted accounting principles.

"Consolidated Days Cash on Hand" means, as of any date of determination, the product of 365 times a fraction, (a) the numerator of which is the aggregate amount of the sum of each School Operator's (i) unrestricted cash, (ii) unrestricted investments, and (iii) board designated funds that are not otherwise restricted (either permanently or temporarily) as to their use; and (b) the denominator of which is the Consolidated Operating Expenses, in each case, for the period of four fiscal quarters ended on the date of determination, and determined in accordance with generally accepted accounting principles. "Consolidated Operating Expenses" means the sum of the Operating Expenses plus Lease Payments of each School Operator for the indicated period.

Consolidated Coverage Ratio Covenants; Retention of Independent Consultant. The Obligated Group Representative shall deliver to the Master Trustee an Officer's Certificate, no later than six months after the close of

each Fiscal Year, commencing with the Fiscal Year ended June 30, 2023, setting forth the Consolidated Coverage Ratio as of the FY End Calculation Date. "Consolidated Coverage Ratio" means, for the indicated period, the ratio obtained by dividing (i) Consolidated Net Income Available for Debt Service (as defined in the Master Indenture) for the prior Fiscal Year by (ii) aggregate Rent (as defined in the Leases) owed by all of the School Operators under the Leases for the prior Fiscal Year.

If the Consolidated Coverage Ratio as of any FY End Calculation Date is below 1.10, the Obligated Group Representative, at the written direction of at least a majority of the Holders of the Outstanding Obligations, shall retain, at the expense of the Members, an Independent Consultant acceptable to such Holders and the provisions of paragraphs (i) and (ii) under "Consolidated Days Cash on Hand; Retention of Independent Consultant" above shall apply.

Notwithstanding the paragraph immediately above, if the Consolidated Coverage Ratio falls below 1.0, an Event of Default hereunder shall be deemed to have occurred and further, any future management fees of the then current manager of the School Operators operation of the Schools shall be deferred, in whole or in part, by an amount sufficient to enable the Member to maintain a Consolidated Coverage Ratio of at least 1.0 until such time as the Consolidated Coverage Ratio on any FY End Calculation Date is at or above 1.0. Any deferred management fee shall be paid to the manager of the School Operators operation of the Schools on the earlier of (A) the next FY End Calculation Date if an increase of the Consolidated Coverage Ratio above 1.10x has been demonstrated and there are no existing Events of Default or (B) five years after the original due date of such payment. Any such deferred management fee may accrue interest or be subject to a late payment fee as required by the management agreement.

Required Lease Provisions. Each Member covenants and agrees in the Master Indenture that each Lease shall contain the following provisions, in substantially the following form:

(i) **Extraordinary Monthly Rent.** In the event the lessee under a Lease (the "Lessee") receives a notice (each an "Extraordinary Monthly Rent Notice") from either the lessor under the Lease (the "Lessor") or the Master Trustee stating the Master Trustee has not received payment of all required Rent with respect to all Property, Plant and Equipment on or before that date that such required payment is due, then Lessee shall pay the Extraordinary Monthly Rent to the Master Trustee within three business days after the Lessee's receipt of the Extraordinary Monthly Rent Notice. Lessor shall immediately provide the Lessee with a copy of any Extraordinary Monthly Rent Notice received by Lessor pursuant to the terms of the Master Indenture. The "Extraordinary Monthly Rent" shall mean the amount set forth in such Extraordinary Monthly Rent Notice, which shall be the Lessee's Proportionate Share of the Extraordinary Monthly Rent. "Proportionate Share" shall mean the amount required to be paid by the Lessee to ensure that payment of all required Rent with respect to all of the Property, Plant and Equipment has been timely made.

(ii) The definition of "Rent" set forth under the related Lease shall include, as one component, the Extraordinary Monthly Rent.

(iii) **Liquidity Covenant.**

(A) The Lessee shall maintain Days Cash on Hand in an amount not less than the amount set forth in the table below for the periods indicated:

<u>Testing Date</u>	<u>Days Cash on Hand Requirement</u>
June 30, 2023 and each June 30 thereafter	45 Days

(B) The Lessee shall deliver to the Obligated Group Representative and the Master Trustee an Officer's Certificate executed by the Chief Executive Officer or Chief Financial Officer of the Lessee no later than six months after the close of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2025, based on audited results, setting forth a computation of the Days Cash on Hand as of such date.

If the Officer's Certificate referred to in the preceding paragraph discloses that the Days Cash on Hand is less than the required Days Cash on Hand, then the Lessee agrees the Obligated Group Representative shall, at the Lessee's expense, engage an Independent Consultant. Such Independent Consultant (including the specific individuals) and the timeframes and scope of its engagement must be acceptable to the [Master Trustee and the] Holders of a majority of the Outstanding Obligations. The Master Trustee and the Holders shall be granted independent access to the Independent Consultant. Within 21 days after an Independent Consultant is retained, the Obligated Group Representative shall cause such Independent Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of Lessee, which report shall state the extent to which prior recommendations (if any) of the Independent Consultant may not have been complied with by the Lessee. The recommendations of the Independent Consultant shall include a recommendation as to whether the existing management should continue to be retained. A copy of the report shall be submitted to the Master Trustee and to each requesting Holder as soon as practicable but in no event later than 60 days after the date on which the Independent Consultant is required to be retained, and shall be posted to EMMA.

Within seven months after the submission of its initial report, the Independent Consultant shall submit to the Master Trustee and each requesting Holder a follow-up report indicating whether or not the recommendations contained in its initial report are being complied with. The Obligated Group Representative has covenanted and agreed to file the report of the Independent Consultant with the Master Trustee and requesting Holders and to post it on the EMMA. In addition, the Lessee covenants to immediately implement and follow the recommendations of the Independent Consultant to the extent permitted by law and consistent with its board's fiduciary duties. Upon submission of the Independent Consultant's report, the Lessee shall arrange for payment of the amount owed to the Independent Consultant.

(C) So long as the Lessee is otherwise in full compliance with its obligations under the Lease, including following the recommendations of the Independent Consultant, it shall not constitute an event of default if the Lessee is unable to meet the Days Cash on Hand required in paragraph (A) above.

(iv) Coverage Ratio Covenant.

(A) The Lessee shall deliver to the Obligated Group Representative and the Master Trustee an Officer's Certificate executed by the Chief Executive Officer or Chief Financial Officer of the Lessee, no later than six months after the close of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2025, setting forth the computation of the Coverage Ratio as of the FY End Calculation Date.

(B) If the Coverage Ratio as of any FY End Calculation Date is below 1.10, the Lessee, at the written direction of [the Master Trustee] at least a majority of the Holders of the Outstanding Obligations, shall retain, at the expense of the Lessee, an Independent Consultant acceptable to such Holders and the provisions of paragraphs (iii)(B) and (iii)(C) above shall apply.

Notwithstanding paragraph (B) above, if the Coverage Ratio falls below 1.0, an event of default shall be deemed to have occurred and further, any future management fees of the then current manager of the Lessee shall be deferred, in whole or in part, by an amount sufficient to enable the Lessee to maintain a Coverage Ratio of at least 1.0 until such time as the Coverage Ratio on any FY End Calculation Date is at or above 1.0. Any deferred management fee shall be paid to the management company of the Lessee on the earlier of (A) the next FY End Calculation Date if an increase of the Consolidated Coverage Ratio above 1.10x has been demonstrated and there are no existing Events of Default or (B) five years after the original due date of such payment. Any such deferred management fee may accrue interest or be subject to a late payment fee as required by the management agreement.

The Bond Indenture

The Series 2023 Bonds will be payable solely from the Revenues and receipts pledged pursuant to the Bond Indenture, and will be secured by an assignment and pledge of the Trust Estate.

Revenue Fund. The Bond Trustee will deposit into the Revenue Fund as and when received, the Loan Payments paid to the Bond Trustee pursuant to the Loan Agreement, all Revenues and all other moneys deposited into the Revenue Fund pursuant to the Loan Agreement or the Bond Indenture. All moneys deposited in the Revenue Fund will be disbursed by the Bond Trustee on or before the 15th of each month, commencing April 15, 2023 (except as noted below), in the following order of priority:

FIRST: to the Bond Fund (i) an amount of money, less any credits received against such amount, equal to one-third (1/3) of the interest due on the Series 2023 Bonds on July 1, 2023, and thereafter, one-sixth (1/6) of the interest due on the Series 2023 Bonds on the next Interest Payment Date, plus (ii) commencing on July 15, 2025, an amount of money, less any credits received against such amount, equal to one-twelfth (1/12) of the principal due or subject to mandatory redemption on the next succeeding Principal Payment Date;

SECOND: to the Rebate Fund, commencing in the month following the determination of the Rebate Amount and continuing until the full amount is so paid, any amount of moneys, as calculated by the Rebate Analyst, required to be deposited in the Rebate Fund;

THIRD: to the Expense Fund, commencing July 15, 2023, an amount of money equal to one-sixth (1/6) of the Bond Trustee's Fees coming due on the next January 1 or July 1, as applicable, and any Bond Trustee's Expenses;

FOURTH: to the Expense Fund, (i) amounts, if any, payable in connection with the Issuer's Unassigned Rights, plus (ii) an amount of money equal to one ninth (1/9) of the amount, if any, owed to the Rebate Analyst on July 1, 2024, and, thereafter, one-twelfth (1/12) of the amount, if any, owed to the Rebate Analyst on the next July 1;

FIFTH: to the Debt Service Reserve Fund an amount of money equal to the amount necessary to cure any deficiency in the Debt Service Reserve Fund; and

SIXTH: if the Borrower is not in default under the Loan Agreement, all amounts of money remaining on deposit in the Revenue Fund after the Bond Trustee has made the disbursements required in paragraphs FIRST through FIFTH above shall be returned to the Master Trustee for disbursement in accordance with the Master Indenture.

Debt Service Reserve Fund for the Series 2023 Bonds. In connection with the issuance of the Series 2023 Bonds, the Bond Trustee will deposit the proceeds of the issuance and delivery of the Series 2023 Bonds into the Series 2023A Account and the Series 2023B Account, as applicable, of the Debt Service Reserve Fund established under the Bond Indenture. There will also be deposited into the Series 2023A Account and the Series 2023B Account of the Debt Service Reserve Fund (a) all moneys transferred to the Debt Service Reserve Fund from the Bond Fund, (b) all other moneys required to be deposited therein pursuant to the Loan Agreement or the Bond Indenture, and (c) all other moneys received by the Bond Trustee when accompanied by directions from an Authorized Representative of the Borrower not inconsistent with the Loan Agreement or the Bond Indenture that such moneys are to be paid into the applicable account of the Debt Service Reserve Fund for the Series 2023 Bonds.

Except as permitted under the Bond Indenture, moneys in the Series 2023A Account and the Series 2023B Account of the Debt Service Reserve Fund will be used solely for the payment of the principal of and premium, if any, and interest on the Series 2023A Bonds and the Series 2023B Bonds, respectively, in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on an Interest Payment Date, sinking fund redemption date, maturity date or otherwise.

The Bond Trustee will value the Investment Obligations in the Debt Service Reserve Fund semiannually on January 1 and July 1 of each year at the lesser of their market value or cost. If on any valuation date the amount in the Series 2023A Account or the Series 2023B Account of the Debt Service Reserve Fund is greater than the applicable Debt Service Reserve Fund Requirement, the Bond Trustee will transfer such excess (i) before the completion of the Project, to the Project Fund and (ii) after the completion of the Project, to the Bond Fund. In the event amounts on deposit in the Series 2023A Account or the Series 2023B Account of the Debt Service Reserve Fund are less than the applicable Debt Service Reserve Fund Requirement, the Bond Trustee will, within five Business Days of when the Bond Trustee has knowledge of such deficiency, give written notice to the Borrower of such deficiency (with a copy to the Issuer) and that such deficiency must be replenished in accordance with the Loan Agreement and the Bond Indenture. If on any valuation date the amount in the Series 2023A Account or Series 2023B Account of the Debt Service Reserve Fund is less than the applicable Debt Service Reserve Fund Requirement and the deficiency is caused solely by a decreased value of the Investment Obligations therein and not due to a transfer to cure a shortfall in the Bond Fund, the Bond Trustee will, to the extent of amounts available in the Revenue Fund, deposit into the Series 2023A Account or the Series 2023B Account, as applicable, of the Debt Service Reserve Fund an amount equal to the amount by which the balance in the Series 2023A Account or the Series 2023B Account, as applicable, of the Debt Service Reserve Fund is less than the applicable Debt Service Reserve Fund Requirement in accordance with the Bond Indenture.

If on the 15th day of any month the amount in the Series 2023A Account or the Series 2023B Account of the Debt Service Reserve Fund is less than the applicable Debt Service Reserve Fund Requirement and the deficiency is caused by a transfer to cure a shortfall in the Bond Fund resulting from the failure of the Borrower to make the Loan Payments when due, the Borrower has agreed pursuant to the Loan Agreement to pay to the Bond Trustee all amounts transferred to the Bond Fund to make up for any Loan Payments not paid in not more than 12 equal monthly installments beginning on the 15th day of the month following such deficiency, and provided that no such installment will be less than \$5,000.

Amounts on deposit in the Debt Service Reserve Fund will be held in trust solely for the benefit of the Registered Owners of the Series 2023 Bonds and such amounts will be applied only in accordance with the provisions of the Bond Indenture. The Borrower has no legal, equitable or reversionary interest in, or right to, such amounts. In the event of any Act of Bankruptcy, the Borrower will not assert, claim or contend that any portion of the Debt Service Reserve Fund is property of its bankruptcy estate.

The Loan Agreement

Loan Payments from the Borrower are required under the Loan Agreement to be paid in amounts that will be sufficient, if paid promptly and in full, to pay when due all principal of, premium, if any, and interest on the Loan (and thereby the Series 2023 Bonds) and certain ongoing costs. Under the Bond Indenture, the Issuer has pledged its rights and interests in the Loan Agreement (including Obligation No. 2 and the payments to be made thereunder, but excluding certain rights of the Authority, including payment of fees, expenses and indemnification) to the Bond Trustee to secure the Series 2023 Bonds. The payments to be made under Obligation No. 2 are secured by a pledge of Obligated Group's Pledged Revenues, which include the revenues derived from the Borrower's operation of the Pledged Campuses. See "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – DEFINITIONS – Pledged Revenues" attached hereto. The Bond Trustee is authorized to exercise the rights of the Issuer and enforce the obligations of the Borrower under the Loan Agreement. The Obligated Group's repayment obligation under the Loan Agreement will be evidenced by Obligation No. 2.

The Leases

General

The expected source of Pledged Revenues for the repayment of the Obligations is the amount annually appropriated and allocated by the Charter School for rental payments under the Leases. It is anticipated that such amounts will be sufficient to pay debt service on the Series 2023 Bonds and costs of operating, insuring and maintaining the Facilities. The Charter School's obligation to make such payments under the Leases is subject to annual appropriation. See "RISK FACTORS" herein.

The Charter School and the Colorado State Treasurer have previously entered into a State Treasurer Charter Intercept Agreement dated October 4, 2019 in connection with the Series 2019 Bonds pursuant to which the Charter School irrevocably directed the State Treasurer to make State Payments directly to the Master Trustee for deposit in the Pledged Revenue Fund. The Charter School will make application with the Colorado State Treasurer to continue the intercept of State Payments for the payment of the Series 2023 Bonds. The Master Trustee will deposit and disburse amounts in the Pledged Revenue Fund in accordance with the Master Indenture. The payments received under the Charter Intercept Program and deposited in the Pledged Revenue Fund held by the Master Trustee will secure the Series 2019 Bonds and Series 2023 Bonds on a parity basis. See "Direct Payment of Lease Amounts" below.

The 2023 Facilities Lease

The Charter School will lease the Series 2023 Facilities pursuant to the 2023 Facilities Lease for a term commencing upon the issuance and delivery of the Series 2023 Bonds and running until the 2023 Facilities Lease is terminated or not renewed upon the earliest of any of the following events: (a) June 30 of any Fiscal Year during which there has occurred an Event of Nonappropriation under the 2023 Facilities Lease, (b) an Event of Default and termination of the 2023 Facilities Lease by the Borrower or its assigned, including, without limitation, the Master Trustee and the Bond Trustee, as assignee of the 2023 Facilities Lease, or (c) discharge of the Bond Indenture. The 2023 Facilities Lease provides for payments which, if paid when due, are sufficient to pay the principal of and interest on the Series 2023 Bonds and all other amounts payable by the Borrower under the Loan Agreement.

Pursuant to the 2023 Facilities Lease, the Series 2023 Facilities are to be maintained by the Charter School. Under certain conditions, the Charter School has the ability in the 2023 Facilities Lease to make capital improvements to the Series 2023 Facilities. The Charter School is required to provide insurance with respect to the Series 2023 Facilities in accordance with the requirements of the 2023 Facilities Lease. Pursuant to the 2023 Facilities Lease, and subject to certain conditions, the Charter School is permitted to sublet the Series 2023 Facilities with the consent of the Borrower, the Master Trustee and the Bond Trustee, provided, however, that nationally recognized bond counsel delivers an opinion to the Authority and the Bond Trustee stating that the sublease will not cause an adverse impact on the tax-exempt status of the Series 2023 Bonds. The Charter School is not permitted to assign the 2023 Facilities Lease.

Charter School's Annual Right to Not Renew the 2023 Facilities Lease

In the event that the Charter School shall determine, for any reason, to not exercise its annual right to renew the 2023 Facilities 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 Master Trustee, Bond Trustee, the Charter Authorizer and the Borrower within 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 the 2023 Facilities 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 the 2023 Facilities Lease shall be conclusively determined by the Charter School's failure, for any reason (subject, however, to the cure rights set forth in the 2023 Facilities Lease), (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 the 2023 Facilities Lease 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 in the 2023 Facilities Lease. 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 the 2023 Facilities Lease) is directed to include, in the annual budget proposals submitted to the governing body of the Charter School, items for all payments required under the 2023 Facilities Lease during the next ensuing Fiscal Year, until such time, if any, as the Charter School may determine not to renew the 2023 Facilities Lease; it being the intention of the Charter School that any decision not to renew the 2023 Facilities 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 Master Trustee, Bond Trustee and the Borrower proof of appropriation relating to Base Rents or Additional Rents under the 2023 Facilities Lease promptly upon the adoption thereof by the Charter School as evidenced by a resolution of the Charter School made and delivered to the Master Trustee, Bond Trustee no later than June 30 of each Fiscal Year. Such resolution shall be signed by an Authorized Representative of the Charter School.

Purchase Option

So long as the 2023 Facilities Lease is in effect and the Series 2023 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 Borrower an amount that, together with other amounts then on deposit with the Bond 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 Series 2023 Bonds that are at such time subject to redemption at the option of the Borrower in accordance with the redemption provisions of the Bond Indenture and/or the amount necessary to defease all Outstanding Series 2023 Bonds that are not at such time subject to redemption at the option of the Borrower in accordance with the defeasance provisions of the Bond 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 the 2023 Facilities Lease; and (c) to pay all fees and expenses (including without limitation attorneys' fees and expenses) of the Authority, the Master Trustee, Bond Trustee and the Borrower required for the conveyance of the Leased Property.

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 2023 Facilities Lease, the Charter School is required to make application for the direct payment of Series 2023 Bonds by the Colorado State Treasurer pursuant to Section 22-30.5-406, C.R.S., as amended (the "Charter Intercept Statute"). The Series 2023 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 2023 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 2023 Bonds is not made through the Charter Intercept Statute, the Charter School is required to make such payments pursuant to the 2023 Facilities Lease and the Borrower is required to make such payments pursuant to the Loan Agreement.

The Charter School's termination of the Charter School Intercept Program Application or withdrawal from the Charter School Intercept Program constitutes an event of default under the 2023 Facilities Lease.

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 2023 Bonds.

Financial information about the State is available from various State-maintained websites. None of the Authority, the Charter School or the Borrower incorporate herein any information that may be provided at such websites, and disclaim any responsibility for any such information. The information at such websites is not to be construed or incorporated as part of this Official Statement.

DEBT SERVICE REQUIREMENTS*

The following table sets forth the debt repayment schedule for the Outstanding Obligations after the issuance of the Series 2023 Bonds and the application of the proceeds thereof.

Fiscal Year	Outstanding Debt Service	Series 2023A Principal*	Series 2023A Interest*	Series 2023B Principal*	Series 2023B Interest*	Series 2023 Capitalized Interest*	Aggregate Debt Service*
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
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2047							
2048							
2049							
2050							
2051							
2052							
2053							
2054							
2055							
2056							
2057							
2058							
Totals							

* Preliminary, subject to change.

RISK FACTORS

This Official Statement contains summaries of pertinent portions of the Series 2023 Bonds, the Master Indenture, the Bond Indenture, the 2023 Facilities Lease and the Loan Agreement. 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 2023 Bonds is not, and is not intended to be, exhaustive, and such risks are not necessarily presented in the order of their magnitude.

