This Preliminary Official Statement and the information contained herein is subject to completion, amendment and change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2019 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 23, 2019

NEW ISSUE—BOOK-ENTRY ONLY

MORAL OBLIGATION RATING: Aa3
UNDERLYING RATING: Moody's: Baa3
(See "MISCELLANEOUS-Ratings")

In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Series 2019A Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax. Interest on the Series 2019A Bonds is exempt from individual federal alternative minimum tax. Interest on the Series 2019B Bonds is not excludable from the gross income of the owners thereof for federal income tax purposes. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Bonds is exempt from all taxation and assessments in the State of Colorado. See "TAX MATTERS" herein

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

Charter School Refunding and Improvement Revenue Bonds
(West Ridge Academy Charter School Project)

$9,975,000*
Series 2019A

$290,000*
Federally Taxable Series 2019B

Dated: Date of Delivery **Due: as set forth on page i hereof**

The above-captioned Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Series 2019A in the aggregate principal amount of $9,975,000* (the "Series 2019A Bonds") and Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Federally Taxable Series 2019B in the aggregate principal amount of $290,000* (the "Series 2019B Bonds" and together with the Series 2019A Bonds, the "Series 2019 Bonds") will be issued pursuant to an Indenture of Trust dated as of June 1, 2019 (the "Indenture") between by the Colorado Educational and Cultural Facilities Authority (the "Authority") and UMB Bank, n.a., as trustee (the "Trustee") as fully registered bonds without coupons in "Authorized Denominations" of $5,000 and any integral multiple thereof.

Principal and interest payments on the Series 2019 Bonds will be made by the Trustee to the Registered Owners as of the Regular Record Date. The Series 2019 Bonds bear interest payable on June 1 and December 1 of each year, commencing December 1, 2019, until maturity or earlier redemption. DTC will act as securities depository for the Series 2019 Bonds, and the Series 2019 Bonds will be registered in the name of Cede & Co., as nominee of DTC. Capitalized terms used but not defined on this cover page are defined in Appendix D of this Official Statement. The Series 2019 Bonds mature, bear interest per annum and are priced or priced to yield as set forth on page i hereof.

The proceeds derived from the sale of the Series 2019 Bonds will be loaned by the Authority to WRA Building Corporation, a Colorado nonprofit corporation (the "Corporation") pursuant to the Loan and Security Agreement, dated as of June 1, 2019 (the "Agreement") by and between the Authority and the Corporation for the purposes of (a) refunding the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A (the "Series 2017A Bonds") issued in the original aggregate principal amount of $9,345,000 and the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") issued in the original aggregate principal amount of $145,000; (b) financing improvements to existing educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"); (c) funding capitalized interest, if any; (d) funding a bond reserve fund; and (e) paying the costs of issuance of the Series 2019 Bonds (collectively, the "Series 2019 Project").

West Ridge Academy Charter School, a Colorado nonprofit corporation (the "Charter School") is participating in and is a beneficiary of the Colorado Charter School Debt Reserve Fund Program and the Colorado Charter School Moral Obligation Program for the payment of the Bonds which enhances the security for the Bonds. The Authority, the Charter School, the Corporation and the Trustee are also utilizing the Colorado State Treasurer Charter School Intercept Program for the Series 2019 Bonds.

The Series 2019 Bonds are subject to optional, extraordinary and mandatory redemption prior to maturity as set forth herein.

The Series 2019 Bonds constitute special, limited obligations of the Authority and except to the extent payable from Series 2019 Bond proceeds and investment income, are payable solely from certain payments, revenues and other amounts derived by the Authority pursuant to the terms of the Agreement. The Series 2019 Bonds and any additional bonds issued pursuant to the Indenture (collectively, the "Bonds") are secured by a pledge of (a) certain rights and interests of the Authority under and pursuant to the Agreement, (b) certain rights and interests of the Trustee under and pursuant to the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019 (the "Deed of Trust") from the Corporation to the Public Trustee of Weld County, Colorado, for the benefit of the Trustee, encumbering the Facilities subject however to the Permitted Encumbrances (defined therein), (c) all rights and interest of the Authority in the Facilities subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Agreement, (d) the Pledged Revenues and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Agreement, (e) the rights and interests of the Authority and the Corporation in the Lease Agreement, dated as of June 1, 2019 (the "Lease"), by and between the Corporation and the Charter School, except certain rights of the Authority and the Corporation set forth in the Lease, (f) all Funds created in the Indenture (other than the Rebate Fund), subject to certain provisions of the Indenture, and (g) any and all other interests in real or personal property specifically mortgaged, pledged or hypothecated, as and for additional security under the Indenture as set forth therein. The foregoing pledge secures the Series 2019 Bonds for the equal and proportionate benefit, security, and protection of all Registered Owners of the Series 2019 Bonds without privilege, priority, or distinction as to the lien or otherwise of any of the Series 2019 Bonds over any other of the Series 2019 Bonds except as otherwise provided in the Indenture or with respect to moneys otherwise held to redeem or pay particular Bonds thereunder. Payments to be received from the Charter School by the Corporation under the Lease will be the Corporation's sole expected source of Pledged Revenues and the Lease is subject to annual appropriation by the Charter School.