Sufficiency of Revenues

The Series 2023 Bonds are special, limited obligations of the Issuer. The Series 2023 Bonds are secured by and payable solely from funds payable by the Borrower under the terms and conditions of the Loan Agreement. The Borrower and the Charter School believe, based upon present circumstances (i.e., the executed Charter Contract, current and projected enrollment of the Pledged Campuses, student demand and levels of State Payments), that the Charter School will generate sufficient Pledged Revenues to make payments under the Leases in order for the Borrower to meet its obligations under the Obligations and the Loan Agreement; however, the Charter Contract may be terminated or not renewed, or the basis of the assumptions utilized by the Borrower to formulate this belief may otherwise change. **NO REPRESENTATION OR ASSURANCE CAN BE MADE THAT THE BORROWER WILL CONTINUE TO GENERATE SUFFICIENT REVENUES TO MEET ITS OBLIGATIONS UNDER THE LOAN AGREEMENT.**

A number of factors could have an adverse impact on the ability of the Obligated Group to generate revenues needed to meet its obligations under the Obligations, including Obligation No. 1 and Obligation No. 2, which could, in turn, have an adverse effect on the Borrower's ability to make loan repayments. The ability of the Charter School to generate sufficient revenues to make payments under the Leases and the Borrower to make payments under the Loan Agreement is dependent upon a number of elements, including State budget pressures, demand for charter schools, the ability of the Charter School to provide the educational services and classes demanded by parents or to attract students generally, changes in the level of confidence in the public school system in general or public charter schools in particular, competition, faculty recruitment, demographic changes, legislation, governmental regulations, changes in immigration policy, litigation and the Charter School's ability to achieve and maintain enrollment and fundraising levels. This, in turn, is affected by numerous circumstances both within and outside the control of the Borrower, including a continuation of favorable governmental policies and programs with respect to public charter schools; the competitive appeal and perceived quality of the Charter School's curricula; the ability and energy of the Charter School's faculties and administration; and the benevolence of the Charter School's supporters. There can be no assurance given that revenues of the Borrower will not decrease. Any and all financial projections are only good faith estimates and are not intended as a representation or warranty as to the future financial condition of the Borrower.

Nonrenewal of the Leases

The expected source of Pledged Revenues for the repayment of the Obligations is the rental payments made by the Charter School under the Leases. The Leases will be subject to annual renewal by the Charter School. It is anticipated that amounts payable pursuant to the Leases will be sufficient to pay debt service on the Series 2023 Bonds. However, the Charter School's obligation to pay such amounts is subject to: (a) the continued existence of the Charter School, see "Revocation or Nonrenewal of Charter Contract" below; (b) the level of annual appropriations by the Authorizer to the Charter School; and (c) specific appropriations and allocations for such purpose by the Charter School. In the event the Charter School determines not to appropriate or allocate funds in order to make payments under the Leases, or in the event the Charter School does not receive adequate funds from the Authorizer for such purpose, it is highly likely that no proceeds will be generated by the Bond Trustee from the reletting or sale of the Facilities (which have been designated and built specifically for the purpose of operating charter schools). Pursuant to the Loan Agreement, the Borrower covenants and agrees to transfer and convey fee simple leasehold title and its ownership interest in the Series 2023 Facilities to the Charter School at such time as the Series 2023 Bonds are no longer outstanding; provided that if the 2023 Facilities Lease has been terminated or not renewed, or the Charter School is no longer existing and operating as a public charter school, the Borrower covenants and agrees in the Loan Agreement to transfer fee simple leasehold title and its ownership interest in the Series 2023 Facilities to (a) a governmental unit; or (b) an organization described under Section 501(c)(3) of the Code, if such transfer and

conveyance, according to a written opinion of Bond Counsel, will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2023 Bonds.

Pursuant to the 2023 Facilities Lease, the Charter School is responsible for paying the costs of operating, insuring and maintaining the Series 2023 Facilities and the Borrower has no independent source of revenues to meet such costs, see "—Damage or Destruction of the Series 2023 Facilities." Nonrenewal of the 2023 Facilities Lease is not an Event of Default under the Loan Agreement or the Bond Indenture. If the Charter School chooses to not renew the 2023 Facilities Lease, the only likely tenants for the Series 2023 Facilities will be the Authorizer, or another charter school of the Authorizer, if any.

Dependence on State Payments

The Borrower may not charge tuition and has no taxing authority. The primary source of revenues for payment under the Leases and therefore of the Loan Payments are the State Payments relating to the Pledged Campuses. The legislature of the State provides funding for such State Payments by appropriating for them. The State may experience downturns in its economy and tax revenues in the future, and there is a risk that the State legislature may not appropriate funds for State Payments, or may not appropriate funds in a sufficient amount, to enable the Charter School to meet its general operating expenses and to make payments under the Leases representing debt service on the Series 2023 Bonds. In addition to general State economic conditions, State budget considerations may also adversely affect appropriations for charter school funding. In past years, the State Legislature has considered budget cutting measures related to education and State Payments. It is uncertain what budget balancing measures, if any, will be taken in future years or how they might impact charter schools, and there can be no assurance that any final measures adopted by the State Legislature will not include additional reductions in K-12 education spending, including reductions in State Payments to charter schools. Additionally, there is no assurance that current levels of spending for K-12 education will not be decreased in future legislative sessions. Moreover, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. State Payments could be reduced or not keep pace with expenses such that the Charter School's revenues are inadequate to allow it to pay its operating expenses and to make payments under the Leases. No liability would accrue to the Authority, the State or any other party in that event, nor would any such party be obligated or liable for any future payments or any damages.

Delay in, Reduction, or Termination of State School Aid

The State Legislature must appropriate funds for public education – including charter schools – each year, and it may determine not to appropriate sufficient funds that enable the Borrower to pay the Required Payments on the Obligations, and in turn pay debt service on the Series 2023 Bonds and meet budgeted expenses. Similarly, the State allocation per student may be reduced or may not keep pace with expenses such that the aggregate State Payments to the Borrower are inadequate to allow the Borrower to pay the Required Payments on the Obligations, and in turn pay debt service on the Series 2023 Bonds and its operating expenses. If the State Payments are insufficient, the Borrower may be unable to make the Loan Payments as and when required.

Any event that would cause a delay, reduction or termination of State Payments would have a material adverse effect on the ability of the Obligated Group to make Required Payments on Obligation No. 1 and Obligation No. 2, and, in turn, the Borrower's ability to make the payments required under the Loan Agreement representing debt service on the Series 2023 Bonds. If the State were to withhold State Payments for any reason, even for a reason that is ultimately determined to be invalid or unlawful, the Charter School could be forced to cease operations.

Operating History; Reliance on Projections

The New Parker School's first year of operations will be the 2024-25 school year. The Charter School has operated the Original Parker School since the 2018-19 school year. Due to the lack of operating history of the New Parker School, it may be difficult to evaluate future financial performance. There can be no assurance that the New Parker School will be able to retain students and grow its enrollment. The Charter School's projections of future revenues and expenses contained in "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" herein were prepared by the Charter School and have not been independently verified by any other party. The projections are forward-looking statements and are subject to the general qualifications and limitations

described under "INTRODUCTION" above. Neither the Underwriter nor the Authority has independently verified such projections, and makes no representations nor gives any assurances that such projections, or the assumptions underlying them, are complete or correct. Further, the projections relate only to the Charter School's fiscal years through 2028-29, and consequently do not cover the entire period that the Series 2023 Bonds will be outstanding.

The projections are derived from the Charter School's assumptions about future student enrollment, revenues and expenses. There can be no assurance that the actual enrollment and revenues and expenses for the Borrower will be consistent with the assumptions underlying such projections. Further, no guarantee can be made that such projections of revenues and expenses will correspond with the results actually achieved in the future, because there is no assurance that actual events will correspond with the assumptions made by the Charter School. Actual operating results may be affected by many factors, including, but not limited to, the inability of the Charter School to complete construction of building improvements, increased costs, lower than anticipated revenues (as a result of insufficient enrollment, reduced State Payments, or otherwise), employee relations, changes in taxes, changes in applicable government regulation, changes in demographic trends, changes in education competition and changes in State or local economic conditions. Refer to "APPENDIX B— THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" to review certain information relevant to the projections and to consider the various factors that could cause actual results to differ significantly from projected results. Refer to "INTRODUCTION," above, for qualifications and limitations applicable to forward-looking statements.

NO GUARANTEE CAN BE MADE THAT THE PROJECTED INFORMATION CONTAINED HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BECAUSE THERE CAN BE NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS UNDERLYING SUCH PROJECTIONS. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY FACTORS, INCLUDING, BUT NOT LIMITED TO, CHANGES IN THE STATE'S FUNDING SYSTEM, UNANTICIPATED INCREASES IN COSTS, LOWER THAN ANTICIPATED REVENUES (AS A RESULT OF INSUFFICIENT ENROLLMENT, REDUCED STATE OR FEDERAL AID PAYMENTS, OR OTHERWISE), EMPLOYEE RELATIONS, CHANGES IN TAXES, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN EDUCATION COMPETITION AND LOCAL OR GENERAL ECONOMIC CONDITIONS.

Key Personnel; Succession Planning

The Charter School's creation, curriculum and educational philosophy reflect the vision and commitment of a few individuals essential to the management and administration of the Charter School ("Key Personnel") and the management company which manages the Pledged Campuses, Faustus Management Company, LLC., a Delaware limited liability company ("Faustus"). Loss of any such Key Personnel could adversely affect the Charter School's operations, its ability to attract and retain students and ultimately its financial results. In particular, Dr. Leman and certain members of the Faustus management team are near retirement age. If there is insufficient succession planning, it could adversely affect the Borrower's operations. For more information regarding the Charter School's and Faustus' Key Personnel, see "APPENDIX B—THE BORROWER AND THE PLEDGED CAMPUSES —Governance and Management.

Possible Future Termination of Management Contract

The Services Agreement between the Charter School and Faustus is coterminous with the Charter Contract, unless terminated earlier in accordance with the terms of the Services Agreement. The Charter School relies on Faustus for most aspects of operating the Pledged Campuses. In addition, the "Leman Academy of Excellence" tradename and Dr. Leman's specific educational curricula, programs vision and academic philosophy are licensed pursuant to licensing agreement and a sublease of such rights to Faustus (see "Licensed Trade Name and Academic Program" below). In the event the Services Agreement is terminated in accordance with its terms, the Charter School would need to contract with another management company for operation and management of the Pledged Campuses, or assume such management itself. Any inability or delay in retaining another management company or the Charter School's assumption of management duties could adversely impact the operations of the Pledged Campuses.

Competition for Students

The Pledged Campuses compete for students with other public schools, charter schools and private schools. No students are officially assigned to, or required to attend, charter schools. There can be no assurance that the Pledged Campuses will attract and retain the number of students needed to produce the revenues that are necessary to make payments under the Loan Agreement representing debt service on the Series 2023 Bonds. There are other public schools and charter schools in the Pledged Campuses' immediate service area, in which the Facilities are located. For additional information, see "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES—Competing Schools."

Impact of the Spread of COVID-19

In late 2019, a novel strain of coronavirus which can cause the disease known as "COVID-19" emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and then President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. In response, the Governor of Colorado (the "Governor"), the General Assembly and various State agencies adopted legislation, issued orders, recommendations and other measures intended to slow the spread of COVID-19 in the State. Commencing March 16, 2020, the Douglas County School District RE-1 (the "District"), along with many other school districts in the State, each respectively ordered all schools within their district to cease in person operations. The District's announcement was followed by Executive Orders of the Governor of the State to suspend all normal in person instruction in the State through the end of the school year. The Charter School implemented its distance learning platform through the end of the 2019-20 school year. The Charter School began the 2020-21 school year in hybrid, offering remote and in person learning. As of January 5, 2021, the Charter School returned fully to in-person learning. State mandated academic testing for the 2019-20 school year was suspended by the Governor's Executive Order. For more information, see "APPENDIX B – THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES – COVID-19 Response."

In response to the COVID-19 pandemic, the Federal Government passed several COVID-19 relief acts which include funding for elementary and secondary education. The Elementary and Secondary School Emergency Relief Fund ("ESSER Fund") was established to award grants to state and local educational agencies. The Charter School received allocations of: ESSER I funds in the amount of \$13,232; ESSER II funds in the amount of \$65,256; and ESSER III funds in the amount of \$130,467. Additionally, the Governor of the State issued an executive order which provided the COVID Relief Fund (the "CRF"). The Charter School received an additional \$299,645 through the CRF. The Charter School spent COVID-19 relief funds for additional staffing to combat learn loss. For more information, see "APPENDIX B –THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES – COVID-19 Response."

COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which COVID-19 impacts the Charter School and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the Charter School

State Teacher Shortage

In recent years, Colorado, like various other states, has suffered from a public school teacher shortage. In response to Colorado House Bill 17-1003, *Concerning a Strategic Action Plan to Address Teacher Shortages in Colorado*, the CDE and Colorado Department of Higher Education ("CDHE") collaboratively collected data to analyze the State's educator shortage problem and developed a corresponding action plan regarding identified shortages. As a part of that plan, the CDE created the Educator Shortage Survey, which is an annual statewide survey for all local education agencies ("LEAs"), that is, school districts and Boards of Cooperative Educational Services ("BOCES") that employ educators. The purpose of the survey is to gather facts about the number of vacant educator positions and the ways those vacancies were filled, if they were filled at all. For the 2021-2022 school year, LEAs reported having 440 unfilled teaching positions for the entire school year; 192 unfilled special services provider positions for the entire school year; 8 unfilled principal/assistant principal positions for the entire school year; and 205 unfilled paraprofessional positions for the entire school year. A shortfall in future years could require the Charter School to

pay increased salaries or incur increased costs in recruiting new teachers. [Discuss adding statement regarding how teacher salaries at the Charter School compare to public school system generally, with Charter School commentary as appropriate.] Teacher salaries and benefits are significant operating expenses for the Charter School and increases in such expenses may decrease the revenues available to the Borrower to meet its payment obligations representing debt service on the Series 2023 Bonds.

Revocation or Nonrenewal of Charter Contract

In the event that the Charter Contract is revoked or not renewed, the ability of the Obligated Group to make Required Payments on the Obligations, and, in turn, the Borrower's ability to make the payments required under the Loan Agreement representing debt service on the Series 2023 Bonds would be adversely affected and the Charter School could be forced to cease operations. For more information regarding conditions under which the Charter Contract may be revoked, and the revocation procedure, see "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES."

Pursuant to the Charter Schools Act and the Charter Contract, it is expected that the Charter Contract will terminate on June 30, 2028, or may be earlier terminated by the Authorizer for the grounds set forth in the Charter Contract, the Charter Schools Act and/or for any material breach of the Charter Contract. See "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES—Charter Contract" for a description of the termination rights of the Authorizer. 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, the Charter School will be prohibited from renewing the Leases. See "—Nonrenewal of the Leases." While the Charter School does not anticipate any non-renewal or revocation of the Charter Contract, there can be no assurance that the Authorizer will renew the Charter Contract.

Withdrawal from and Entry into the Obligated Group

Under certain conditions described in "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – THE MASTER INDENTURE – Membership in Obligated Group" attached hereto, additional Obligated Group Members may be added to the Obligated Group from time to time after the issuance of the Series 2023 Bonds and made jointly and severally liable with respect to Obligation No. 1 and Obligation No. 2, and all other Obligations Outstanding under the Master Indenture. Additionally, under certain conditions described in "APPENDIX D – SUMMARIES OF FINANCING DOCUMENTS – THE MASTER INDENTURE – Withdrawal from Obligated Group" attached hereto, Obligated Group Members may withdraw from the Obligated Group from time to time and be released from all liability with respect to the Obligations.

Changes in Charter School Law

The State Legislature has amended the laws funding and governing charter schools a number of times since they were first enacted. Future amendments to the charter school laws in the State may adversely affect the Charter School in various ways and could adversely impact the security for the Series 2023 Bonds. There can be no assurance given that the Colorado General Assembly will not in the future amend either the Charter Schools Act in a manner which is adverse to the interests of the registered owners of the Series 2023 Bonds.

Changes in regulatory enforcement or administrative procedures, whether related to charter schools or business in general, also may adversely affect the Charter School, and such changes may be material.

Future changes to the charter school laws by the State legislature could be adverse to the financial interests of the Charter School and hence could adversely affect the security for the Series 2023 Bonds. There can be no assurance that the State legislature will not amend the charter school laws in a manner adverse to the interests of the owners of the Series 2023 Bonds. The Charter School cannot predict the likelihood of any future legislative changes. For additional information, see "APPENDIX A—CHARTER SCHOOLS IN COLORADO."

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 Leases are 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 2023 Bonds of any future interpretations or actions is impossible to determine at this time.

Licensed Tradename and Academic Program

The "Leman Academy of Excellence" tradename and Dr. Leman's specific educational curricula, programs vision and academic philosophy (collectively, the "Licensed Property") are licensed pursuant to licensing agreement and a sublease of such rights to Faustus. See "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES—Leman Academy Licensing Agreement." The success of the Pledged Campuses depends, in part, on the continuing use of such Licensed Property. The initial term of the License Agreement and Sublicense Agreement expires on June 30, 2068. Upon the expiration or earlier termination of these agreements, the Leman Academies, including the Pledged Campuses would no longer have any right to the continued use of the Licensed Property or the use of the tradename. Further, the licensing agreement and sublease of rights runs to Faustus. If the Faustus Services Agreement were terminated, the Charter School would not have any right to continued use of the Licensed Property or the use of the tradename.

Factors Associated with Education

There are a number of factors affecting schools in general, that could have an adverse effect on the Charter School's financial position and the Obligated Group's ability to make Required Payments on Obligation No. 1 and Obligation No. 2, and, in turn, the Borrower's ability to make the payments required under the Loan Agreement. These factors include, but are not limited to, the ability to attract a sufficient number of students; increasing costs of compliance with federal or State 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 work force with consequent impact on wage scales and operating costs of the Charter School; changes in existing statutes pertaining to the powers of the Charter School or the Authorizer and legislation or regulations which may affect program funding. The Charter School cannot assess or predict the ultimate effect of these factors on its operations or financial results.

State Financial Difficulties

Charter schools, like all public schools, depend on revenues from the State for a large portion of their operating budgets. The availability of State funds for public education is a function of constitutional and statutory provisions affecting school revenues and expenditures, the condition of the State economy (which affects total revenue available to the State School Fund) and the annual State budget process. Decreases in State revenues may adversely affect education appropriations made by the State legislature. As noted, the State 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" above.

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 this transaction take no responsibility for the accuracy, completeness or timeliness of such information or the continued accuracy of the internet addresses noted herein, and no such information is incorporated herein by these references.

Damage or Destruction of the Series 2023 Facilities

Development, ownership and operation of real estate, such as the Series 2023 Facilities, involves certain risks, including the risk of adverse changes in general economic and local conditions, including population decreases; uninsured losses; operating deficits and mortgage foreclosure; lack of attractiveness of the property to students/parents; cyclical nature of the real estate market; adverse changes in neighborhood values; and adverse changes in zoning laws, other laws and regulations and real property tax rates (to the extent such taxes are applicable to the Series 2023 Facilities). Such losses also include the possibility of fire or other casualty or condemnation. If the Series 2023 Facilities or any portion thereof were not available during the period of restoration, this could adversely affect the ability of the Charter School to generate sufficient revenues to make payments under the 2023 Facilities Lease and the Borrower's ability to make Required Payments on Obligation No. 1 and Obligation No. 2, and, in turn, for the Borrower to make Loan Payments and pay debt service on the Series 2023 Bonds. Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may render the sale or refinancing of the Series 2023 Facilities difficult or unattractive.

If the Series 2023 Facilities, or any portion thereof, are damaged or destroyed, or are taken in a condemnation proceeding, the proceeds of insurance or any such condemnation award for the Series 2023 Facilities, or any portion thereof, must be applied as provided in the Master Indenture to restore or rebuild the Series 2023 Facilities or to redeem Obligation No. 2, and, in turn, the Series 2023 Bonds. There can be no assurance that the amount of revenues available to restore or rebuild the Series 2023 Facilities, or any portion thereof, or to redeem Series 2023 Bonds will be sufficient for that purpose, or that any remaining portion of the Series 2023 Facilities will generate revenues sufficient to pay the expenses of the Obligated Group and the debt service on the Series 2023 Bonds remaining outstanding.

Limited Nature of Real Estate Appraisals; Value of Series 2023 Facilities

The value of the Series 2019 Facilities and Series 2023 Facilities at any given time will be directly affected by market and financial conditions that are not in the control of the parties involved in this transaction. The Series 2023 Facilities are designed for use as educational facilities, and there is nothing associated with the Series 2019 Facilities and Series 2023 Facilities that would suggest that their value would remain stable or would increase if the general values of property in the Borrower's service areas were to decline. The Series 2019 Facilities and Series 2023 Facilities also require ongoing capital repairs and improvements and, although the Borrower intends to maintain the Series 2023 Facilities in good condition, no assurance can be given that the Borrower will have sufficient revenue to maintain a regular capital improvements program for the Series 2023 Facilities in the future.

Delays and Deficiency relating to Sale of the Facilities

An Event of Default gives the Master Trustee the right to possession of, and the right to sell, the Facilities pursuant to a foreclosure sale under the Deed of Trust. The Facilities have been specifically designed and constructed for use as schools and may not be readily adaptable and marketable for other uses. Furthermore, while the Borrower considers the locations of the Facilities to be desirable for its purposes, there can be no assurance that potential purchasers will consider the location desirable for their particular purposes. Accordingly, there can be no assurance that the sale of all or a part of the Facilities could be accomplished rapidly, or at all. Any sale of the Facilities may require compliance with the laws of the State. Such compliance may be difficult, time-consuming, and/or expensive. Any impediments or delays in the ability of the Master Trustee to foreclose under the Deed of Trust could result in the diminished value of or delays in liquidating the Facilities and adversely affect the payment of Obligation No. 1 and Obligation No. 2 and, in turn, the Series 2023 Bonds. Further, attempts to foreclose under the Deed of Trust or to obtain other remedies under the Deed of Trust, the Master Indenture, the Bond Indenture, the Loan Agreement, or any other documents relating to the Series 2023 Bonds may be met with protracted litigation and/or bankruptcy proceedings, which could cause delays, and a court may decide not to order specific performance of covenants contained in such documents.

In addition, in the event of a sale of the Facilities or any portion thereof, the potential uses of the Facilities and the number of potential users that may be interested in purchasing the Facilities or any portion thereof could be limited, and the sale price could thus be affected. No assurance is given as to the price the Master Trustee might receive in a sale following foreclosure under the Deed of Trust. There is no requirement that the value of the Facilities

equal or exceed the loans to the Borrower. No assurance can be given that the Facilities can be sold now or in the future at the amount paid therefor or greater, and for the above-described reasons and others, no assurance can be made that the amount realized upon any sale of the Facilities will be sufficient to pay and discharge the Borrower's obligations under Obligation No. 1 and Obligation No. 2, and in turn to pay debt service on the Series 2023 Bonds in full when due. In particular, there can be no representation that the cost of the Facilities constitutes a realizable amount upon any forced sale thereof.

Environmental Regulation

The Facilities are and will be subject to various federal, State and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability to the Borrower, particularly following any sale or foreclosure proceeding, for remediating adverse environmental conditions on or relating to the Facilities, whether arising from preexisting conditions or conditions arising as a result of activities conducted in connection with the ownership and operation of the Facilities. Costs incurred by the Borrower with respect to environmental remediation or liability could adversely affect its financial condition, its ability to own and operate the Facilities, and ultimately its ability to make payments under the Loan Agreement representing debt service on the Series 2023 Bonds. Excessive costs in connection with any such environmental remediation or any such liability to third parties could also make it difficult to successfully relet the Facilities.

An environmental site assessments (the "Phase I Assessment") has been conducted with respect to the site of the Series 2023 Facilities. See "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES."

Copies of the Phase I Assessment are available as described under "INTRODUCTION—Additional Information."

Construction Costs and Completion of Construction

The construction of the improvements to the Series 2023 Facilities described herein 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. 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 project.

The related construction contracts require the Borrower to set aside a retention amount. There can be no guarantee that these measures will completely protect the Borrower against construction risks. For example, set aside retention amounts may not be sufficient to fully cover additional costs incurred with transferring a project to a new contractor if that becomes necessary with respect to a project. Moreover, retained amounts cannot protect against timing delays when projects run into difficulty. Therefore, there remains a risk that construction will not be completed on time or on budget.

Project Approvals and Construction Process

The Borrower represents that it will obtain all necessary approvals, consents, certificates and permits as needed in order to complete the Series 2023 Projects in a timely fashion. The Borrower anticipates receiving the required approvals for the construction of the improvements on the New Parker Campus in [REDACTED], from the Town of [REDACTED], after the issuance of the Series 2023 Bonds. Any failure by the Borrower to obtain such approvals, consents, certificates and permits required to complete construction of the Series 2023 Projects could result in delay with respect to completion of the Series 2023 Projects, and any such delay could adversely affect the Borrower's operations and its ability to generate income sufficient to pay debt service with respect to the Series 2023 Bonds. "APPENDIX B – THE BORROWER – The Project" and – "Project Construction."

Reputational Risk

The Charter School is subject to financial and other risks, which risks may differ from those of other private, charter or district schools. For example, changes in the reputation of the Charter School and/or the Pledged Campuses'

faculty or student body, either generally or with respect to certain academic or extracurricular areas, may affect the ability of the Charter School to attract students to projected enrollment levels, and may affect the ability of the Charter School 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.

Litigation

Charter schools and other K-12 schools, such as the Charter School, are often the subject of litigation. Educator's professional liability and other actions alleging wrongful conduct and seeking punitive damages often are filed against education providers such as the Charter School. Litigation may also arise from the corporate and business activities of the Charter School, such as employee-related matters. As with educator's professional liability, many of these risks are covered by insurance, but some are not. For example, some business disputes and workers' compensation claims may not be covered by insurance or other sources and, in whole or in part, may be a liability of the Charter School if determined or settled adversely. Although the Charter School maintains insurance policies covering educator's professional and general liability, the Charter School is unable to predict the availability, cost or adequacy of such insurance in the future.

Economic and Other Factors

Future economic and other factors may adversely affect the revenues and expenses relating to the Pledged Campuses and the Charter School's ability to make its required payments under the Leases, and, consequently, the Obligated Group's ability to make Required Payments on Obligation No. 1 and Obligation No. 2, and, in turn, the Borrower's ability to make payments under the Loan Agreement. Among the factors that could have such adverse effects are: decreases in the number of students seeking to attend the Pledged Campuses at optimum levels for each grade level; decreases in the level of State Payments or other student enrollment-based funding by the State; decline in the ability of the Charter School and its management to provide education desired and accepted by the population served; economic developments in the affected service area, including inflation and interest rates; decline of the reputation of the Charter School; revocation of the Charter Contract; competition from other educational institutions, including other charter schools, private schools, and district schools; lessened ability of the Charter School to attract and retain qualified teachers and staff at salaries that permit payment of debt service and expenses; increased costs associated with technological advances; changes in government regulation of the education industry or in the Charter School Act; future claims for accidents or other torts at the Pledged Campuses and the extent of insurance coverage for such claims; and the occurrence of natural disasters, such as floods, , see "Extreme Weather Events and Climate Change" below.

School Choice Initiatives

States are increasingly considering and, in some states, enacting legislation that would expand the educational choices for its student residents beyond the traditional public school system. Charter schools are one such example. As charter schools become more commonplace, and as existing charter schools demonstrate a track record of providing an attractive educational choice, the number of charter schools may increase, which could lead to increased competition for existing charter schools such as the Charter School.

School choice programs could provide significant competition to charter schools because parents who may not have previously been able to afford private tuition at a private, independent school would, under such a system, have financial resources available to cover all or a significant portion of the tuition cost at such private, independent schools. This is likely to increase demand for enrollment in private, independent schools and could adversely affect enrollment at other schools, including charter schools and district schools.

Management of the Charter School cannot determine the specific impact the implementation of such education choice initiatives in the State would have on the operation or financial performance of the Charter School.

Failure to Comply with the Elementary and Secondary Education Act

The Every Student Succeeds Act ("ESSA"), which reauthorized the Elementary and Secondary Education Act, was signed into law by then-President Barack Obama in December 2015. Prior to the ESSA, under the No Child Left Behind Act of 2001, schools identified for improvement for failing to make Adequate Yearly Progress for two consecutive years were required to develop a two-year school improvement plan and submit the plan for review and approval.

The ESSA, among other things, prohibits officers and employees of the federal government from mandating, directing or controlling a state, local education agency or a school's specific instructional content, academic standards and assessments, curriculum, or program of instruction, as a condition of eligibility to receive funds under ESSA (Title I). Most of the provisions of ESSA took effect during the 2017-18 school year.

Failure of the Charter School to meet the requirements of ESSA may have a material adverse effect on the Charter School's ability to make its required payments under the Leases and thereby have a material adverse effect on the Obligated Group's ability to make Required Payments on Obligation No. 1 and Obligation No. 2, and, in turn, the Borrower's ability to make the payments required under the Loan Agreement representing debt service on the Series 2023 Bonds. Various other sections of this Official Statement discuss the Charter School's performance under the State's accountability system. "APPENDIX B—THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES." See also "RISK FACTORS – Revocation or Nonrenewal of Charter Contract." If the performance of the Charter School under the State's accountability framework were to result in its failure to meet accountability requirements on an ongoing basis, the Charter School would be subject to certain requirements and/or taking other corrective actions.

Risk of Noncontinued Philanthropy or Grants

In the past, the Charter School has received income from unrestricted gifts and donations or grants to supplement operating revenues to finance operations and capital needs. Gifts, grants and donations are expected to continue. However, there can be no assurance that projections of this non-operating revenue will be realized or will not decrease, adversely affecting the financial condition of the Charter School. See "APPENDIX B – THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES" attached hereto.

Determination of Taxability

The excludability from gross income for federal income taxation purposes of the interest on the Series 2023A Bonds is based on the continuing compliance by the Bond Trustee, the Borrower, the Charter School and the Authority with certain covenants contained in the Bond Indenture, the Loan Agreement and the tax certificate, dated as of the date of delivery of the Series 2023 Bonds (the "Tax Certificate"), and executed by the Authority, the Bond Trustee, the Borrower and the Charter School. These covenants relate generally to restrictions on the use of the Series 2023 Facilities, restrictions on use of the Series 2023 Facilities by organizations other than the Borrower, 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 2023A Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2023A Bonds.

Tax-Exempt Status of Members of the Obligated Group

The tax-exempt status of the Series 2023A Bonds presently depends, in part, upon maintenance by the Borrower of its status as an organization described in Section 501(c)(3) of the Code. The maintenance of this status depends on compliance with the 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 Internal Revenue Service (the "IRS"). One primary penalty available to the IRS under the Code with respect to a tax-exempt entity engaged in inurement of unlawful private benefit is the revocation of tax exempt status. Loss of tax-exempt status by the Borrower could result in loss of tax exemption of the Series 2023A Bonds and defaults in covenants regarding the Series 2023 Bonds and other obligations would likely be triggered.

Loss of tax-exempt status by the Borrower also could result in substantial tax liabilities on its income. For these reasons, loss of tax exempt status of the Borrower could have material adverse consequences on the financial condition of the Obligated Group.

The Borrower may be audited by the IRS. Because of the complexity of the tax laws and the presence of issues about which reasonable persons 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 Borrower, as well as the exclusion from gross income for federal income tax purposes of the interest on the Series 2023A Bonds and any other tax-exempt debt issued for the benefit of the Borrower.

Income and Property Tax Exemption

Under present federal and State law, regulations and rulings, the income and revenue of nonprofit, 501(c)(3) qualified exempt organizations are exempt from federal and state income tax, except for any unrelated business income as defined in the Code. The Borrower is a Colorado nonprofit corporation and has received a determination letter from the Internal Revenue Service stating that it is an organization described in Section 501(c)(3) of the Code. Under present State law and rulings, buildings and the property appurtenant thereto that are owned by a nonprofit corporation are exempt from property taxes levied by political subdivisions of the State, beginning on the date that the nonprofit corporation acquires ownership of such property and buildings, so long as the property and buildings are used for educational purposes and not used or held for profit (although such property is subject to special assessments for local improvements to the property). [The Series 2023 Facilities are currently exempt from the payment of real property taxes.] However, such laws, regulations and rulings are subject to change, and no assurance can be given that any future change in exempt status would not have a material adverse effect on the Obligated Group. The financial forecast contained herein has been prepared with the assumption that the Series 2023 Facilities will [remain] exempt from real property taxation. **Confirm**

Other Tax Liabilities

In addition to those tax liabilities noted above under "Income and Property Tax Exemption," imposition of federal, state, or local taxes on the Charter School or Borrower in the future may impact their finances or operations. The Charter School and the Borrower are unable to predict legislative or other events or changes that may result in the imposition of additional taxes on its properties or operations.

Risks Regarding Bankruptcy and Similar Laws

General

No representation is made regarding whether the Borrower, any Member of the Obligated Group, or the Charter School is, or would be, eligible for voluntary relief, or could have relief involuntarily ordered against it, under the United States Bankruptcy Code, 11 U.S.C. §§101 *et seq.* (the "Bankruptcy Code") or under any similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors (any such proceeding, an "Insolvency Proceeding"). If the Borrower, a Member of the Obligated Group, or the Charter School (in any such case, the "Relevant Debtor") were to commence, or have commenced against it, an Insolvency Proceeding, such an Insolvency Proceeding may include, without limitation, a full or partial liquidation of the Relevant Debtor or a restructuring of the Relevant Debtor's obligations. The commencement of such an Insolvency Proceeding under the Bankruptcy Code would stay the commencement or continuation of many types of action against the Relevant Debtor or its property, including, without limitation, in the case of an Insolvency Proceeding of a Member of the Obligated Group (a "Member Bankruptcy Case"), a proceeding to foreclose on the Deed of Trust (as defined in the Master Indenture) and any other collateral given or granted by such Member, unless a court with jurisdiction over the Insolvency Proceeding were to order otherwise. There can be no guaranty that creditors of the Relevant Debtor, including the owners of the Series 2023 Bonds if the Borrower or a Member of the Obligated Group were the Relevant Debtor, will be paid in full or in part in an Insolvency Proceeding. In a Member Bankruptcy Case, it is possible that the property (a) pledged as security for the Series 2023 Bonds or (b) otherwise assigned to the Bond Trustee under the Bond Indenture, the Master Indenture, the Supplement No. 2, or the Leases would come under the supervision or control of a court with jurisdiction over the Insolvency Proceeding and that such property, in whole or in part, would not be available to satisfy the obligations of the Borrower or relevant Member as contemplated by the principal

documents described in this Official Statement, including, without limitation, the Bond Indenture, the Master Indenture, the Supplement No. 2, the Loan Agreement, the Deed of Trust, and the Leases. Moreover, an Insolvency Proceeding may limit, modify, restrict, or otherwise affect the availability of remedies to the Bond Trustee or to the registered owners of the Series 2023 Bonds. See "RISK FACTORS – Enforcement of Remedies; Non-Recourse Debt" below.

It is impossible to predict with certainty the ways in which an Insolvency Proceeding might affect creditors of a Relevant Debtor, including, without limitation, the Bond Trustee, the registered owners of the Series 2023 Bonds, and the Beneficial Owners of the Series 2023 Bonds, because, among other reasons, the outcome of any particular matter considered in an Insolvency Proceeding may depend upon the specific facts of the particular case and because the matter may be subject to the exercise of discretionary equitable powers by a state or federal court (including a federal bankruptcy court), which powers such a court may exercise in furtherance of goals or policies other than those that would favor creditors of the Relevant Debtor, including, without limitation, the Bond Trustee, the registered owners of the Series 2023 Bonds, and the Beneficial Owners of the Series 2023 Bonds.

Although each Member of the Obligated Group is intended to be a special purpose entity, there can be no assurance that a Member will not become the subject of an Insolvency Proceeding.

Risks Associated with Assumption or Rejection of a Lease in Bankruptcy – Insolvency Proceeding regarding the Charter School

In an Insolvency Proceeding of the Charter School commenced under the Bankruptcy Code (a "Tenant Bankruptcy Case"), the trustee (if one were appointed to administer the bankruptcy estate of the Charter School) or the Charter School (as debtor in possession, if no trustee were appointed) (collectively, the "trustee/Tenant") could seek either to assume or to reject one or more Leases. The assumption or rejection of a Lease would be subject to approval of the court having jurisdiction over the Tenant Bankruptcy Case, and it cannot be predicted whether that court (a) would determine, if the issue were presented by a party in interest, that such Lease is a lease that, as a matter of law, may not be assumed and/or assigned under the Bankruptcy Code or (b) would otherwise approve either assumption or rejection of such Lease in a Tenant Bankruptcy Case.

Pending any such assumption or rejection of a Lease, the trustee/Tenant would be required to perform all obligations of the Charter School arising under such Lease from and after the date of entry by the court of an order for relief against the Charter School in the Tenant Bankruptcy Case (which, in a voluntary Tenant Bankruptcy Case, would be the date on which the Charter School filed its voluntary petition for relief under the Bankruptcy Code), except for certain obligations arising from defaults relating to (a) the insolvency or financial condition of the Charter School; (b) the commencement of the Tenant Bankruptcy Case; (c) the appointment of a trustee in the Tenant Bankruptcy Case or of a custodian before the commencement of the Tenant Bankruptcy Case, and (d) certain penalties (clauses (a) through (d), collectively, the "Excluded Defaults"). There can be no assurance that the trustee/Tenant would perform the Charter School's obligations as so required. If there had been any default under such Lease (other than Excluded Defaults), then, as a prerequisite to assumption of such Lease by the trustee/Tenant, the trustee/Tenant would be required to (I) cure, or to provide adequate assurance that the trustee/Tenant would promptly cure, such defaults; (II) compensate, or provide adequate assurance that the trustee/Tenant would promptly compensate, the applicable Member of the Obligated Group, as lessor, for any actual pecuniary loss to such Member resulting from such defaults, and (III) provide adequate assurance of the Charter School's future performance under such Lease. If the trustee/Tenant were to assume such Lease, the trustee/Tenant then or thereafter could seek to assign such Lease to a third party, notwithstanding any prohibition in such Lease against such an assignment and, upon court approval of any such assignment (which approval cannot be presumed or predicted), the trustee/Tenant and the Charter School's bankruptcy estate would be relieved of liability for any breach of such Lease occurring after the effective date of such assignment. Although the trustee/Tenant would have to provide adequate assurance of future performance of such Lease by the assignee as a condition to the assignment of such Lease over the objection of the applicable Member of the Obligated Group, as lessor, there can be no assurance that the assignee would in fact perform its future obligations under such Lease.

If, in a Tenant Bankruptcy Case, the trustee/Tenant did not assume a Lease within the appropriate period of time described in the Bankruptcy Code (the "Timing Provisions"), such Lease would be deemed rejected by operation of the Bankruptcy Code. Alternatively, the trustee/Tenant could obtain, within the time described above, an order of

the court authorizing rejection of such Lease. In either case, the applicable Member of the Obligated Group, as lessor, would have a claim against the Charter School's bankruptcy estate for damages arising from the rejection of such Lease, which claim may be limited by certain provisions of the Bankruptcy Code to an amount less than the total damages incurred by such Member, as lessor, as a result of the rejection of such Lease. There can be no assurance that any such claim would be allowed in an amount equal to the total damages sustained by the applicable Member of the Obligated Group, as lessor, as a result of the rejection of such Lease or that the Charter School's bankruptcy estate would distribute to such Member an amount on account of any such claim sufficient to satisfy in full such Member's obligations under the Master Indenture, the Supplement No. 2, and/or the Deed of Trust.

In a Tenant Bankruptcy Case, it is possible that the trustee/Tenant or another party in interest might ask the court to determine that a Lease is not a true lease but, instead, is and/or should be treated as a financing agreement between the applicable Member of the Obligated Group and the Charter School. If the court were to so determine, it is possible that the property subject to the Lease would be deemed not to be property of the Member but, rather, property of the Charter School. In that circumstance, there can be no assurances regarding the nature, extent, validity, priority, or secured or unsecured status of any claims that are or may be asserted by the applicable Member of the Obligated Group against the Charter School.

Risks Associated with Assumption or Rejection of a Lease in Bankruptcy – Insolvency Proceeding regarding a Member of the Obligated Group

In a Member Bankruptcy Case, the trustee (if one were appointed to administer the bankruptcy estate of the Member) or the Member (as debtor in possession, if no trustee were appointed) (collectively, the "trustee/Member") could seek either to assume or to reject the Lease to which the Member is a party. The trustee/Member, as lessor, would not be subject to the same Timing Provisions regarding assumption of such Lease as a trustee/Tenant would be in a Tenant Bankruptcy Case. If the Member were to obtain an order of the court authorizing rejection of such Lease, the Charter School, under the Bankruptcy Code, would have certain rights, conditioned upon the performance of certain obligations, to remain in possession of the property subject to such Lease.

The discussion above regarding possible recharacterization of a Lease is applicable to a Member Bankruptcy Case as well as to a Tenant Bankruptcy Case.

Risk of Substantive Consolidation

In an Insolvency Proceeding of the Borrower commenced under the Bankruptcy Code (a "Borrower Bankruptcy Case"), a Tenant Bankruptcy Case or a Member Bankruptcy Case, the trustee (if one were appointed to administer the bankruptcy estate of the Borrower) or the Borrower (as debtor in possession, if no trustee were appointed) (collectively, the "trustee/Borrower"), the trustee/Tenant or trustee/Member (as applicable) or another party in interest might seek an order of the court substantively consolidating the assets and liabilities of two or more of the Borrower, the Members of the Obligated Group, and the Charter School. If the court ordered such substantive consolidation, the assets of the organizations whose assets and liabilities are to be consolidated (including property pledged as security for the Series 2023 Bonds) might be combined into one consolidated bankruptcy estate, and the creditors of such organizations might be treated as creditors of the consolidated bankruptcy estate, with the combined assets of such organizations (including property pledged as security for the Series 2023 Bonds) being thereby made available to satisfy the aggregate claims of creditors of such organizations. Although each Member of the Obligated Group is intended to be a special purpose entity, there can be no assurance that the court would not order substantive consolidation of the assets and liabilities of any Member with the assets and liabilities of the Borrower, another Member and/or the Charter School based on the facts and circumstances existing at the time substantive consolidation was sought.

Additional Indebtedness

The Master Indenture permits the Obligated Group to incur Additional Indebtedness upon compliance with the provisions thereof. The incurrence of such Additional Indebtedness could increase the economic burden on the Obligated Group and thereby adversely affect the ability of the Obligated Group to make Required Payments on Obligation No. 1 and Obligation No. 2, and, in turn, for the Borrower to make Loan Payments sufficient to pay debt service on the Series 2023 Bonds. In addition, in connection with the incurrence of Additional Indebtedness, the

Obligated Group may secure Additional Indebtedness with a deed of trust on the Facilities that would be on parity with the Deed of Trust that secures Obligation No. 1 and Obligation No. 2, and, in turn, the Series 2023 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture – Additional Indebtedness" herein and "APPENDIX B – THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES – OPERATING AND FINANCIAL INFORMATION – Future Indebtedness" attached hereto.

Additional Indebtedness of Charter School

The Charter School may, in the future, incur indebtedness and the incurrence of such indebtedness would not be limited by the restrictions on Additional Indebtedness set forth in the Master Indenture. The restrictions on Additional Indebtedness set forth in the Master Indenture only apply to indebtedness incurred by the Borrower. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – The Master Indenture – Additional Indebtedness" herein. The incurrence of additional indebtedness by the Charter School could increase the economic burden on the Charter School and thereby adversely affect the ability of the Charter School to make payments under the Leases sufficient to pay debt service on the Series 2023 Bonds.

Enforcement of Remedies; Non-Recourse Debt

The remedies available to the Master Trustee, the Bond Trustee or the Registered Owners of the Series 2023 Bonds upon an Event of Default under the Master Indenture, the Bond Indenture, the Loan Agreement and the 2023 Facilities Lease are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Master Indenture, the Bond Indenture, the Loan Agreement and the 2023 Facilities Lease may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 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.