The Series 2019 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and are being issued in reliance on an exemption under Section 3(a)(2) of the Securities Act.

The Indenture imposes no restrictions on the subsequent transfer of the Series 2019 Bonds, except for requiring that any such transfer be made in Authorized Denominations and that such transfers be made in accordance with state and federal securities laws.

The Series 2019 Bonds and the interest thereon will never constitute a debt or indebtedness of the Authority, the State, the District or any political subdivision thereof, including the Authority, within the meaning of any provision of the Constitution and laws of the State and will not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority, the Charter School, the District or the State. The Authority has no authority to levy taxes or any other assessments.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Purchase of the Series 2019 Bonds involves a certain degree of risk. 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 2019 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, as Bond Counsel. Certain legal matters will be passed upon for the Corporation and the Charter School by their counsel, Law Office of Lewis Roca Rothgerber Christie LLP, Colorado Springs, Colorado. Certain matters will be passed upon for the Authority by its general counsel, Sherman & Howard L.L.C., Denver, Colorado. PFM Financial Advisors, LLC, Denver, Colorado is acting as financial advisor to the Authority, and Choice Advisors, LLC, Denver, Colorado, is acting as financial advisor to the Borrower and the Charter School, in connection with the offering and issuance of the Series 2019 Bonds. Certain legal matters will be passed upon for the Underwriter by Kline Alvarado Veio, P.C., Denver, Colorado. It is expected that the Series 2019 Bonds will be available for delivery through the facilities of DTC on or about June __, 2019.

George K. Baum & Company

This Official Statement is dated _____ __, 2019.

* Preliminary, subject to change.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
(West Ridge Academy Charter School Project)

West Ridge Academy Charter School Board of Directors

Kenneth W. Dyer, Chair
Bushrod B. White, Vice-Chair
Dawn Barth, Treasurer
Tracey Lawrence, Secretary
Philip Wagner, Member
Jeff Wiley, Member

WRA Building Corporation Board of Directors

Kenneth Dyer, President
Dawn Barth, Secretary
John Boyd, Treasurer
Brian Bartels, Member

West Ridge Academy Charter School Administration

Josh Cochran, Interim Principal
Brandon O'Field, Assistant Principal
Susan Ackerman, Contract Finance Manager

Charter School and Corporation Counsel

Lewis Roca Rothgerber Christie LLP
Colorado Springs, Colorado

Underwriter

George K. Baum & Company
Denver, Colorado

Underwriter's Counsel

Kline Alvarado Veio, P.C.
Denver, Colorado

Trustee and Paying Agent

UMB Bank, National Association
Kansas City, Missouri

Bond Counsel

Ballard Spahr LLP
Denver, Colorado

MATURITY SCHEDULE*

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
Charter School Refunding and Improvement Revenue Bonds
(West Ridge Academy Charter School Project)

$9,975,000*
Series 2019A

Maturity Date (June 1)	Amount	Rate	Issue Price	Yield	Cusip[1]
2022	$125,000				
2023	130,000				
2024	135,000				
2025	145,000				
2026	150,000				
2027	160,000				
2028	165,000				
2029	175,000				
2030	185,000				
2031	195,000				
2032	205,000				
2033	215,000				
2034	225,000				

$1,295,000* Term Series 2019A Bond due June 1, 2039*; Rate: _____%; Price: _____%; Yield: _____%; CUSIP[1]: _____

$3,765,000* Term Series 2019A Bond due June 1, 2049*; Rate: _____%; Price: _____%; Yield: _____%; CUSIP[1]: _____

$2,705,000* Term Series 2019A Bond due June 1, 2054*; Rate: _____%; Price: _____%; Yield: _____%; CUSIP[1]: _____

$290,000*
Federally Taxable Series 2019B

$290,000* Term Series 2019B Bond due June 1, 2021*; Rate: _____%; Price: _____%; Yield: _____%; CUSIP[1]: _____

[1] The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the Corporation, the Charter School, the Underwriter or Trustee, and are included solely for the convenience of the holders of the Series 2019 Bonds. None of the Authority, the Corporation, the Charter School, the Underwriter or the Trustee is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Series 2019 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

* Preliminary, subject to change.