The obligations of the Obligated Group under the Master Indenture and the Borrower under the Loan Agreement are non-recourse in nature to officers and directors of the board of directors of the Members of the Obligated Group. Should the Borrower be unable to meet its obligations under the Loan Agreement, the remedies of the Bond Trustee and the Master Trustee will be limited to recovery against the Revenues (as defined in the Bond Indenture) and the funds and accounts held by the Bond Trustee (other than the Rebate Fund) pursuant to the Bond Indenture, and foreclosure upon the Deed of Trust and recovery against the Pledged Revenues which secure Obligation No. 1 and Obligation No. 2 under the Master Indenture.

Secondary Market; Restrictions on Transfer

There is no guarantee that a secondary trading market will develop for the Series 2023 Bonds. Consequently, prospective bond purchasers should be prepared to hold their Series 2023 Bonds to maturity or prior redemption. The Underwriter is not obligated to create a secondary market for the purchase or sale of the Series 2023 Bonds.

Failure to Provide Ongoing Disclosure

The Borrower and the Charter School will covenant to enter into the Continuing Disclosure Agreement pursuant to Rule 15c2-12 (as defined herein). See "MISCELLANEOUS—Continuing Disclosure Agreement," below. Failure to comply with the Continuing Disclosure Agreement and Rule 15c2-12 may adversely affect the liquidity of the Series 2023 Bonds and their market price in the secondary market.

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 purposes of misappropriating assets or information or causing operational disruption and damage. Within the last two years, the Charter School has not experienced an attack on its computer operating systems which resulted in a breach of its cybersecurity systems that are in place. However, 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.

Campus Security

Schools are subject to risks relating to campus security. These include but are not limited to bullying, abuse, and, in extreme cases, physical violence. Instances of breaches of campus security may have a materially adverse effect on the operation of the Facilities and/or on the Charter School's reputation, and may result in financial liability and/or litigation, any of which events could adversely affect the Charter School's ability to generate revenues from the operation of the Facilities necessary for the Borrower to meet its payment obligations representing debt service on the Series 2023 Bonds.

Extreme Weather Events and Climate Change

The State is susceptible to the effects of extreme weather events and natural disasters, including severe storms, droughts and wildfires, which could result in negative economic impacts on the Charter School. Such effects may also be exacerbated by a longer-term shift in the climate over several decades, including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage the Facilities or the local infrastructure that provides essential services to the Facilities. Such events may have a severe effect on the Charter School by virtue of damage or destruction of the Facilities and delays in repairing, reconstructing or replacing the Facilities, delays in receiving insurance proceeds and Federal Emergency Management Administration Payments, interruption of utility service, and long-term population and employment losses following significant weather events. The economic impacts resulting from weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. There can be no assurance that resulting damage or destruction would be partially or fully covered by insurance. More generally, no assurances can be made future extreme weather events, which may increase in light of climate change, will not adversely affect the operations of the Charter School or the Facilities.

SCHOOL FUNDING

This section provides a brief overview of Colorado public school funding provisions applicable to the Charter School. This overview is provided for the convenience of prospective purchasers of the Series 2023 Bonds and does not purport to be comprehensive. Additional information regarding various aspects of public school funding in Colorado is available on numerous State-maintained websites and through other publicly available sources.

Sources of Revenue

Funding

The primary source of funding for charter schools in Colorado comes from a combination of state and local public funds, pursuant to the terms of the Public School Finance Act of 1994, Article 54 of Title 22, C.R.S. (the "School Finance Act"). Charter schools receive funding based on the amount of funding due to the geographic district in which the charter school is located. The amount of revenue appropriated to a school district under the School Finance Act is determined by a formula (the "Total Program") found in section 22-54-104, C.R.S., which is based upon pupil count, local costs of living, personnel costs, the size of the district, the number of at-risk pupils, the number of English language learners, the Budget Stabilization Factor (as described hereinafter), and the number of online pupils. The district's revenue, in the amount allowed by the Total Program formula ("Total Program Funding"), is provided by (a) local sources of revenue, consisting of property taxes and specific ownership taxes (a State-imposed tax on motor vehicles which is shared with local governments) and (b) if necessary to fund any shortfall, State funds, in the form of State "equalization" payments, as described below. Information about the School Finance Act is available at <http://www.cde.state.co.us>, which is an internet address for the CDE; provided, however, such web page and any links to other web pages is not incorporated herein by this reference and is not part of this Official Statement.

Under the Charter, the Charter School receives funding in an amount equal to [97%] of the accounting 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. The District may retain up to the actual amount of the Charter School's per pupil share of the "central administrative overhead costs" for services actually provided by the District to the Charter School (except that such amount cannot exceed [3] % of the District PPR) plus an additional [1] % retained by the CDE, less deductions for purchased services, less other deductions as provided in the Charter and adjusted as provided therein. Central administrative overhead costs means administrative items and support services specified by a State board.

In certain years, the State Legislature has made amendments to the various formulas embedded in the School Finance Act in response to severe State budget difficulties; those amendments have negatively impacted the amount of State funding available to districts pursuant to the School Finance Act. It is possible that future legislative amendments to the School Finance Act will further erode State support of public education. It is also possible that future legislative amendments will take the form of more substantial modifications or even the complete revamping of the school finance system in the State, rather than changes to the existing embedded funding formulas. Any such actions could have a detrimental effect on the funding provided to the Charter School.

School district funding is based on the Total Program formula set forth in section 22-54-104, C.R.S., within the School Finance Act. 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. Beginning with Fiscal Year 2010-11, 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. Total Program calculations may be expressed in the following formula:

$$\text{Total Program} = \text{Funded Pupil Count} \times \text{Total Per-Pupil Funding} + \text{Supplemental Funding} + \text{Online Funding} - \text{Budget Stabilization Factor}$$

Under the School Finance Act, every school district starts with the same per pupil funding amount generally known as the "statewide base." The statewide base is increased annually by an amount equal to the rate of inflation. The base amount of per pupil funding for the 2022-23 fiscal year is \$7,478.16. The statewide base is then adjusted in each school district to account for differences between districts in cost of living, school district size and personnel costs. The cost-of-living factor is adjusted biennially, taking into account increases in the household income level of each district. The personnel and size factors are determined using enrollment-based calculations, making them unique to each school district.

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." For fiscal year 2022-23, each school district is guaranteed Total Program funding consisting of the sum of \$9,923.93 per traditional pupil plus \$9,310.88 per online pupil. These amounts are adjusted to \$9,559.32 per traditional pupil plus \$8,968.79 per online pupil after application of the Budget Stabilization Factor.

The following table sets forth the historical per-pupil revenue for the Charter School.

Historical Per Pupil Revenue		
School Year	PPR Rate	Percent Change (rounded)
2018-19	7,755	-
2019-20	8,124	4.8%
2020-21	7,771	(4.3)
2021-22	8,547	10.0
2022-23	9,063	6.0

In addition to the base amount of per pupil funding, the State funding formula also provides supplemental funding. This includes providing additional funding to support students who are classified as "at risk" or as "English language learners." It also includes funding for students enrolled in extended high school. The definitions of these terms and the way the supplemental funding is calculated is described further below.

As provided in section 22-54-104, C.R.S., 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 federal free lunch program. Beginning in fiscal year 2005-06, the definition of "at risk" was expanded to include students who were not eligible for free lunch, but whose scores were not included in calculating school academic performance grades because the students' dominant language is not English as provided in Section 22-7-1006.3, C.R.S.¹ A school district can receive additional funding equal to 12-30% of its per pupil funding for each at risk pupil. The amount of at risk funding increases as a district's percentage of at risk pupils increases above the State average.

English language learner funding is based on the number of English language learners in each district. As defined in section 22-24-103(4), C.R.S., an English language learner is a student who is linguistically diverse and has been identified as having a level of English language proficiency that requires language support to achieve standards in grade-level content in English. A school district receives additional funding equal to 8% of its per pupil funding for each English language learner.

Extended high school funding is based on the number of extended high school pupils in each district. As defined in section 22-54-103(d)(5.2), an extended high school pupil is a student who, on the pupil enrollment count day within the applicable budget year, is concurrently enrolled in a postsecondary course, as a participant in the ASCENT program or the TREP program, or is enrolled in grade thirteen or fourteen in a p-tech school. The amount of extended high school funding per pupil is calculated by the State department of education, taking into account the fiscal year 2009-10 amount of per-pupil funding for extended high school (\$6,135), inflation and the Budget Stabilization Factor.

Online funding is based on the number of pupils enrolled in either a single district online program or a certified multi-district online program. A single district online program is any district online program which enrolls no more than 10 students from another district. The online per pupil funding amount changes by the percentage by which the statewide base changes. For fiscal year 2022-23 the on-line funding amount is equal to \$233,771,492.01, which amount represents a 3.67% decrease commensurate with the Budget Stabilization Factor.

In general, the Budget Stabilization Factor is calculated by first determining the Total Program prior to application of the Budget Stabilization Factor. The Budget Stabilization Factor then reduces this Statewide Total Program to no less than \$8,422,263,178.50 for the 2022-23 fiscal year. The Budget Stabilization Factor reduction will not reduce funding below the per-pupil Statewide Base. Districts whose State share of funding is less than the Budget Stabilization Factor Reduction will not receive any State share and will have to reimburse the State with State categorical funding equal to an amount not to exceed the Budget Stabilization Factor Reduction of the District's Total Program.

Funding of PPR for each fiscal year of the Charter School begins in July. Funding will be 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 Charter School 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 Leases, 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 Leases, representing debt service on the Series 2023 Bonds, directly with the Bond Trustee from the PPR due monthly to the Charter School under the Charter 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.

¹ In Section 22-54-104.6, C.R.S., the State expressed its intent to adopt a new definition of "at risk" beginning in the 2023-24 budget year.

Capital Construction Funding

Pursuant to section 22-54-124, C.R.S., qualified charter schools are eligible to receive additional funding for capital construction from the State Education Fund ("Capital Construction Funds"). [The Charter School became a qualified charter school for purposes of such capital funding upon execution of the Lease Agreement dated as of October 1, 2019, by and between the Borrower and the Charter School for the Original Parker Campus.][Confirm] The statewide aggregate amount available to all charter schools for the 2021-22 fiscal year was \$31,526,045. This amount is derived from split sources via the appropriation of \$22,430,131 in funding from the State Education Fund which is equal to \$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 prior school year plus \$10,392,356 from the Capital Construction Assistance Fund. The Charter School Capital Construction grant program receives a percentage of the excise tax revenues credited annually to the Capital Construction Assistance Fund equal to the percentage of pupil enrollment, as defined in section 22-54-103(10), C.R.S., statewide represented by pupils who were enrolled in charter schools for the prior school year. 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 Moral Obligation Program and 10% for charter schools not participating in the Moral Obligation Program, if there are un-replenished draws on the Colorado Charter School Debt Service Reserve Fund or the Charter School Interest Savings Account under the State's "Moral Obligation Program." *The Charter School is not participating in the Moral Obligation Program.* The Charter School received \$[] from the Capital Construction Fund in the 2021-22 school year.

No Tuition Charges

The Charter School is not permitted to charge tuition to students, except for before/after school programs, preschool programs, intersession programs or extended kindergarten programs. The Charter School may charge certain fees; however, the Charter School is required under State law to waive all fees for indigent students. If the Charter School enrolls a nonresident student with certain severe or profound disabilities specified in section 22-30.5-112, C.R.S., the District can collect from the school district of residence tuition for certain costs incurred in educating the child.

Additional Revenues

In addition to Total Program, the State department of education applies various other statutory formulas to provide additional funds to districts, which provide a portion of those funds to qualified charter schools. Additionally, there is a process by which charter schools may seek voter approval of additional funding. Voters can approve funding for a charter schools' operational needs or capital construction.

The governing body of a charter school is also 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 governing body if it is subject to any condition contrary to law or contrary to the contract between the charter school and the school district or that would be inconsistent with its tax status.

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. Charter schools have been accorded the immunities provided by the Governmental Immunity Act. 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 employees, which is not willful and wanton, and which occurs during the performance of a public employee's duties and within the scope of a public employee's employment. There are certain instances in which sovereign immunity is waived, which includes when a

charter school or its employee is negligent by failing to protect others from a reasonably foreseeable incident of school violence.

The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows for claims accruing on or after January 1, 2022 and before January 1, 2026: (a) for any injury to one person in any single occurrence, the sum of \$424,000; or (b) for an injury to two or more persons in any single occurrence, the sum of \$1,195,000, except that in such instance, no person may recover in excess of \$424,000. The Immunity Act also provides for increases in those amounts every four (4) years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, or its successor index. A public entity may also increase any amount by resolution. The Charter School may not be held liable either directly or by indemnification for punitive or exemplary damages.

The Charter School may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the Charter School may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it 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.

Pending and Threatened Litigation

No Proceedings Against the Borrower or Charter School. In connection with the issuance of the Series 2023 Bonds, the Borrower and the Charter School will deliver certificates which will state that, as of the date of issuance of the Series 2023 Bonds, to the best of the Borrower's and Charter School's knowledge, 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 threatened against or affecting the Borrower or the Charter School, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Master Indenture, the Bond Indenture, the Loan Agreement, the 2023 Facilities Lease, the bond purchase agreement (referred to in "MISCELLANEOUS—Underwriting"), or this Official Statement, the validity and enforceability of the Master Indenture, the Bond Indenture, the Loan Agreement, the 2023 Facilities Lease, the bond purchase agreement or the Series 2023 Bonds or [except as disclosed in this Official Statement,] the operations (financial or otherwise) of the Borrower or the Charter School.

No Proceedings Against the Authority. There is no litigation pending (as to which the Authority has received service of process) or, to the actual knowledge of the Authority, overtly threatened in writing, directly against the Authority to restrain or enjoin the issuance, sale, execution, or delivery of the Series 2023 Bonds or the application of the proceeds thereof toward the costs of the Series 2023 Project, or in any way contesting or affecting the validity of the Series 2023 Bonds or any proceedings of the Authority with respect to the issuance or sale thereof, or the pledge or application of any monies or security for the Series 2023 Bonds or the existence of the Authority. See "APPENDIX B—THE BORROWER AND THE PLEDGED CAMPUSES — No Material Litigation.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Series 2023 Bonds. This 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 personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2023 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2023 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2023 Bonds.

Federal Tax Exemption Regarding Series 2023A Bonds

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Series 2023A Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Series 2023A Bonds, assuming the accuracy of the certifications of the Authority, the Charter School, and the Corporation and continuing compliance by the Authority, the Charter School, and the Corporation with the requirements of the Code. Interest on the Series 2023A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" (as defined in Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for purposes of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Series 2023A Bonds.

The Code contains a number of restrictions and requirements that apply to the Series 2023A Bonds including, without limitation, (i) investment restrictions, (ii) requirements for periodic payments of arbitrage profits to the United States, and (iii) rules regarding the proper use of the proceeds of the Series 2023A Bonds and the facilities financed or refinanced with such proceeds. The Authority, the Charter School, and the Corporation have covenanted to comply with all of the restrictions and requirements of the Code that must be satisfied in order for the interest on the Series 2023A Bonds to be and remain excludable from the gross income of the owners thereof for federal income tax purposes.

Original Issue Discount. Certain of the Series 2023A Bonds may be offered at a discount ("original issue discount") equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Series 2023A Bond accrues periodically over the term of such Series 2023A Bond as interest with the same tax exemption and alternative minimum tax status as stated interest. The accrual of original issue discount increases the bondholder's tax basis in the Series 2023A Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Bondholders should consult their tax advisers for an explanation of the accrual rules.

Original Issue Premium. Certain of the Series 2023A Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Series 2023A Bond through reductions in the bondholder's tax basis for the Series 2023A Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisers for an explanation of the amortization rules.

Federal Tax Matters Regarding the Series 2023B Bonds

In the opinion of Bond Counsel, interest on the Series 2023B Bonds is not excludable from gross income for federal income tax purposes. Interest on the Series 2023B 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 Series 2023B Bonds who are not United States persons, as defined for federal tax purposes, may be subject to special rules and should consult their tax advisers.

State Tax Exemption Regarding the Series 2023A and Series 2023B Bonds

Interest on the Series 2023A and Series 2023B Bonds is exempt from Colorado state income tax. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Series 2023A and Series 2023B Bonds, including whether interest on the Series 2023A and Series 2023B Bonds is exempt from taxation 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 2023A and Series 2023B Bonds, and Bond Counsel has expressed no 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 2023A and Series 2023B Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

See APPENDIX E hereto for the proposed Form of Bond Counsel Opinion.

MISCELLANEOUS

Rating

Moody's Investors Service, Inc. ("Moody's") has assigned the Series 2023 Bonds a long-term rating of "[____]" ([_____] outlook).

Additional information relating to the rating is available in the rating report for the Series 2023 Bonds. Copies of the rating report are available as described under "INTRODUCTION."

The rating reflects only the view of the rating agency and any desired explanation of the significance of such ratings should be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance 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 judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2023 Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Series 2023 Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Continuing Disclosure Agreement described under the heading "Continuing Disclosure Agreement" none of the Authority, the Borrower or the Underwriter undertake responsibility to bring to the attention of the owners of the Series 2023 Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

Underwriting

Subject to the terms and conditions of a bond purchase agreement (the "Bond Purchase Agreement") entered into by and among the Issuer, the Borrower, the Charter School and Robert W. Baird & Co. Incorporated (the "Underwriter"), the Series 2023 Bonds are being sold by the Authority to the Underwriter at an underwriting discount of \$_____ (\$_____ with respect to the Series 2023A Bonds and \$_____ with respect to the Series 2023B Bonds). Expenses associated with the issuance of the Series 2023 Bonds are being paid from proceeds of the Series 2023 Bonds. The right of the Underwriter to receive compensation in connection with the Series 2023 Bonds is contingent upon the actual sale and delivery of the Series 2023 Bonds. The Underwriter has initially offered the Series 2023 Bonds to the public at the prices set forth on the inside front cover page of this Official Statement. Such prices 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 2023 Bonds to the public.

Financial Advisor to the Borrower and the Charter School

Specialized Public Finance Inc. (the "Financial Advisor") is acting as financial advisor to the Borrower and the Charter School in connection with the issuance of the Series 2023 Bonds. The Financial Advisor is not obligated nor has undertaken to make an independent verification or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement. The fees paid to the Financial Advisor for services rendered

in connection with the issuance of the Series 2023 Bonds are contingent upon the actual sale and delivery of the Series 2023 Bonds.

Relationship Among Parties

In connection with the issuance of the Series 2023 Bonds, the Authority, the Borrower, the Charter School and the Underwriter are being represented by the attorneys or law firms identified herein. In other transactions not related to the Series 2023 Bonds, each of these attorneys or law firms may have acted as Bond Counsel or represented the Authority, the Borrower, the Charter School or the Underwriter or their affiliates, in capacities different from those described herein and there will be no limitations imposed as a result of the issuance of the Series 2023 Bonds on the ability of any of these firms or attorneys to act as Bond Counsel or represent any of these parties in any future transactions. Potential purchasers of the Series 2023 Bonds should not assume that the Authority, the Borrower, the Charter School, the Underwriter, their respective counsel or Bond Counsel has not previously engaged in, is not currently engaged in or will not, after the issuance of the Series 2023 Bonds, engage in other transactions with each other or with any affiliates of any of them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or these attorneys or law firms.

Registration of Series 2023 Bonds

Registration or qualification of the offer and sale of the Series 2023 Bonds (as distinguished from registration of the ownership of the Series 2023 Bonds) is not required under the federal Securities Act of 1933, as amended. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2023 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2023 BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

Continuing Disclosure Agreement

The Borrower, as Obligated Group Representative, the Charter School, and Community Investment Corporation, as dissemination agent (the "Dissemination Agent"), will execute and deliver a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with respect to the Series 2023 Bonds. The Continuing Disclosure Agreement is made for the benefit of the Registered Owners and Beneficial Owners of the Series 2023 Bonds and in order to assist the Underwriter in complying with its obligations pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"). A form of the Continuing Disclosure Agreement is attached hereto as Appendix F.

Pursuant to the Continuing Disclosure Agreement, the Borrower and the Charter School will agree to provide the Dissemination Agent, and have the dissemination agent provide, in accordance with Electronic Municipal Market Access system ("EMMA") to the Municipal Securities Rulemaking Board ("MSRB"): (i) annually, certain quantitative financial information and operating data of the type specified in the Continuing Disclosure Agreement (the "Annual Report"); (ii) quarterly, certain financial and operating information as specified in the Continuing Disclosure Agreement (the "Quarterly Report"); (iii) in a timely manner, notice of the occurrence of certain events (within the meaning of the Rule), and (iv) notice of any failure to provide an Annual Report or a Quarterly Report when due.

The Borrower and the Charter School have previously entered into a continuing disclosure undertaking pursuant to the Rule. The Borrower and the Charter School failed to file audited financial statements for the fiscal year ended June 30, 2021 in a timely manner. The Borrower and the Charter School also failed to timely file certain operations reports. Except to the extent the preceding is deemed to be material, in the previous five years the Borrower and the Charter School have not failed to comply in all material respects with any previous undertakings under the Rule. The Borrower and the Charter School have reviewed their continuing disclosure responsibilities to help ensure compliance in the future. The Charter School has also adopted a continuing disclosure policy.

Interest of Certain Persons Named in This Official Statement

The fees to be paid to most of the professionals engaged in connection with the financing are contingent upon the sale and delivery of the Series 2023 Bonds. The fees paid to the independent auditors are not contingent upon the sale and delivery of the Series 2023 Bonds.

Financial Statements

The audited financial statements of the Charter School for the fiscal year ended June 30, 2022 (the "Audited Financial Statements") are included in this Official Statement in APPENDIX C. These financial statements have been audited by Hoelting & Company, Inc., independent certified public accountants (the "Auditor"), to the extent and for the periods indicated in its reports thereon. Potential purchasers should read the Audited Financial Statements in their entirety for more complete information concerning the Charter School's financial position. The Charter School has not requested the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to the Audited Financial Statements since the date thereof. Although the inclusion of the Audited Financial Statements in this Official Statement is not intended to demonstrate the fiscal condition of the Charter School since the date of the Audited Financial Statements, in connection with the issuance of the Series 2023 Bonds, the Charter School represents that there has been no material adverse change in the financial position or results of operations of the Charter School, nor has the Charter School incurred any material liabilities, which would make the Audited Financial Statements misleading.

Additional Information

Copies of constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information summarized or referred to herein are available as described in "INTRODUCTION—Additional Information."

Official Statement Authorization

The preparation of this Official Statement and its distribution have been authorized by the Borrower and the Charter School. This Official Statement is not to be construed as an agreement or contract between the Borrower and the Charter School and any purchaser, owner or holder of any Series 2023 Bond.

**LEMAN ACADEMY OF EXCELLENCE -
DOUGLAS COUNTY, COLORADO**

By _____
Authorized Representative

LEMAN CLASSICAL SCHOOL

By _____
Authorized Representative

APPENDIX A

CHARTER SCHOOLS IN COLORADO

Capitalized terms used but not otherwise defined in this APPENDIX A shall have the meanings set forth in the body of the Official Statement to which this APPENDIX A is attached.

Introduction

This Appendix A titled “CHARTER SCHOOLS IN COLORADO” summarizes certain provisions of Colorado (the “State”) charter school law and provides only a summary of certain charter school laws and is for information purposes only; reference should be made to such provisions in their entirety for a complete understanding of their terms. Further, the provisions summarized below are subject to change by the State Legislature and/or State electors, and this summary only pertains to certain aspects of currently existing law.

Various statutory provisions govern the creation, operation and financing of charter schools in the State. These provisions, some of which are discussed in the body of the Official Statement and some of which are described further below, derive from Acts which include:

The Charter Schools Act, C.R.S. §§ 22-30.5-101 - 22-30.5-704, which includes, among other things, provisions governing the legal status and organization of charter schools, their relationship to their chartering entities, laws applicable to charter schools and related exemptions, charter school pupils, enrollment and tuition, the charter application process, charter terms and renewals, grounds for revocation or nonrenewal and a related appeal process, and charter school financing guidelines;

The Public School Finance Act of 1994, Article 54 of Title 22, C.R.S. (the “School Finance Act”), which includes, among other things, provisions that set forth a finance formula applicable to all public schools, a definition of “per pupil revenues,” which applies to charter schools through the Charter Schools Act, and provides for the use of State Education Fund money for capital construction under certain conditions; and

The Charter School Facilities Financing Act, C.R.S. §§ 22-30.5-401 - 22-30.5-409, which includes, among other things, provisions relating to the Charter School Intercept Program.

In addition to these statutory provisions, there are various State constitutional provisions affecting revenues and spending relevant to charter schools, including a “TABOR” amendment to the Colorado Constitution, Article X, Section 20 and an amendment to the Colorado Constitution, Article IX Section 17, which is commonly known as “Amendment 23.”

Charter Schools Act (C.R.S. §§ 22-30.5-101. et seq.)

Legislative Declaration - Purpose of the Charter Schools Act (C.R.S. § 22-30.5-102)

The general assembly declared that: (a) it is the obligation of all Coloradans to provide all children with schools that reflect high expectations and to create conditions in all schools where these expectations can be met; (b) education reform is in the best interests of the State in order to strengthen the performance of elementary and secondary public school pupils, that the best education decisions are made by those who know the students best and who are responsible for implementing the decisions, and, therefore, that educators and parents have a right and a responsibility to participate in the education institutions which serve them; and (c) different pupils learn differently and public school programs should be designed to fit the needs of individual pupils and that there are educators, citizens, and parents in Colorado who are willing and able to offer innovative programs, educational techniques, and environments but who lack a channel through which they can direct their innovative efforts.

The purposes of the Charter Schools Act are as follows:

- To improve pupil learning by creating schools with high, rigorous standards for pupil performance;

- To increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils who are identified as academically low-achieving;
- To encourage diverse approaches to learning and education and the use of different, innovative, research-based, or proven teaching methods;
- To promote the development of longitudinal analysis of student progress, in addition to participation in the Colorado student assessment program to measure pupil learning and achievement;
- To create new employment options and professional opportunities for teachers and principals, including the opportunity to be responsible for the achievement results of students at the school site;
- To provide parents and pupils with expanded choices in the types of education opportunities that are available within the public school system;
- To encourage parental and community involvement with public schools;
- To address the formation of research-based charter schools that use programs that are proven to be effective;
- To hold charter schools accountable for performance through the “Education Accountability Act of 2009,” including but not limited to meeting State, school district, and school targets for the measures used to determine the levels of attainment of the performance indicators;
- To provide an avenue for citizens to participate in the educational process and environment; and
- To provide citizens with multiple avenues by which they can obtain authorization for a charter school.

In authorizing charter schools, it is the intent of the general assembly to create a legitimate avenue for parents, teachers, and community members to implement new and innovative methods of educating children that are proven to be effective and to take responsible risks and create new and innovative, research-based ways of educating all children within the public education system. The general assembly seeks to create an atmosphere in Colorado’s public education system where research and development in developing different learning opportunities is actively pursued. As such, the provisions of the section summarized herein should be interpreted liberally to support the findings and goals of the section summarized herein and to advance a renewed commitment by the State of Colorado to the mission, goals, and diversity of public education.

Charter Schools - Requirements and Authority (CRS § 22-30.5-104)

A charter school shall be a public, nonsectarian, nonreligious, non-home-based school which operates within a public school district. A charter school applicant cannot apply to, or enter into a charter contract with, a school district unless a majority of the charter school’s pupils, other than online pupils, will reside in the chartering school district or in school districts contiguous thereto. A charter school shall be a public school of the school district that approves its charter application and enters into a charter contract with the charter school. In accordance with the requirement of section 15 of article IX of the State constitution, the charter school shall be subject to accreditation by the school district’s local board of education pursuant to the school district’s policy for accrediting the public schools of the school district adopted pursuant to section 22-11-307 and section 22-32-109(1)(mm). The charter school shall also be subject to annual review by the department pursuant to section 22-11-210.

A charter school is subject to all federal and State laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, sex, sexual orientation, national origin, religion, ancestry, or need for special education services. A charter school shall be subject to any court-ordered desegregation plan in effect for the chartering school district. Enrollment in a charter school must be open to any child who resides within the school district; except that a charter school is not required to make alterations in the structure of the facility used by the charter school or to make alterations to the arrangement or function of rooms within the facility, except as may be required by State or federal law. Enrollment decisions shall be made in a nondiscriminatory manner specified by the charter school applicant in the charter school application.

A charter school shall be administered and governed by a governing body in a manner agreed to by the charter school applicant and the chartering local board of education. Effective July 1, 2013, each charter school that was initially chartered on or after August 6, 1997, shall organize as a nonprofit corporation pursuant to the "Colorado Nonprofit Corporation Act," articles 121 to 137 of title 7, C.R.S., which shall not affect its status as a public school for any purposes under Colorado law. Notwithstanding organization as a nonprofit corporation, a charter school shall annually complete a governmental audit that complies with the requirements of the department of education. An entity that holds a charter authorized pursuant to the Charter Schools Act may choose to contract with an education management provider, which education management provider may be a for-profit, a nonprofit, or a not-for-profit entity, so long as the charter school maintains a governing board that is independent of the education management provider.

In order to clarify the status of charter schools for purposes of tax-exempt financing, a charter school, as a public school, is a governmental entity. Direct leases and financial obligations of a charter school shall not constitute debt or financial obligations of the school district unless the school district specifically assumes such obligations. Except as otherwise provided in sections 22-20-109, 22-32-115, and 22-54-109, a charter school shall not charge tuition.

Pursuant to contract, a charter school may operate free from specified school district policies and free from State rules, as provided in the subsection summarized herein. Pursuant to contract, a local board of education may waive locally imposed school district requirements, without seeking approval of the State Board; except that a charter school shall not, by contract or otherwise, operate free of the requirements contained in the "Public School Finance Act of 1994," article 54 of Title 22, the requirements specified in part 4 of article 11 of Title 22 concerning school accountability committees, or the requirements contained in the "Children's Internet Protection Act," article 87 of Title 22. The State Board shall promulgate rules that list the automatic waivers for all charter schools. In promulgating the list of automatic waivers, the State Board shall consider the overall impact and complexity of the requirements specified in the statute and the potential consequences that waiving the statute may have on the practices of a charter school. In accordance with its rule-making authority, the State Board may review the list of automatic waivers at its discretion. Notwithstanding any provisions of the subsection summarized herein to the contrary, the State Board shall not include the following statutes on the list of automatic waivers: 22-9-106, concerning the performance evaluation system for licensed personnel; 22-32-109(1)(b), concerning procedures for competitive bidding in the purchase of goods and services, except professional services; 22-32-109(1)(n) concerning the annual school calendar and teacher-pupil contact hours; 22-32-110(1)(y), concerning the power to accept and expend gifts, donations, or grants; and part 2 of article 63 of Title 22, concerning the employment of licensed personnel. A school district, on behalf of a charter school, may apply to the State Board for a waiver of a State statute or State rule that is not an automatic waiver. Notwithstanding any provision of the subsection summarized herein to the contrary, the State Board may not waive any statute or rule relating to school accountability committees as described in section 22-11-401; the assessments required to be administered pursuant to section 22-7-1006.3; school performance reports pursuant to part 5 of article 11 of Title 22; the "Public School Finance Act of 1994," article 54 of Title 22; the "Children's Internet Protection Act," article 87 of Title 22; the requirement to post on the internet the statutes for which waivers are granted as provided in section 22-44-305; any provisions of section 22-1-130, relating to notification to parents of alleged criminal conduct by charter school employees; section 22-33-106 concerning suspension and expulsion of students in preschool through second grade; or sections 22-30.5-104(3), 22-32-110(1)(k) and 22-63-206(1) relating to discrimination based on hair texture, hair type or a protective hairstyle that is commonly or historically associated with race.

Upon request of a charter applicant, the State Board and the local board of education of the school district to which the charter applicant applies shall provide summaries of the State and district rules and policies to use in

preparing a charter school application. The department shall prepare the summary of State rules within existing appropriations. A waiver of State rules or local school district regulations made pursuant to the subsection summarized herein must be for the term of the charter for which the waiver is made; except that a waiver of State statutes or State Board rules by the State Board is subject to periodic review as provided by State Board rule and may be revoked if the waiver is deemed no longer necessary by the State Board. A school district that applies to the State Board for a waiver on behalf of a charter school is only required to provide a complete copy of the signed charter contract.

A charter school shall be responsible for its own operation including, but not limited to, preparation of a budget, contracting for services, facilities, and personnel matters. A charter school may negotiate and contract with a school district, the governing body of a State college or university, the State, a school food authority, a charter school collaborative, a board of cooperative services, another district charter school, an institute charter school, or any third party for the use of a school building and grounds, the operation and maintenance thereof, and the provision of any service, activity, or undertaking that the charter school is required or chooses to perform in order to carry out the educational program described in its charter contract. Any services for which a charter school contracts with a school district shall be provided by the district at cost. The charter school shall have standing to sue and be sued in its own name for the enforcement of any contract created pursuant to the paragraph summarized herein.

In no event shall a charter school be required to pay rent for space which is deemed available, as negotiated by contract, in school district facilities. All other costs for the operation and maintenance of the facilities used by the charter school shall be subject to negotiation between the charter school and the school district. A charter school that is operating in a school district building may purchase the building and the grounds upon which the building is located from the school district, at the school district's discretion, according to terms established by mutual agreement of the parties. If a charter school that has purchased a school building and grounds pursuant to the paragraph summarized herein vacates the school building and grounds or elects to sell the school building and grounds, the school district that sold the school building and grounds to the charter school pursuant to the paragraph summarized herein shall have first right of refusal to reacquire and purchase the property at fair market value or in accordance with other terms of repurchase established by mutual agreement of the parties.

Notwithstanding the provisions of the subsection summarized herein or the following subsection, a school district that has space in district facilities that is unoccupied may sell the facilities or use the facilities for a different purpose and is not required to maintain ownership of the facilities for potential use by a charter school.

For purposes of this subsection summarized herein, a building is considered underused if it has unused capacity to accommodate two hundred fifty students or more. No later than November 1, 2016, and no later than November 1 each year thereafter, each school district that authorizes a charter school and that has or is expecting to have one or more vacant or underused buildings or vacant or underused land available during the next school year shall prepare a list of the vacant or underused buildings and land and provide the list, upon request, to charter schools authorized by the school district, charter school applicants, and other interested persons. The school district shall also post on its website a notice that the list of underused and vacant buildings and land is available to interested persons upon request. The school district must provide the list within two school days after receiving a request. No later than forty-five days after the school district posts the availability of the list or after receiving the list, whichever is later, a charter school of the school district or charter applicant may apply to the school district to use the building or the school district land as the location for the charter school. The local board of education shall review each application for use and, in a public meeting held no later than ninety days after the school district posts the availability of the list, approve or disapprove each application for use of the building or school district land. If the local board of education disapproves an application for use, it must explain at the public meeting and provide in writing to the applicant the reasons for disapproval.

A charter school shall be authorized to offer any educational program, including but not limited to an online program or online school created pursuant to article 30.7 of Title 22, that may be offered by a school district and that is research-based and has been proven to be effective, unless expressly prohibited by State law. Charter contracts typically define, and thus limit, what programs are in fact offered. As an example, and without limitation, there are substantial regulatory hurdles to starting an online school in Colorado that exists independent of the Charter Schools Act and nearly all charter contracts for brick-and-mortar schools prohibit the charter from starting an online program. All decisions regarding the planning, siting, and inspection of charter school facilities shall be made in accordance with section 22-32-124 and as specified by contract with the charter school's chartering school district. A charter school may apply for authorization as a school food authority pursuant to section 22-32-120.

If a charter school chooses to apply, alone or with a consortium of charter schools, for a grant through a nonformulaic, competitive grant program created by a federal or State statute or program, the charter school or consortium of charter schools is the local education agency only for the purposes of applying and determining eligibility for the grant and may request, pursuant to section 22-30.5-503(3.5), that the State charter school institute act as a fiscal manager for the charter school or consortium of charter schools for purposes of grant management. The charter school or consortium of charter schools shall pay the fee, if any, imposed by the State charter school institute Board as provided in section 22-30.5-503(3.5).

A charter school that applies for a grant pursuant to the subsection summarized herein shall provide to its authorizing district:

- A copy of the grant application at the time the application is submitted to the grant maker;
- Notice that the charter school did or did not receive the grant moneys; and
- If the charter school receives the grant moneys, a summary of the grant requirements, a summary of how the charter school is using the grant moneys, and periodic reports on the charter school's progress in meeting the goals of the grant as State in its application.

If a charter school intends to apply for a grant that the school's authorizing school district is also intending to apply for, the charter school shall seek to collaborate with the school district in the application and to submit the application jointly. If the charter school and the school district are unable to agree to collaborate in applying for the grant, the charter school may apply for the grant pursuant to the subsection summarized herein independently or in collaboration with other charter schools.

Charter School Networks (C.R.S. § 22-30.5-104.7)

As used in the section described herein, a charter school network is a charter school pursuant to part 1 of article 30.5 of Title 22, an institute charter school pursuant to part 5 of article 30.5 of Title 22, or a charter school authorized by the Colorado school for the deaf and the blind, any of which subsequently organizes an additional school or schools pursuant to the same statutory authority. A charter school network is responsible for the governance, oversight, and monitoring of compliance and performance for each school, as required by the charter contract or contracts and by applicable state or federal laws.

Notwithstanding any provision of article 30.5 of Title 22 to the contrary, a charter school network: (a) may hold one or more charter contracts through one or more authorizers for purposes of operating more than one school; (b) may be governed by a single governing body; (c) may use one or more charter contracts if the charter school network operates more than one school through the same authorizer; except that, if more than one school holding a distinct school code assigned by the department operates under the same contract, the authorizer is: (I) obligated to separately accredit each school; and (II) legally empowered to not renew, revoke, or otherwise take action with respect to each school without being obligated to take action toward another school operated by the charter school network; (d) is authorized to make necessary and appropriate expenditures from any lawful source for central office purposes and to allocate funds among the schools that it operates, as permitted by law and consistent with the terms of the charter contract. A charter school network: (I) shall not spend additional local revenues authorized pursuant to sections 22-54-1075, 22-54-108, and 22-54-108.5 or proceeds from bonded indebtedness incurred pursuant to article 42 of

Title 22 that are allocated for a school authorized by one authorizer to support a school authorized by a different authorizer; (II) shall account for all additional local revenues authorized pursuant to sections 22-54-107.5, 22-54-108, and 22-54-108.5 or proceeds from bonded indebtedness incurred pursuant to article 42 of Title 22 and their expenditure and shall report the expenditures separately, as needed, to demonstrate that the funds have been expended appropriately; and (III) beginning July 1, 2015, comply with section 22-44-304(1)(d) in reporting expenditures at the local education provider and school-site level.

Nothing in the section described herein affects the process for granting or denying a request for a separate or new school code to any one school within a charter school network.

Nothing in this section allows a charter school network to open a school without authorizer consent as part of the application process pursuant to section 22-30.5-107, 22-30.5-510, or 22-80-102(4)(b).

The authorizer of a school that is part of a charter school network shall collect, analyze, and report data from state assessments in accordance with statute, state board rules, and school district or state charter school institute performance frameworks for each school operated by the charter school network. The charter school network shall report the performance of each school as a separate school, and each school must be held independently accountable for its performance.

Each charter school network shall comply with the audit requirements imposed on charter schools as follows: (a) the charter school network shall be audited as an organization, treating the charter school network as a single legal entity; except that the authorizing school district for a charter school that is included in the network may request and the network shall provide an audit of the school district's charter school; (b) the charter school network shall report as supplementary information in its audited financial statements a balance sheet and statement of revenues, expenditures, and changes in fund balances using the modified accrual basis of accounting for each charter school campus that has a separate school code within the charter school network; and (c) the audit must address compliance with the requirements described herein regarding the allocation of expenditures for central office purposes.

Charter Schools - Contract Contents, Regulations and Repealing (C.R.S. § 22-30.5-105)

An approved charter application shall serve as the basis for a contract between a charter school and the chartering local board of education. A local board of education may approve a charter school application submitted by a nonprofit entity and enter into a charter contract directly with the nonprofit entity to operate a charter school. A local board of education shall not approve a charter school application that is submitted by a for-profit entity or that identifies a for-profit entity as one of the charter applicants, and the local board of education shall not enter into a charter contract directly with a for-profit entity to operate a charter school. The contract between a charter school and the chartering local board of education shall reflect all agreements regarding the release of the charter school from school district policies. Each charter school's contract shall include a statement specifying the manner in which the charter school shall comply with the intent of the State statutes, State Board rules, and district rules that are waived for the charter school either automatically or by application.

A contract between a charter school and the chartering local board of education approved on or after July 1, 2002, shall specify:

- If the contract is not a renewal of an expiring contract, the manner in which the school district governed by the local board of education will support any start-up facility needs of the charter school;
- The manner in which the school district governed by the local board of education will support any long-term facility needs of the charter school;
- The actions that the charter school must take in order to: (a) have its capital construction needs included as part of the next ballot question for approval of bonded indebtedness to be submitted by the local board of education of its chartering school district to the voters of the district; or (b) have the local board of education submit a ballot question for approval of a special mill levy to finance

the capital construction needs of the charter school to the voters of the district pursuant to section 22-30.5-405;

- The financial information, including but not limited to an annual governmental audit, the charter school must report to the chartering school district, the deadline for reporting such information to the chartering school district in order to enable the chartering school district to comply with the requirements specified in Title 22 and in rules promulgated by the State Board pertaining to reporting financial information to the department of education, and the circumstances under which the chartering school district may withhold a portion of the charter school's monthly payment as provided in section 22-30.5-112(8) for failure to comply with financial reporting requirements specified in the contract; and
- Whether, and the circumstances under which, the local board of education delegates to the charter school the authority to impose a transportation fee on students who are enrolled in the charter school and, if so, the procedures for imposition of the fee.

A contract between a charter school and the chartering local board of education shall reflect all requests for release of the charter school from State statutes and State Board rules that are not automatic waivers and a list of the automatic waivers that the charter school is invoking. Within ten days after the contract is approved by the chartering local board of education, the chartering local board of education shall deliver to the State Board any request for waiver of State statutes and State Board rules that are not automatic waivers. The chartering local board of education shall request the release by submitting a complete copy of the signed charter contract. Within forty-five days after a request for release is received by the State Board, the State Board shall either grant or deny the request. If the State Board grants the request, it may orally notify the chartering local board of education and the charter school of its decision. If the State Board denies the request, it shall notify the chartering local board of education and the charter school in writing that the request is denied and specify the reasons for denial. If the chartering local board of education and the charter school do not receive notice of the State Board's decision within forty-five days after submittal of the request for release, the request shall be deemed granted. If the State Board denies a request for release that includes multiple State statutes or State Board rules, the denial shall specify the State statutes and State Board rules for which the release is denied, and the denial shall apply only to those State statutes and State Board rules so specified.

A material revision of the terms of a charter contract may be made only with the approval of the chartering local board of education and the governing body of the charter school. A term included in a charter contract that would require a charter school to waive or otherwise forgo receipt of additional mill levy revenue due to the charter school as provided in section 22-32-108.5 or any amount of operational or capital construction money provided to the charter school pursuant to the provisions of article 30.5 or pursuant to any other provision of law is declared null and void as against public policy and is unenforceable. In no event shall the subsection summarized herein be construed to prohibit any charter school from contracting with its chartering local board of education for the purchase of services, including but not limited to the purchase of educational services.

A charter school that provides a half-day kindergarten educational program before the 2019-20 school year and chooses to expand the kindergarten educational program to a full day shall notify the chartering local board of education of the expansion of the kindergarten educational program and of the school year in which the anticipated program expansion takes effect. The charter school and the authorizing local board of education shall amend the charter contract as necessary to allow for the program expansion. If the local board objects to the program expansion, the local board shall provide to the charter school a written explanation of the grounds for its objection. If the charter school and the authorizing local board of education cannot agree on an amendment to the charter contract for the program expansion, the charter school may file a notice with the State Board as provided in section 22-30.5-108 to appeal the decision of the local board of education concerning a unilateral imposition of conditions on the charter school. The State Board shall decide the appeal in accordance with the provisions of section 22-30.5-108. Negotiations to amend the charter contract to allow the expansion of the kindergarten educational program shall not include negotiations regarding terms of the charter contract that are not directly impacted by the program expansion and shall not include reauthorization of the charter school.

Charter Application - Contents (CRS § 22-30.5-106)

The charter school application is a proposed agreement upon which the charter applicant and the chartering local board of education negotiate a charter contract. At a minimum, each charter school application includes:

- An executive summary that outlines the elements of the application and provides an overview of the proposed charter school;
- The vision and mission statements of the proposed charter school;
- The goals, objectives, and student performance standards the proposed charter school expects to achieve, including but not limited to the performance indicators specified in section 22-11-204 and applicable standards and goals specified in federal law;
- Evidence that an adequate number of parents and pupils support the formation of a charter school;
- Descriptions of the proposed charter school's educational program, student performance standards, and curriculum;
- A plan for evaluating student performance across the curriculum, which plan aligns with the proposed charter school's mission and educational objectives and provides a description of the proposed charter school's measurable annual targets for the measures used to determine the levels of attainment of the performance indicators specified in section 22-11-204, and procedures for taking corrective action if student performance at the school falls below the described targets;
- Evidence that the plan for the proposed charter school is economically sound, including a proposed budget for a term of at least five years. The charter application shall also describe the method for obtaining an independent annual audit of the proposed charter school's financial statements consistent with generally accepted auditing standards and circular A-133 of the United State office of management and budget, as originally published in the federal register of June 30, 1997, and as subsequently amended;
- A description of the governance and operation of the proposed charter school, including the nature and extent of parental, professional educator, and community involvement in the governance and operation of the proposed charter school, that is consistent with the standards adopted by rule of the State Board pursuant to section 22-2-106(1)(h);
- An explanation of the relationship that will exist between the proposed charter school and its employees and the proposed charter school's employment policies or a plan for the timely development of employment policies;
- A proposal regarding the parties' respective legal liabilities and applicable insurance coverage, which insurance coverage shall include, at a minimum, workers' compensation, liability insurance, and insurance for the proposed charter school's facility and its contents;
- The proposed charter school's expectations and plans for ongoing parent and community involvement;
- A description of the proposed charter school's enrollment policy, consistent with the requirements of section 22-30.5-104(3) and rules adopted by the State Board pursuant to section 22-2-106(1)(h), and the criteria for enrollment decisions;
- A statement of whether the proposed charter school plans to address the transportation or food service needs of its students while they are attending the school. The proposed charter school may

choose not to provide transportation or food services, may choose to develop or form a charter school collaborative as described in section 22-30.5-603 to provide transportation or food services, or may choose to negotiate with a school district, board of cooperative services, or private provider to provide transportation or food services for its students. If the proposed charter school chooses to provide transportation or food services, the application shall include a plan for each provided service, which plan, at a minimum, shall specifically address serving the needs of low-income students, complying with insurance and liability issues, and complying with any applicable State or federal rules or regulations.

- A facilities plan that details viable facilities options that are consistent with section 22-32-124 and the reasonable costs of the facility, which are reflected in the proposed budget;
- A list of the waivers of statutes, State rules, and school district policies that the proposed charter school is requesting. For each requested waiver of a statute or State rule that is not an automatic waiver, the charter school application must state the rationale for the requested waiver and the manner in which the proposed charter school plans to meet the intent of the waived statute, rule, or policy;
- Policies regarding student discipline, expulsion, and suspension that are consistent with the intent and purpose of section 22-33-106 and section 22-33-106.1, provide adequately for the safety of students and staff, and provide a level of due process for students that, at a minimum, complies with the requirements of the federal “Individuals with Disabilities Education Act,” 20 U.S.C. sec. 1400 et seq.;
- A plan for serving students with special needs, including budget and staff requirements, which plan shall include identifying and meeting the learning needs of at-risk students, students with disabilities, gifted and talented students, and English language learners;
- A dispute resolution process, as provided in section 22-30.5-107.5; and
- If the proposed charter school intends to contract with an education management provider:
 - o A summary of the performance data for all of the schools the education management provider is managing at the time of the application or has managed previously, including documentation of academic achievement and school management success;
 - o An explanation of and evidence demonstrating the education management provider’s capacity for successful expansion while maintaining quality in the schools it is managing;
 - o An explanation of any existing or potential conflicts of interest between the governing board of the proposed charter school and the education management provider; and
 - o A copy of the actual or proposed performance contract between the governing board for the proposed charter school and the education management provider that specifies, at a minimum, the following material terms:
 - Performance evaluation measures;
 - The methods of contract oversight and enforcement that the governing board will apply;
 - The compensation structure and all fees that the proposed charter school will pay to the education management provider; and
 - The conditions for contract renewal and termination.

No person, group, or organization may submit an application to convert a private school or a nonpublic home-based educational program into a charter school or to create a charter school which is a nonpublic home-based educational program as defined in section 22-33-104.5. A charter applicant is not required to provide personal identifying information concerning any parent, teacher, or prospective pupil prior to the time that the charter contract is approved by both parties and either the charter school actually employs the teacher or the pupil actually enrolls in the charter school, whichever is applicable. A charter school applicant shall provide, upon request of the chartering school district, aggregate information concerning the grade levels and schools in which prospective pupils are enrolled.

Charter Application - Process (C.R.S. § 22-30.5-107)

A charter applicant cannot apply to, or enter into a charter contract with, a school district unless a majority of the proposed charter school's pupils, other than online pupils, will reside in the chartering school district or in school districts contiguous thereto.

The local board of education shall receive and review all applications for charter schools. If the local board of education does not review a charter application, it shall be deemed to have denied the charter application. A charter applicant must file its application with the local board of education by a date determined by the local board of education to be eligible for consideration for the following school year. An application is considered filed when the school district administration receives the charter application from the charter applicant either in hard copy or electronically. The date determined by the local board of education for filing of applications shall not be any earlier than August 1 or any later than October 1. Prior to any change in the application deadline, the local board of education shall notify the department and each charter school applicant in the district of the proposed change by certified letter. The local board of education shall not charge any application fees.

Within fifteen days after receiving a charter school application, the school district shall determine whether the application contains the minimum components specified in section 22-30.5-106(1) and is therefore complete. If the application is not complete, the school district shall notify the charter applicant within the fifteen-day period and provide a list of the information required to complete the charter application. The charter applicant has fifteen days after the date it receives the notice to provide the required information to the local board of education for review. The local board of education is not required to take action on the charter application if the charter applicant does not provide the required information within the fifteen-day period. The school district may request additional information during the review period and provide reasonable time for the charter applicant to respond. The school district may, but is not required to, accept any additional information the charter applicant provides that the school district does not request. The district accountability committee shall review the complete charter school application at least fifteen days, if possible, before the local board of education takes action on the application.

For purposes of reviewing a charter school application, a district accountability committee shall include at least: (a) One person with a demonstrated knowledge of charter schools, regardless of whether that person resides within the school district; and (b) One parent or legal guardian of a child enrolled in a charter school in the school district; except that, if there are no charter schools in the school district, the local board of education shall appoint a parent or legal guardian of a child enrolled in the school district.

After giving reasonable public notice, the local board of education shall hold community meetings in the affected areas or the entire school district to obtain information to assist the local board of education in its decision to approve a charter school application. The local board of education shall rule by resolution on the application for a charter school in a public hearing, upon reasonable public notice, within ninety days after receiving the application filed pursuant to the section summarized herein. All negotiations between the charter school and the local board of education on the contract shall be concluded by, and all terms of the contract agreed upon, no later than ninety days after the local board of education rules by resolution on the application for a charter school.

The charter applicant and the local board of education may jointly waive the deadlines set forth in the section summarized herein. If a local board of education denies a charter school application, does not review a charter school application, or unilaterally imposes conditions that are unacceptable to the charter applicant, the charter applicant may appeal the decision to the State Board pursuant to section 22-30.5-108. Nothing in the part summarized here shall prohibit a school district from adopting one or more policies that encourage charter applicants to address specified school district needs.

If a local board of education denies or does not review a charter school application, it shall state its reasons for the denial or refusal to review. Within fifteen days after denying or refusing to review a charter school application, the local board of education shall notify the department of the denial or refusal and the reasons therefor. If a local board of education approves a charter application, it shall send a copy of the approved charter application to the department within fifteen days after approving the charter application.

A school district may unilaterally impose conditions on a charter applicant or on a charter school only through adoption of a resolution of the local board of education of the school district. If a local board adopts a resolution unilaterally imposing conditions on a charter applicant or on a charter school, the resolution shall, at a minimum, state the school district's reasons for imposing the conditions unilaterally, despite the objections of the charter applicant or the charter school. The charter applicant or charter school may appeal the decision of the local board of education to unilaterally impose the conditions by filing the notice of appeal with the State Board within thirty days after adoption of the resolution, as provided in section 22-30.5-108(2)(a).

Dispute Resolution - Governing Policy Provisions and Appeals (C.R.S. § 22-30.5-107.5)

Except as otherwise provided in section 22-30.5-108, any disputes that may arise between a charter school and its chartering school district concerning governing policy provisions of the school's charter contract shall be resolved pursuant to the section summarized herein. A charter school or its chartering school district may initiate a resolution to any dispute concerning a governing policy provision of the school's charter contract by providing reasonable written notice to the other party of an intent to invoke the section summarized herein. Such notice shall include, at a minimum, a brief description of the matter in dispute and the scope of the disagreement between the parties. Within thirty days after receipt of the written notice described in the subsection summarized herein, the charter school and the school district shall agree to use any form of alternative dispute resolution to resolve the dispute, including but not limited to any of the forms described in the "Dispute Resolution Act," part 3 of article 22 of title 13, C.R.S.; except that any form chosen by the parties shall result in final written findings by a neutral third party within one hundred twenty days after receipt of such written notice. The neutral third party shall apportion all costs reasonably related to the mutually agreed upon dispute resolution process.

A charter school and its chartering school district may agree to be bound by the written findings of the neutral third party resulting from any alternative dispute resolution entered into pursuant to the section summarized herein. In such case, such findings shall be final and not subject to appeal. If the parties do not agree to be bound by such written findings of the neutral third party, the parties may appeal such findings to the State Board. A party who wishes to appeal such findings shall provide the State Board and the other party with a notice of appeal within thirty days after the release of such findings, and the notice of appeal shall contain a brief description of the grounds for appeal. The State Board may consider said written findings or other relevant materials in reaching its decision and may, on its own motion, conduct, after sufficient notice, a de novo review of and hearing on the underlying matter.

The State Board shall: (a) Issue its decision on the written findings of the neutral third party resulting from any alternative dispute resolution entered into pursuant to the section summarized herein within sixty days after receipt of the notice of appeal; or (b) Make its own findings within sixty days after making its own motion for a de novo review and hearing described in the section summarized herein.

If the State Board, after motion by one of the parties and sufficient notice and hearing, finds that either of the parties to an alternative dispute resolution process held pursuant to the section summarized herein has failed to participate in good faith in such process or has refused to comply with the decision reached after agreeing to be bound by the result of such process, the State Board shall resolve the dispute in favor of the aggrieved party. Any decision by the State Board pursuant to the section summarized herein shall be final and not subject to appeal.

Appeal, Standard of Review and Procedures (C.R.S. § 22-30.5-108)

Acting pursuant to its supervisory power as provided in section 1 of article IX of the State constitution, the State Board, upon receipt of a notice of appeal or upon its own motion, may review decisions of any local board of education concerning the denial of a charter school application, the nonrenewal or revocation of a charter school's charter, or the unilateral imposition of conditions on a charter applicant or a charter school, in accordance with the provisions of the section summarized herein. Any disputes arising with regard to governing policy provisions of a charter school's charter contract shall be resolved as provided in section 22-30.5-107.5. A local board of education's refusal to review a charter application constitutes a denial of the charter application and is appealable as a denial pursuant to the provisions of the section summarized herein.

A charter applicant or any other person who wishes to appeal a decision of a local board of education concerning the denial of a charter application, or the nonrenewal or revocation of a charter, or the unilateral imposition of conditions on a charter applicant or a charter school, shall provide the State Board and the local board of education with a notice of appeal or of facilitation within thirty days after the local board's decision. The person bringing the appeal shall limit the grounds of the appeal to the grounds for the denial of a charter application or the nonrenewal or revocation of a charter, or the unilateral imposition of conditions on a charter applicant or charter school, whichever is being appealed, specified by the local board of education. The notice shall include a brief statement of the reasons the appealing person contends the local board of education's denial of a charter application or nonrenewal or revocation of a charter, or imposition of conditions on a charter applicant was in error. If a district court dismisses a case for lack of jurisdiction and the case involves a charter application, or the nonrenewal or revocation of a charter, or the unilateral imposition of conditions on a charter applicant or a charter school, the thirty day period for filing a notice of appeal or of facilitation described in the section summarized herein shall be tolled until the date of dismissal by the court.

If the notice of appeal, or the motion to review by the State Board, relates to a local board's decision to deny a charter application or to refuse to renew or to revoke a charter or to a local board's unilateral imposition of conditions that are unacceptable to the charter applicant or the charter school, the appeal and review process shall be as follows:

(a) Within sixty days after receipt of the notice of appeal or the making of a motion to review by the State Board and after reasonable public notice, the State Board shall review the decision of the local board of education and make its findings. If the State Board finds that the local board's decision was contrary to the best interests of the pupils, school district, or community, the State Board shall remand such decision to the local board of education with written instructions for reconsideration thereof. Said instructions shall include specific recommendations concerning the matters requiring reconsideration.

(b) Within thirty days following the remand of a decision to the local board of education and after reasonable public notice, the local board of education, at a public hearing, shall reconsider its decision and make a final decision. If the local board of education decides to approve the charter application or decides not to unilaterally impose the condition, the local board of education and the charter applicant shall complete the charter contract within ninety days following the remand of the State Board's decision to the local board of education.

(c) Following the remand, if the local board of education's final decision is still to deny a charter application or to unilaterally impose the condition on a charter applicant or if the local board of education's final decision is still to refuse to renew or to revoke a charter or to unilaterally impose conditions unacceptable to the charter school, a second notice of appeal may be filed with the State Board within thirty days following such final decision.

(d) Within thirty days following receipt of the second notice of appeal or the making of a motion for a second review by the State Board and after reasonable public notice, the State Board, at a public hearing, shall determine whether the final decision of the local board of education was contrary to the best interests of the pupils, school district, or community. If such a finding is made, the State Board shall remand

such final decision to the local board with instructions to approve the charter application, or to renew or reinstate the charter, or to approve or disapprove the conditions imposed on the charter applicant or the charter school. The decision of the State Board shall be final and not subject to appeal.

In lieu of a first appeal to the State Board pursuant to the above, the parties may agree to facilitation. Within thirty days after denial of a charter application or nonrenewal or revocation of a charter or unilateral imposition of conditions on a charter applicant or a charter school by the local board of education, the parties may file a notice of facilitation with the State Board. The parties may continue in facilitation as long as both parties agree to its continued use. If one party subsequently rejects facilitation, and such rejection is not reconsidered within seven days, the local board of education shall reconsider its denial of a charter application or nonrenewal or revocation of a charter and make a final decision as provided in the section summarized herein. The charter applicant may file a notice of appeal with the State Board as provided in the section summarized herein within thirty days after a local board of education's final decision to deny a charter application, to refuse to renew or to revoke a charter, or to unilaterally impose conditions on a charter applicant or a charter school. Nothing in the section summarized herein shall be construed to alter the requirement that a charter school be a part of the school district that approves its charter application and charter contract and be accountable to the local board of education pursuant to section 22-30.5-104(2).

Charter Schools - Restrictions, Establishment, Number (C.R.S. § 22-30.5-109)

Each local board of education that approves a charter application and enters into a charter contract with a charter school shall annually report to the department information that the department requests to evaluate the effectiveness of charter schools. The local boards of education shall provide the information on forms provided by the department. The State Board shall adopt rules establishing the timelines and procedures for reporting the information required in the subsection summarized herein.

It is the intent of the general assembly that greater consideration be given to charter school applications designed to increase the educational opportunities of at-risk pupils, as defined in section 22-30.5-103. If otherwise qualified, nothing in the part summarized herein shall be construed to prohibit any institution certified on or before April 1, 1993, as an educational clinic pursuant to former article 27 of Title 22 as it existed prior to August 7, 2006, from applying to become a charter school pursuant to the part summarized herein. Nothing in the part summarized herein shall be construed to prevent a school in a school district which is comprised of only one school from applying to become a charter school pursuant to the part summarized herein.

A school district shall not discriminate against a charter school in publicizing the educational options available to students residing within the district through advertising, direct mail, availability of mailing lists, or other informational activities, provided that the charter school pays for its share of such publicity at cost. A chartering authority may not restrict the number of pupils a charter school may enroll; except that a charter school and its chartering authority may negotiate and agree to limitations on the number of students the charter school may enroll as necessary to: (a) facilitate the academic success of students enrolled in the charter school; (b) facilitate the charter school's ability to achieve the other objectives specified in the charter contract; or (c) ensure that the charter school's student enrollment does not exceed the capacity of the charter school facility or site. The local board of education of a school district shall not impose a moratorium on the approval of charter applications for charter schools within the school district.

Charter Schools - Term, Renewal of Charter, Grounds for Nonrenewal or Revocation, Repeal (C.R.S. § 22-30.5-110)

When a local board of education approves a new charter application, the charter is authorized for a period of at least four years. The local board of education and the charter school may renew the charter for successive periods as provided in the section summarized herein. During the term of a charter, the school district shall annually review the charter school's performance. At a minimum, the review includes the charter school's progress in meeting the objectives identified in the plan the charter school is required to implement pursuant to section 22-11-210 and the results of the charter school's most recent annual financial audit. The school district shall provide to the charter school written feedback from the review and shall include the results of the charter school's annual review in the body of evidence that the local board of education takes into account in deciding whether to renew or revoke the charter and that supports the renegotiation of the charter contract.

Each school district shall adopt and revise as necessary procedures and timelines for the charter-renewal process, which procedures and timelines are in conformance with the requirements of the part summarized herein. Each school district shall ensure that each of the charter schools authorized by the district receives a copy of the district's charter renewal procedures and timelines and any revisions to the procedures and timelines. No later than December 1 of the year prior to the year in which the charter expires, the governing body of a charter school shall submit a renewal application to the chartering local board of education. The chartering local board of education shall rule by resolution on the renewal application no later than February 1 of the year in which the charter expires, or by a mutually agreed upon date.

A charter school renewal application submitted to the chartering local board of education shall contain: (1) a report on the progress of the charter school in achieving the goals, objectives, pupil performance standards, content standards, targets for the measures used to determine the levels of attainment of the performance indicators, and other terms of the charter contract and the results achieved by the charter school's students on the assessments administered through the Colorado student assessment program; (2) a financial statement that discloses the costs of administration, instruction, and other spending categories for the charter school that is understandable to the general public and that will allow comparison of such costs to other schools or other comparable organizations, in a format required by the State Board; and (3) any information or material resulting from the charter school's annual reviews as described in the section summarized herein.

A charter may be revoked or not renewed by the chartering local board of education if it determines that the charter school did 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.

If a charter school is required to implement a turnaround plan pursuant to section 22-11-210(2) for a second consecutive school year, the charter school shall present to its authorizing local board of education, in addition to the turnaround plan, a summary of the changes made by the charter school to improve its performance, the progress made in implementing the changes, and evidence, as requested by the local board of education, that the charter school is making sufficient improvement to attain a higher accreditation category within two school years or sooner. If the local board of education finds that the charter school's evidence of improvement is not sufficient or if the charter school is required to implement a turnaround plan for a third consecutive school year, the local board of education may revoke the school's charter.

At least fifteen days prior to the date on which a local board of education will consider whether to revoke or renew a charter, the school district shall provide to the local board of education and the charter school a written recommendation, including the reasons supporting the recommendation, concerning whether to revoke or renew the charter. If a local board of education revokes or does not renew a charter, the board shall state its reasons for the revocation or nonrenewal. If a local board of education revokes or does not renew a charter, the charter school may appeal the decision pursuant to section 22-30.5-108.

Each school district shall adopt procedures for closing a charter school following revocation or nonrenewal of the charter school's charter. At a minimum, the procedures shall ensure that: (a) when practicable and in the best interest of the students of the charter school, the charter school continues to operate through the end of the school year. If the school district determines it is necessary to close the charter school prior to the end of the school year, the school district shall work with the charter school to determine an earlier closure date; (b) the school district works with the parents of the students who are enrolled in the charter school when the charter is revoked or not renewed to ensure that the students are enrolled in schools that meet their educational needs; and (c) the charter school meets its financial, legal, and reporting obligations during the period that the charter school is concluding operations.

Notwithstanding any provision of the section summarized herein to the contrary, on and after September 1, 2012, a local board of education shall not renew a charter that is held by a for-profit entity either solely or in cooperation with other entities.

Charter Schools - Exceptions to the Nonrenewal or Revocation Provisions (C.R.S. § 22-30.5-110.3)

Notwithstanding the provisions of sections 22-30.5-108 and 22-30.5-110, the provisions of this section apply if: (a) a chartering local board of education determines that the charter of a qualified charter school, as defined in section 22-30.5-408(1)(c), will be revoked or will not be renewed; and (b) the qualified charter school has financed capital construction with revenues from bonds issued on behalf of the qualified charter school by the Colorado educational and cultural facilities authority created in section 23-15-104(1)(a), C.R.S., pursuant to section 22-30.5-407.

If a chartering local board of education makes a determination to revoke or not renew the charter of a qualified charter school and the conditions described above apply, the chartering local board of education shall notify the state treasurer and the commissioner of education immediately upon such determination. Upon receipt of such notice, the commissioner shall suspend the revocation or nonrenewal of the charter until such time as the State treasurer, the commissioner, and the Colorado educational and cultural facilities authority determine, with the chartering local board of education and the qualified charter school, whether an alternative exists to such revocation or nonrenewal of the charter. A chartering local board of education shall not be required to suspend a revocation or nonrenewal of a charter for more than one hundred twenty days after the date that the commissioner of education and the State treasurer received notice of the determination to revoke or not renew the charter pursuant to the subsection described in this paragraph or sixty days after the action of the State Board pursuant to section 22-30.5-108(3)(a), whichever is later.

The state treasurer, commissioner of education, chartering local board of education, charter school, and Colorado educational and cultural facilities authority may pursue the following: (a) the conversion of the qualified charter school from a school of the chartering district to an institute charter school; (b) the reorganization of the qualified charter school and application to the initial chartering local board of education or the state charter school institute for approval as a charter school with the condition that the newly approved charter school will assume the bond obligations of the former qualified charter school pursuant to section 22-30.5-407; or (c) any other alternative deemed feasible by the state treasurer, the commissioner of education, the Colorado educational and cultural facilities authority, the chartering local board of education, and the qualified charter school.

Nothing in section 22-30.5-110.3 shall be construed to prevent the chartering local board of education from revoking or not renewing the charter of a qualified charter school pursuant to section 22-30.5-110.

Charter Schools - Additional Aid from District (C.R.S. § 22-30.5-112.3)

For the 2003-04 budget year and each budget year thereafter, a qualified charter school, as defined in section 22-54-124(1)(f.6), shall receive State education fund moneys from the school district that granted its charter in an amount equal to the percentage of the district's certified charter school pupil enrollment that is attributable to pupils expected to be enrolled in the qualified charter school multiplied by the total amount of State education fund moneys distributed to the district for the same budget year pursuant to section 22-54-124(3). As used in the paragraph summarized herein, "pupils" means pupils, other than pupils enrolled in an online program or online school, as defined in sections 22-30.7-102(9) and 22-30.7-102(9.5), who are enrolled in a charter school.

Funding received pursuant to the provision summarized in the paragraph above shall be in addition to any funding provided pursuant to section 22-30.5-112. A district shall provide funding to each qualified charter school, as defined in section 22-54-124(1)(f.6), by making a monthly payment to the qualified charter school as soon as possible after the district receives a monthly payment of State education fund moneys pursuant to section 22-54-124(4). A charter school shall use moneys it receives pursuant to the section discussed herein solely for capital construction, as defined in section 22-54-124(1)(a).

Charter Schools - Transportation Plans (C.R.S. § 22-30.5-112.5)

If a charter school's charter or contract includes provision of transportation services by the school district, the charter school and the school district shall collaborate in developing a transportation plan to use school district equipment to transport students enrolled in the charter school to and from the charter school and their homes and to and from the charter school and any extracurricular activities. The transportation plan may include, but need not be limited to, development of bus routes and plans for sharing the use of school district equipment for the benefit of students enrolled in charter schools of the school district and students enrolled in other schools of the school district.

Charter Schools - Evaluation and Reports (C.R.S. § 22-30.5-113)

Beginning in the 2004-05 budget year, and at least every three years thereafter, the department shall prepare a report and evaluation for the governor and the house and senate committees on education on the success or failure of charter schools and of institute charter schools authorized pursuant to part 5 of article 30.5, their relationship to other school reform efforts, and suggested changes in State law necessary to strengthen or change the charter school program described in article 30.5.

The State Board shall compile evaluations of charter schools received from local boards of education and evaluations of institute charter schools prepared by the State charter school institute created in section 22-30.5-503. The State Board shall review information regarding the statutes, regulations, and policies from which charter schools were released pursuant to section 22-30.5-105 and from which institute charter schools were released pursuant to section 22-30.5-508 to determine if the releases assisted or impeded the charter schools or the institute charter schools in meeting their State goals and objectives. In preparing the report required by the section summarized herein, the State Board shall compare the performance of charter school pupils and institute charter school pupils with the performance of ethnically and economically comparable groups of pupils in other public schools who are enrolled in academically comparable courses.

Public School Finance Act of 1994 (C.R.S. §§ 22-54-101 - 22-54-144)

The Public School Finance Act of 1994, C.R.S. §§ 22-54-101 - 22-54-144, (the "School Finance Act") was enacted to provide a finance formula applicable to all public schools in furtherance of the general assembly's duty under the State constitution to provide a thorough and uniform system of public schools throughout the State. The School Finance Act and its application to Lemay Classical School is summarized in SCHOOL FUNDING within the body of the Official Statement.

Charter School Capital Facilities Financing Act (C.R.S. §§ 22-30.5-401, et seq.)

Charter Schools – Needs-Based Inclusion of Charter Schools in District Bond Elections (C.R.S. § 22-30.5-404)

It is the intent of the general assembly to respect the principle of school district local control and to encourage school districts and charter schools to work together to ensure that the capital construction needs of charter schools can be met. Accordingly, nothing in the section described herein shall be construed to limit in any way the existing ability of any school district to include a charter school in any local bond elections or to otherwise assist a charter school in financing its capital construction needs in any legal manner mutually agreed upon by the school district and the charter school.

A school district shall allow for representation by charter schools on the school district's long-range planning committee and any committee established by the school district to assess and prioritize the district's capital construction needs and shall notify charter schools of the committee's meeting schedule. Charter schools shall cooperate in determining the person or persons who will represent the interests of charter schools on the committee.

Each school district that is considering submitting any question of contracting bonded indebtedness to the eligible electors of the district at an upcoming election shall invite each charter school chartered by the district to participate in discussions regarding the possible submission of such a question at the earliest possible time but no later than June 1 of the applicable election year, and each school district is encouraged to voluntarily include funding for the capital construction needs of charter schools in the district's questions of contracting bonded indebtedness without requiring a charter school to comply with the capital construction plan submission process set forth below.

A charter school that has capital construction needs may seek to obtain moneys to fund such capital construction needs by requesting that the board of education of its chartering school district: (a) include the charter school's capital construction needs as part of a ballot question for approval of bonded indebtedness to be submitted by the district to the voters of the district; (b) submit a ballot question for approval of a special mill levy to the voters of the district pursuant to section 22-30.5-405; or (c) include the charter school's capital construction needs as part of a ballot question for approval of an additional mill levy for ongoing cash funding for the capital construction, new technology, existing technology upgrade, and maintenance needs of the district to be submitted by the district to the voters of the district pursuant to section 22-54-108.7. A charter school that seeks to have its capital construction needs included as part of a ballot question to be submitted by the board of education of its chartering school district to the voters of the district or that seeks to obtain funding for its capital construction needs through the imposition of a special mill levy pursuant to section 22-30.5-405 or an additional mill levy pursuant to section 22-54-108.7 shall submit a capital construction plan to the board of education of its chartering school district. The plan shall include: (a) a statement of the reasons why the capital construction to be financed by bonded indebtedness or a special or additional mill levy is necessary; (b) a description of the capital construction to be financed by bonded indebtedness or revenues from a special or additional mill levy; (c) a description of the architectural, functional, and construction standards that meet applicable state building code requirements and are to be applied to each facility that is subject of the capital construction project; (d) an estimate of the total cost of completing the capital construction to be financed by bonded indebtedness or a special or additional mill levy and, if any moneys other than proceeds of bonded indebtedness or a special or additional mill levy and interest earned on such proceeds are to be used to finance the capital construction, a breakdown of the moneys that will be used to finance the capital construction; (e) an estimate of the amount of time needed to complete the capital construction; (f) a statement addressing whether construction and renovation, payment of overrun costs, and other capital construction project issues are to be managed by the charter school or the district, with costs for management to be negotiated by the charter school and the district; (g) a statement of the reasons why revenue sources other than bonded indebtedness or a special or additional mill levy are inadequate to fully finance the capital construction; and (h) a statement of the charter school's preferred means of obtaining moneys.

The board of education of a school district shall review a capital construction plan submitted by the charter school pursuant to the subsection described above and determine the priority of the charter school capital construction need in relation to the capital construction needs of other schools of the district. If the charter school's capital construction plan remedies shortcomings in the charter school's facilities identified in the financial assistance priority assessment of public school facilities created pursuant to section 22-43.7-108, or, when the assessment created pursuant to section 22-43.7-108 is no longer valid, in another assessment using similar criteria for all schools in the district, the board of education shall prioritize a charter school's capital construction needs in the school district's long-range plan and include those needs in the current ballot question in the upcoming election if the charter school's facility needs receive a higher priority assessment than the other schools in the district. The board of education of a school district and a charter school may also agree to an alternative financing plan that addresses a charter school's facilities needs, including retiring financial obligations or bonds previously issued for the benefit of the charter school. Nothing in the subsection described in this paragraph shall require a school district to prioritize the capital construction plan of a charter school that is on probation with the district or that has been authorized within the previous five years.

The board of education of a school district may require a charter school to certify that school construction to be financed with bond proceeds in accordance with the section described herein will remediate a shortcoming in the charter school's facilities identified pursuant to section 22-43.7-108, and that any construction will conform to any

construction guidelines established pursuant to section 22-43.7-107. The board of education of a school district and a charter school may agree to reserve or escrow funds for the benefit of the charter school.

The board of education shall notify the charter school in writing whether the school district has prioritized the charter school's capital construction needs for inclusion in the ballot question at the upcoming election no later than sixty days prior to the date by which the school district is required to certify the ballot question to the county clerk and recorder. If the board has prioritized the charter school capital construction needs for inclusion in the ballot question at the upcoming election, the board shall include the charter school's capital construction in the same ballot question being submitted by the district for approval of bonded indebtedness in accordance with the subsection described in the next paragraph. If the board has not prioritized the charter school's capital construction needs for inclusion in the ballot question at the upcoming election, the board shall provide the charter school with a written statement specifying the reasons for excluding the needs, and the charter school shall have an opportunity to address any issues raised by the board.

When a district includes a charter school's capital construction in a district ballot question seeking approval of bonded indebtedness: (1) the board and the charter school shall agree to the process by which the bond proceeds and investment and interest earnings on such proceeds shall be distributed to the charter school prior to submitting the ballot question to the voters of the school district; (2) the investment and interest earnings on bond proceeds shall be distributed on a pro rata basis to the participating charter school after management fees have been collected; and (3) the costs of submitting the ballot question shall be borne by both the district and the charter school in proportion to their respective portions of the total bond proceeds to be received unless the board and the charter school agree to a different cost-sharing arrangement.

If a charter school requests that a school district submit a ballot question for approval of a special mill levy to the voters of the district pursuant to section 22-30.5-405, the charter school shall agree to pay all costs of submitting the ballot question. If the board of the district submits a separate special mill levy ballot question on the same ballot as a ballot question for approval of bonded indebtedness, the costs of submitting the special mill levy ballot question shall be borne as agreed upon by the school district and the charter school.

Notwithstanding any other provision of the section described herein, no bonds shall be issued for the purpose of financing charter school capital construction unless the charter school that is to receive bond proceeds and the district have entered into a contract specifying that, if the charter school's charter is revoked or not renewed, the charter school becomes insolvent and can no longer operate as a charter school, or the charter school otherwise ceases to operate, following payment of all other debts secured by the capital construction, the ownership of any capital construction financed by the bond proceeds shall automatically revert to the school district. The charter school shall not encumber any capital construction financed by bond revenues with any additional debt without the express approval of the school district. If the school district denies approval, the school district shall provide written reasons for such denial.

Mill Levy for Charter School Capital Construction (C.R.S. § 22-30.5-405)

With the agreement of all charter schools that will receive the revenues generated by a special mill levy, the board of education of any school district shall, at any time at which a ballot issue arising under section 20 of article X of the State constitution may be decided, submit to the eligible electors of the district the question of whether to impose a mill levy of a stated amount and for a stated duration for the purpose of financing capital construction for one or more charter schools chartered by the district. When a mill levy for more than one year has been approved, the board shall, without calling an election, decrease the amount or duration of the mill levy as necessary to avoid excessive collections as each capital construction project financed by the mill levy is completed or the financing for such capital construction has been paid by the taxpayers of such school district. If the board is required to submit the ballot question for a mill levy pursuant to section 22-30.5-404(4), the board shall consult with all affected charter schools that will receive the revenues generated by the special mill levy before determining the amount and duration of the special mill levy. The board of education of any school district has the discretion to combine the ballot question for a mill levy with any other tax question that the school district is submitting to the eligible electors of the district or to submit the ballot question as a separate question.

An election called pursuant to the subsection described above shall be conducted pursuant to the provisions of articles 1 to 13 of title 1, C.R.S. The costs of the election shall be borne by each charter school that is to receive revenues generated by the mill levy in proportion to the amount of revenues it is to receive unless other cost-sharing arrangements are agreed to by the charter schools and, if the school district submitting the ballot question agrees to bear any of the costs of the election and is not prohibited from bearing such costs by section 22-30.5-404(4)(b), the district.

If the majority of votes cast at an election held pursuant to the section described herein are in favor of the question, the mill levy of the district for charter school capital construction shall be as so approved by the eligible electors of the district and taxes shall be levied as so approved.

Notwithstanding the provisions of section 22-30.5-404(4) and any provisions of the section described herein, no mill levy shall be imposed pursuant to this section to benefit a charter school unless the charter school and the district have entered into a contract specifying to whom the ownership of any capital construction financed by the mill levy shall revert if the charter school loses its charter, fails to pay for the capital construction to be financed by revenues from the mill levy, or becomes insolvent and can no longer operate as a charter school.

State Constitutional Provisions

TABOR

In the November 3, 1992 general election, the voters of the State approved an amendment to the Colorado Constitution, Article X, Section 20 (the “TABOR Amendment”), which imposes certain spending, revenue and other limitations upon the State and its political subdivisions.

Section 7 of the TABOR Amendment limits the maximum annual percentage change in each local political subdivision’s spending to an amount equal to inflation in the prior calendar year plus annual local growth, adjusted for revenue changes approved by voters after 1991. If revenue from sources not excluded from fiscal year spending exceeds these limits for a particular fiscal year, the TABOR Amendment requires that the excess be refunded in the next fiscal year unless voters approve a revenue change as an offset. This provision was suspended at the State level for five years after the passage of the State’s Referendum C; although the five-year suspension is no longer in effect, the State could pass similar legislation again in the future.

The TABOR Amendment also severely limits the ability of a public body, including any charter school, to commit itself to any multi-fiscal-year financial obligation. Consequently, the obligations of the Charter School are contained in the Lease, which is subject to annual non-appropriation.

Amendment 23

In the November 7, 2000 general election, the voters of the State approved an amendment to the Colorado Constitution, Article IX, Section 17, which is commonly known as “Amendment 23.” Section 1 of Amendment 23 required that, in the fiscal year 2001-02 through fiscal year 2010-11, the statewide base per pupil funding, as defined in the School Finance Act, for public education from preschool through the 12th grade and total State funding for all “categorical programs” grow annually by at least the rate of inflation plus an additional one percentage point. In fiscal year 2011-12 and each fiscal year thereafter, Amendment 23 requires that the statewide base per pupil funding for public education from preschool through the 12th grade and total State funding for all categorical programs shall grow annually at a rate set by the general assembly that is at least equal to the rate of inflation. For this purpose, “categorical programs” include transportation programs, English language proficiency programs, expelled and at-risk student programs, special education programs (including gifted and talented programs), suspended student programs, vocation education programs, small attendance centers, comprehensive health education programs and other current and future accountable programs specifically identified in statute as a categorical program.

Section 5 of Amendment 23 required that for fiscal years 2001-02 through 2010-11, the general assembly at a minimum, annually increased the general fund appropriation for Total Program under the School Finance Act by an amount not below five percent of the prior year general fund appropriation for Total Program. However, such general

fund growth requirement was not to apply in any fiscal year in which Colorado personal income grows less than 4.5 percent between the two previous calendar years.

Section 4 of Amendment 23 created in the Colorado Department of Treasury the State education fund (the “State Education Fund”). Amendment 23 requires that all State revenues collected from a tax of one third of one percent on federal taxable income, as modified by law, of every individual, estate, trust and corporation, as defined in law, shall be deposited in the State Education Fund, and shall not be subject to the limitation on fiscal year spending set forth in the TABOR Amendment. All interest earned on money in the State Education Fund is required to be deposited in the State Education Fund and used before any principal is depleted. Money remaining in the State Education Fund at the end of any fiscal year must remain in the fund and not revert to the general fund.

Amendment 23 provides that for fiscal year 2001-02 and thereafter, the general assembly may annually appropriate money from the State Education Fund. Such money may only be used to comply with the requirements summarized above in the first paragraph of this section and for accountable education reform, accountable programs to meet State academic standards, class size reduction, expanding technology education, improving student safety, expanding the availability of preschool and kindergarten programs, performance incentives for teachers, accountability reporting, or public school building capital construction. Section 5 of Amendment 23 states that money appropriated from the State Education Fund shall not be used to supplant the level of general fund appropriations existing as of the section’s effective date for Total Program education funding under the Schools Finance Act and for categorical programs, discussed above.

As a means of implementing Amendment 23, in April 2001, the Colorado General Assembly amended the School Finance Act, increasing the statutory requirements imposed on State school districts to fund charter schools, and provided additional sources of State revenue for school districts to meet such requirements.

APPENDIX B

THE CHARTER SCHOOL AND THE PLEDGED CAMPUSES

[Separate document]

APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF LEMAN CLASSICAL SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

APPENDIX D
SUMMARIES OF FINANCING DOCUMENTS

[To be provided by Bond Counsel]

APPENDIX E

FORM OF BOND COUNSEL OPINION

[To be provided by Bond Counsel]

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of March 1, 2023 (this "Disclosure Agreement"), is executed and delivered by and between Leman Academy of Excellence - Douglas County, Colorado, a Colorado nonprofit corporation (the "Borrower"), Leman Classical School, a Colorado nonprofit corporation (the "Charter School") and Community Investment Corporation, as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the Colorado Educational and Cultural Facilities Authority (the "Issuer") of its (i) Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project), Series 2023A, in the original aggregate principal amount of \$[_____] (the "Series 2023A Bonds"), and (ii) Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project), Taxable Series 2023B, in the original aggregate principal amount of \$[_____] (the "Series 2023B Bonds" and together with the Series 2023A Bonds, the "Series 2023 Bonds").

The Series 2023 Bonds are being issued by the Issuer pursuant to (i) a resolution of the governing body of the Issuer, adopted on [February 22], 2023, and (ii) a Bond Indenture, dated as of March 1, 2023 (the "Bond Indenture"), between the Issuer and UMB Bank n.a., as bond trustee (the "Bond Trustee"), and the proceeds derived from the sale of the Series 2023 Bonds are to be applied to make a loan to the Borrower pursuant to the terms of a Loan Agreement, dated as of March 1, 2023 (the "Loan Agreement"), between the Issuer and the Borrower, as agent for the Obligated Group. Capitalized terms used but not otherwise defined in this Disclosure Agreement shall have the meanings assigned thereto in the Bond Indenture or the Master Indenture (as defined below).

The obligation of the Borrower to make repayments under the Loan Agreement is secured by Leman Academy of Excellence--Douglas County, Colorado Obligation No. 2A ("Obligation No. 2A"), in the principal amount of the Series 2023A Bonds, and by Leman Academy of Excellence--Douglas County, Colorado Obligation No. 2B ("Obligation No. 2B" and collectively with Obligation No. 2A, "Obligation No. 2"), in the principal amount of the Series 2023B Bonds, such Obligation No. 2 issued by the Obligated Group in an original aggregate principal amount equal to the principal amount of the Series 2023 Bonds. Obligation No. 2 is being issued pursuant to a Master Trust Indenture, dated as of October 1, 2019 (the "Master Indenture"), as amended, between the Borrower (the sole "Member of the Obligated Group") and UMB Bank n.a., as master trustee (the "Master Trustee"), as further amended by Supplemental Master Indenture for Obligation No. 2, dated as of March 1, 2023, between the Borrower, as Obligated Group Representative, and the Master Trustee. Obligation No. 2 constitutes an unconditional promise by each Member of the Obligated Group to pay amounts sufficient to pay principal of (whether at maturity, by acceleration or call for redemption) and premium, if any, and interest on the Series 2023 Bonds.

Section 1. Purpose of Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Borrower for the benefit of the Registered Owners of the Series 2023 Bonds (for such purpose beneficial owners of the Series 2023 Bonds shall also be considered Registered Owners of the Series 2023 Bonds) and to assist Robert W. Baird & Co. Incorporated, in complying with paragraph (b)(5) of the Rule (the "Rule").

Section 2. Defined Terms.

"Annual Report" means the financial information and operating data required to be transferred by the Obligated Group to the Dissemination Agent pursuant to the Section 3(a)(1) of this Disclosure Agreement.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2023 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2023 Bonds for federal income tax purposes.

* Preliminary, subject to change.

"*Bond Indenture*" means the Bond Indenture, dated as of March 1, 2023, between the Issuer and UMB Bank n.a., as bond trustee.

"*Borrower*" or "*Obligated Group Representative*" means Leman Academy of Excellence - Douglas County, Colorado, and any successor named in accordance with the requirements of the Master Indenture.

"*Disclosure Report*" means any of the Annual Reports, Quarterly Reports, or Operations Reports required by this Disclosure Agreement.

"*Dissemination Agent*" means Community Investment Corporation, as dissemination agent under this Disclosure Agreement, its successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access system operated by the MSRB and the primary portal for complying with the continuing disclosure requirements of the Rule.

"*Events Notices*" means the notices required to be given by the Obligated Group pursuant to Section 5 of this Disclosure Agreement.

"*Financial Obligation*" means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

"*Issuer*" means the Colorado Educational and Cultural Facilities Authority, its successors and assigns.

"*Official Statement*" means the Official Statement, dated as of _____, 2023, relating to the Series 2023 Bonds.

"*Master Indenture*" means the Master Indenture of Trust, dated as of October 1, 2019, between the Obligated Group and UMB Bank n.a., as master trustee (the "Master Trustee"), as amended and supplemented from time to time.

"*Master Trustee*" means UMB Bank n.a., its successors and assigns.

"*Member*" shall have the meaning ascribed thereto in the Master Indenture.

"*MSRB*" means the Municipal Securities Rulemaking Board, located at 1300 I Street NW, Suite 1000, Washington, DC 20005, its successors and assigns.

"*Obligated Group*" means the Borrower, and its successors and assigns, and any other Members.

"*Obligated Group's Audited Financial Statements*" means the annual financial statements, either individually or on a consolidated basis, prepared in accordance with generally accepted accounting principles ("GAAP").

"*Obligated Group's Disclosure Representative*" means the Chief Financial Officer of the Borrower or his/her designee or such other person as the Obligated Group Representative shall designate in writing to the Dissemination Agent from time to time.

"*Obligated Group's Fiscal Year*" means the fiscal year of the Obligated Group.

"*Operations Report*" means the financial information and operating data required to be transferred by the Obligated Group to the Dissemination Agent pursuant to the Section 3(a)(3) of this Disclosure Agreement.

"*Participating Underwriter*" means Robert W. Baird & Co. Incorporated, as original purchaser of the Series 2023 Bonds, and its successors and assigns.

"*Quarterly Report*" means the financial information and operating data required to be transferred by the Obligated Group to the Dissemination Agent pursuant to the Section 3(a)(2) of this Disclosure Agreement.

"*Repository*" means EMMA and any successor thereto.

"*Rule*" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented by the SEC from time to time.

"*SEC*" means the Securities and Exchange Commission, its successors and assigns.

"*Series 2023 Bonds*" means the Series 2023A Bonds and the Series 2023B Bonds.

"*Series 2023A Bonds*" means the Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project), Series 2023A issued by the Issuer.

"*Series 2023B Bonds*" means the Education Facility Revenue Bonds (Leman Academy of Excellence – Douglas County, Colorado Campus Project), Taxable Series 2023B issued by the Issuer.

"*Significant Bondholder*" means a Beneficial Owner of \$1,000,000 or more of the Series 2023 Bonds. A list of the Significant Bondholders will be provided to the Dissemination Agent by the Trustee or the Participating Underwriter upon the issuance of the Series 2023 Bonds.

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

(a) (1) *Annual Reports*. Not later than one hundred eighty (180) days after the end of the Obligated Group's Fiscal Year, commencing with the fiscal year ended June 30, 2023[3][5], the Borrower shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Obligated Group's Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date, but the unaudited financial information available on such date is submitted. The Annual Report shall be provided at least annually notwithstanding a fiscal year longer than twelve (12) calendar months. The Obligated Group may change its current fiscal year, but the Obligated Group Representative must notify the Issuer and the Repository or any other filing system approved by the SEC, of each such change within thirty (30) days after the later of the adoption of a new fiscal year and the end of the fiscal year that occurs before the former fiscal year would have ended.

(2) *Quarterly Reports*. On or before forty-five (45) days after the end of each fiscal quarter (each a "Quarterly Submission Date"), commencing with the quarter ending [March 31, 2023], the Obligated Group Representative shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, certain financial information relating to the Obligated Group as specified in Section 4(b) hereof (the "Quarterly Reports"). In each case, the Quarterly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement.

(3) *Operations Reports*. Within thirty (30) days of receipt or completion, the Obligated Group Representative shall provide (or shall cause the Dissemination Agent to provide) the following information to the Repository and the Participating Underwriter:

(i) a copy (which may be sent electronically) of the Borrower's adopted annual budget for the Pledged Campuses for the present Fiscal Year and a copy of revisions, if any, to the Borrower's annual budget for the Pledged Campuses as approved by its governing board;

(ii) the enrollment and Student October Count data submitted to the Colorado Department of Education;

(iii) any correspondence from the authorizer relating to (a) academic goals for students of the Borrower or (b) any information relating to the status of the charter for the Borrower, either positive or negative; and

(iv) information with respect to the incurrence of Additional Indebtedness authorized under the Master Indenture or subordinate indebtedness, including the principal amount of the debt, the interest rate and whether such interest rate is variable or fixed, the principal and interest payment dates, the final maturity date, the annual debt service, and whether there is a balloon payment or not.

(b) As soon as is practicable after the completion of any of the disclosure reports required by paragraph (a) (collectively referred to as the "Disclosure Reports"), the Obligated Group Representative shall provide the Dissemination Agent, the Participating Underwriter and, upon request, any Significant Bondholder with a copy (which may be by electronic transfer) of each Disclosure Report as requested. The Dissemination Agent shall, at the Obligated Group's cost, transmit the information contained in the Disclosure Reports to each Significant Bondholder, at their request, and to the Issuer, at its request. The Dissemination Agent shall have no duty regarding such information other than to retain any such information that it receives and to transmit same in accordance with the Agreement.

(c) If the Obligated Group Representative does not provide to the Dissemination Agent a copy of an Annual Report or the Quarterly Report by the applicable dates required in Section 3(a) or 3(b) above, the Dissemination Agent shall send a notice to the Obligated Group Representative, the Repository, and the Participating Underwriter, in substantially the form attached as EXHIBIT B. In the event that the Obligated Group Representative files the Disclosure Reports directly with the Repository on or before the dates required in Section 3(a) above, the Obligated Group Representative shall promptly provide the Dissemination Agent with a certification, or other documentation reasonably required by the Dissemination Agent, that the filing of the Disclosure Report was made in a timely manner on or before the date required herein and such filing contained the information required by this Disclosure Agreement.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address (physical or electronic, as applicable) of each Repository; and

(ii) provided the Annual Report has been provided to the Dissemination Agent by the Obligated Group, file a report with the Obligated Group, and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports and Quarterly Reports; and Annual and Quarterly Conference Calls.

(a) *Annual Reports.* The Annual Report shall contain or include by reference the audited financial statements of the Obligated Group for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time. If the Obligated Group's Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain financial statements that have not been reviewed in a format similar to the Obligated Group's Audited Financial Statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. If reporting requirements change with respect to any of the reportable categories/tables set forth in the certificate form in EXHIBIT A hereto, then the Borrower shall be allowed to make corresponding adjustments in the format/information reported in such tables to comply with the changes.

To the extent not included in the Obligated Group's Audited Financial Statements, the Annual Report shall also include (i) updates to the information in the Official Statement found in the table(s) in "APPENDIX B" shown on the certificate attached hereto as EXHIBIT A; and (ii) a certificate substantially in the form attached hereto as EXHIBIT A that provides certain Obligated Group data and demonstrates the Obligated Group's compliance with certain operating covenants contained in the Master Indenture.

(b) *Quarterly Reports.* The Quarterly Report shall contain unaudited financial statements of the Obligated Group, both consolidated and on an individual basis, for such fiscal quarter consisting of at least statements of financial position (balance sheets and income statements) as of the end of such quarter and statements of activities for such fiscal quarter and year to date, each prepared in accordance with generally accepted accounting principles, as in effect from time to time (subject to year-end adjustments and except such financial statements may omit footnotes that would be required by generally accepted accounting principles), consistently applied, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles beyond the reasonable control of the Obligated Group noting the discrepancies therefrom and the effect thereof. The Quarterly Report shall include a comparison of revenues and expenditures to budgeted revenues and expenditures, with an explanation provided for any variances greater than 10%.

(c) *Annual Conference Calls.* Each year, commencing with the Fiscal Year ending June 30, 202[3][5], the Borrower shall hold an annual investor call following the release of its Audited Financial Statements for the immediately preceding Fiscal Year for the purpose of reviewing financial results of such Fiscal Year. Such investor call shall be held within eight months of the close of the Fiscal Year and the Borrower shall deliver notice of such call to the MSRB, with a copy to the Trustee, not less than seven days prior to the date of the investor call.

(d) *Quarterly Conference Calls.* Upon request of a Significant Bondholder, the Obligated Group shall hold quarterly conference calls with Beneficial Owners. Any such quarterly conference call request shall be posted to EMMA within three (3) Business Days of the request, and such call shall be held within eight (8) Business Days of the posted request. Quarterly conference calls shall be recorded and posted to EMMA for at least a 30-day period following each such call.

(e) Any or all of the Disclosure Reports may be incorporated by reference from other documents, including Official Statements, which have been submitted to the Repository. If the Disclosure Report information is changed or this Disclosure Agreement is amended in accordance with its terms, then the Obligated Group is to include in the next Disclosure Report to be delivered thereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

Section 5. Material Events. The Obligated Group Representative agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days, (i) to the Participating Underwriter and (ii) to the Repository or to any other filing system approved by the SEC, notice of the occurrence of any of the following events ("Events Notice") with respect to the Series 2023 Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) 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;
- (g) Modifications to rights of security holders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the Borrower or Obligated Group;

(m) The consummation of a merger, consolidation, or acquisition involving the Borrower or Obligated Group or the sale of all or substantially all of the assets of the Borrower or Obligated Group, 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;

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

(o) Incurrence of a Financial Obligation of the Borrower or Obligated Group, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower or Obligated Group, any of which affect security holders, if material;

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower or Obligated Group, any of which reflect financial difficulties; and

(q) Addition or removal of Members to or from the Obligated Group.

Each Events Notice shall be so captioned and shall prominently state the date, title and (to the extent less than all of the Series 2023 Bonds are affected by the related material event) CUSIP numbers of the affected Series 2023 Bonds. The Borrower may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above.

In addition, the Borrower shall provide or cause to be provided to the Repository, the Participating Underwriter, and any Significant Bondholder, a notice at least 30-days prior to the proposed termination of the management agreement of the current manager of the Obligated Group's schools.

Section 6. EMMA. The SEC has designated the EMMA system operated by the MSRB as the nationally recognized municipal securities information repository and the exclusive portal for complying with continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB or the SEC, the Dissemination Agent shall make all filings required under this Disclosure Agreement solely with EMMA.

Section 7. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Borrower has engaged a Dissemination Agent, the Obligated Group Representative shall send all Disclosure Reports required by Section 3 hereof, and Event Notices required by Section 5 hereof, to the Dissemination Agent. The Dissemination Agent shall, within five (5) days of receipt of such Disclosure Report and within ten (10) days of the occurrence of the events requiring an Events Notice, forward such information to (i) the Repository and/or the MSRB or any other filing system approved by the SEC, as appropriate; (ii) the Issuer; (iii) the Participating Underwriters; and (iv) any Registered or Beneficial Owner of the Series 2023 Bonds who requests such information in writing from the Dissemination Agent or the Obligated Group or who is identified in writing by the Participating Underwriter. The Obligated Group agrees to pay any reasonable costs incurred by the Dissemination Agent as a result of disseminating information to any requesting Registered or Beneficial Owners of the Series 2023 Bonds. The Dissemination Agent does not have any duty to review the materials described in this paragraph prior to disseminating such materials.

Section 8. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the obligation of an Obligated Group Member to provide the Disclosure Reports and any Events Notice, as set forth in this Disclosure Agreement, shall terminate if and when such Obligated Group Member no longer remains an obligated person with respect to the Series 2023 Bonds, which shall occur upon either payment of the Series 2023 Bonds in full or the legal defeasance of the Series 2023 Bonds attributable to such Obligated Group Member in accordance with the Bond Indenture.

Section 9. Enforceability and Remedies. This Disclosure Agreement is intended to be for the sole benefit of the Registered Owners of the Series 2023 Bonds (for such purpose Beneficial Owners of the Series 2023 Bonds shall also be considered Registered Owners of the Series 2023 Bonds), the Issuer, and the Participating Underwriter and shall create no rights in any other person or entity.

This Disclosure Agreement shall be enforceable by or on behalf of any such Registered Owner of the Series 2023 Bonds, provided that the right of any Registered Owner to challenge the timely filing, failure to file or the adequacy of the information furnished pursuant to this Disclosure Agreement shall be limited to an action by or on behalf of Registered Owners representing at least 25% of the aggregate outstanding principal amount of the Series 2023 Bonds. This Disclosure Agreement is also enforceable on behalf of the Registered Owners of the Series 2023 Bonds by the Bond Trustee, and the Bond Trustee may, and upon the written direction of (i) the Registered Owners of not less than 25% of the aggregate outstanding principal amount of the Series 2023 Bonds or (ii) the Participating Underwriter shall, proceed to protect and enforce the rights of the Registered Owners of the Series 2023 Bonds pursuant to this Disclosure Agreement; provided that in all cases the Bond Trustee shall be entitled to the indemnification and other provisions of the Master Indenture with regard to any actions. Prior to proceeding at the request or direction of the Participating Underwriter, the Dissemination Agent may require the same types of indemnification and related protections from the Participating Underwriter to which the Master Trustee would otherwise be entitled under the Master Indenture if so requested or directed by the Registered Owners under the terms of the Bond Indenture. Any failure by the Borrower to comply with the provisions of this Disclosure Agreement shall not be an Event of Default under the Loan Agreement or the Master Indenture or the Bond Indenture.

The Registered Owners' and the Dissemination Agent's rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel the Borrower to perform the Borrower's obligations under this Disclosure Agreement, and the Borrower, its directors, officers and employees shall incur no liability under this Disclosure Agreement by reason of any act or failure to act hereunder. Without limiting the generality of the foregoing, neither the commencement nor the successful completion of an action to compel performance under this Section 9 entitles the Dissemination Agent or any other person to attorneys' fees, financial damages of any sort or any other relief other than an order or injunction compelling performance; provided that the Dissemination Agent shall nevertheless be entitled to attorneys' fees and such other rights and amounts as provided in the Bond Indenture.

Section 10. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Group and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, without the consent of the Registered Owners but with the consent of the Dissemination Agent, under the following conditions:

(a) The amendment or waiver may only be 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 Obligated Group, or type of business conducted;

(b) This Disclosure Agreement, as amended or with the provision so waived, would have complied with the requirements of the Rule at the time of the original issuance of the Series 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interest of Registered Owners of the Series 2023 Bonds, as determined either by parties unaffiliated with the Obligated Group (which shall include the Dissemination Agent or Bond Counsel, or any other party determined by any of them to be unaffiliated), or by approving vote of Registered Owners of the Series 2023 Bonds pursuant to the terms of the Bond Indenture at the time of the amendment or waiver.

The Borrower shall provide notice of each amendment or waiver to the Repository or any other filing system approved by the SEC. The initial annual financial or operating information provided by the Borrower after the amendment or waiver shall explain, in narrative form, the reasons for the amendment or waiver and the effect of the change in the type of operating data or financial information being provided.

Section 11. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 12. Choice of Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, provided that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 13. Severability. If any portion of this Disclosure Agreement shall be held invalid or inoperative, then, so far as is reasonable and possible (i) the remainder of this Disclosure Agreement shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 14. Other Instruments. The Obligated Group Representative and the Dissemination Agent covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Disclosure Agreement.

Section 15. Captions, Titles, and Headings. The captions, titles, and headings used in this Disclosure Agreement are for convenience only and shall not be construed in interpreting this Disclosure Agreement.

Section 16. Entire Agreement. This Disclosure Agreement contains the entire understanding among the parties and supersedes any prior understandings or written or oral agreements between them respecting the subject matter of this Disclosure Agreement.

Section 17. Electronic Signatures. The parties agree that the electronic signature of a party to this Disclosure Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Disclosure Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

IN WITNESS WHEREOF, we have set our hands as of the date set forth above.

LEMAN ACADEMY OF EXCELLENCE - DOUGLAS COUNTY, COLORADO, a Colorado nonprofit corporation, as Obligated Group Representative

By: _____

Its: _____

LEMAN CLASSICAL SCHOOL, a Colorado nonprofit corporation

By: _____

Its: _____

COMMUNITY INVESTMENT CORPORATION, as Dissemination Agent

By: _____

Its: _____

EXHIBIT A

FORM OF CERTIFICATE FOR ANNUAL FILING OF CERTAIN CHARTER SCHOOL OPERATING COVENANTS

Name of Issuer: The Colorado Educational and Cultural Facilities Authority

Name of Bond Issue: Education Facility Revenue Bonds
(Leman Academy of Excellence – Douglas County, Colorado Campus Project), Series 2023

Dissemination Agent: Community Investment Corporation

Borrower: Leman Academy of Excellence - Douglas County, Colorado

Charter School: Leman Classical School

Date of Issuance: _____, 2023

NOTICE IS HEREBY GIVEN that the Borrower, as the Obligated Group Representative, is providing to the Dissemination Agent the following operational information as required under Section 4(a) of the Continuing Disclosure Agreement, dated as of March 1, 2023 (the "Disclosure Agreement"), between the Dissemination Agent and the Borrower, as Obligated Group Representative, and the Charter School. The Disclosure Agreement requires that the Obligated Group provide this information to the Dissemination Agent within one hundred eighty (180) days of the end of each fiscal year. Defined terms used in this certificate and not defined herein shall have the meanings granted to such terms in the Master Indenture of Trust, dated as of October 1, 2019 (the "Master Indenture"), as amended, between the Issuer and UMB Bank n.a., as master trustee (the "Master Trustee"). The information contained below is unaudited.

1. As of June 30, 20__, the Obligated Group's:
 - (a) Cash on Hand was equal to \$_____.
 - (b) Days Cash on Hand was ____ days (Cash on Hand in the amount of \$_____, divided by the quotient of Operating Expenses for the 20__ fiscal year plus Lease Expense of \$_____ for the fiscal year ended June 30, divided by 365).
 - (c) The amount of Cash on Hand required to comply with the covenant contained in the Master Indenture for current fiscal year is \$_____ and the Obligated Group [is/is not] in compliance with such covenant.
 - (d) The amount on deposit in the Repair and Replacement Fund is \$_____.
 - (e) The Obligated Group's Coverage Ratio for fiscal year 20__ was ____x calculated as follows:
Gross Revenues _____
Less: Operating Expenses _____
Net Income Available for Debt Service _____
Divided by: Aggregate Rent _____
Coverage Ratio _____
2. The following tables in Appendix B to the Official Statement are to be updated.
 - (a) Table [3] – Historical Student Enrollment and Projected Growth for the Pledged Campuses
 - (b) Table [4] – Funded Pupil Count of Pledged Campuses
 - (c) Table [7] – Student Retention Data
 - (d) Table [8] – Professional Staff and Faculty
 - (e) Table [9] – Faculty Retention Rates
 - (f) Table [12] – CMAS - Percentage of Students Scoring Met or Exceeded Expectations

This certificate is being provided by the Obligated Group to the Dissemination Agent on a date which is [within][outside] of one hundred eighty (180) days from the end of the Obligated Group's prior fiscal year.

Dated: _____

**LEMAN ACADEMY OF EXCELLENCE - DOUGLAS
COUNTY, COLORADO**, a Colorado nonprofit corporation,
as Obligated Group Representative

By _____
Its _____

LEMAN CLASSICAL SCHOOL, a Colorado nonprofit
corporation

By _____
Its _____

EXHIBIT B

**NOTICE TO REPOSITORIES OF FAILURE TO
FILE ANNUAL OR QUARTERLY REPORT**

Name of Issuer: The Colorado Educational and Cultural Facilities Authority

Name of Bond Issue: Education Facility Revenue Bonds
(Leman Academy of Excellence – Douglas County, Colorado Campus Project), Series 2023

Dissemination Agent: Community Investment Corporation

Borrower: Leman Academy of Excellence - Douglas County, Colorado

Charter School: Leman Classical School

Date of Issuance: _____, 2023

NOTICE IS HEREBY GIVEN that the Obligated Group Representative has not provided an [Annual Report][Quarterly Report] with respect to the above-named Series 2023 Bonds as required by the Continuing Disclosure Agreement, dated as of March 1, 2023, between the undersigned Dissemination Agent and the Obligated Group Representative. The Obligated Group Representative anticipates that the [Annual Report] [Quarterly Report] will be filed by _____.

Dated: _____

COMMUNITY INVESTMENT CORPORATION,
as Dissemination Agent

By _____
Authorized Signatory

cc: Leman Academy of Excellence - Douglas County, Colorado
Robert W. Baird & Co. Incorporated

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 none of the Authority, Charter School, Trustee and the Underwriter take any responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2023 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2023 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 S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2023 Bonds, except in the event that use of the book entry-system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants 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 2023 Bonds may wish to take certain steps to augment the transmission to them of

notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2023 Bond documents. For example, Beneficial Owners of the Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2023 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2023 Bonds 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 Series 2023 Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Series 2023 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2023 Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2023 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2023 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Series 2023 Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2023 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, Series 2023 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.