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 2019 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Authority, the Charter School, the Corporation 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 Charter School, the Corporation 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, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The Trustee did not participate in the preparation of this Official Statement and makes no representations concerning the Series 2019 Bonds, the collateral or any other matter stated in this Official Statement. The Trustee has no duty or obligation to pay the Series 2019 Bonds from its own funds, assets or corporate capital or to make inquiry regarding, or investigate the use of, amounts disbursed from the accounts held under the Indenture.

THE AUTHORITY HAS NOT PREPARED OR ASSISTED IN THE PREPARATION OF THIS OFFICIAL STATEMENT OR THE APPENDICES AND DOES NOT ASSUME ANY RESPONSIBILITY FOR, AND MAKES NO REPRESENTATION WITH RESPECT TO, THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT OR ITS APPENDICES, EXCEPT FOR THE INFORMATION CONTAINED UNDER THE CAPTIONS "SUMMARY STATEMENT—THE AUTHORITY," "THE AUTHORITY" AND "LEGAL MATTERS—PENDING AND THREATENED LITIGATION-NO PROCEEDINGS AGAINST THE AUTHORITY," THE AUTHORITY NEITHER HAS NOR WILL ASSUME ANY RESPONSIBILITY AS TO THE ACCURACY OR COMPLETENESS OF ANY OTHER INFORMATION IN THIS OFFICIAL STATEMENT.

Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Series 2019 Bonds or this Official Statement. Any representation to the contrary is unlawful.

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SUMMARY STATEMENT

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 $9,975,000* aggregate principal amount of Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Series 2019A (the "Series 2019A Bonds") and $290,000* aggregate principal amount of Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Federally Taxable Series 2019B (the "Series 2019B Bonds" and together with the Series 2019A Bonds, the "Series 2019 Bonds"). The Series 2019 Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2019 (the "Indenture"), by and between the Authority and UMB Bank, National Association (the "Trustee"). Capitalized terms used but not defined in this Official Statement have the meanings assigned to them in APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS." The offering of the Series 2019 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 2019 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 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 from the sale of the Series 2019 Bonds will be loaned to the WRA Building Corporation (the "Corporation") pursuant to the terms of a Loan and Security Agreement, dated as of June 1, 2019 (the "Agreement"), by and between the Authority and the Corporation, and will be used for the purpose of: (a) refunding the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A (the "Series 2017A Bonds") issued in the original aggregate principal amount of $9,345,000 and the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") issued in the original aggregate principal amount of $145,000; (b) financing improvements to existing educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"); (c) funding capitalized interest, if any; (d) funding a bond reserve fund; and (e) paying the costs of issuance of the Series 2019 Bonds (collectively, the "Series 2019 Project"). See "THE SERIES 2019 BONDS—Use of Series 2019 Bond

* Preliminary, subject to change.

Proceeds" and APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

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

The Series 2019 Bonds and the interest thereon will never constitute a debt or indebtedness of the Authority, the State or any political subdivision thereof, including the Authority, within the meaning of any provision of the Constitution and laws of the State and will not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority or the State. The Authority has no authority to levy taxes or any other assessments.

The Corporation..... The Corporation is a Colorado nonprofit corporation, organized on December 11, 2015, that will serve as borrower under the Agreement, owner of the Facilities (as defined herein), and lessor under the annual appropriation Lease Agreement, dated as of June 1, 2019 (the "Lease"), by and between the Corporation and the Charter School, in connection with the Series 2019 Bonds. See "THE CORPORATION AND THE CHARTER SCHOOL" and APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

The Charter School..... The Charter School is a Colorado nonprofit corporation and a public Charter School in the State established pursuant to the Colorado Charter Schools Act, Title 22, Article 30.5, C.R.S., as amended from time to time (the "Charter Schools Act"). The Charter School was created by Weld County School District 6 (the "District'), by a resolution dated December 13, 2010, and has operated as a Charter School within the District since July 1, 2011, pursuant to the Charter School Contract dated April 13, 2011, between the Charter School and the District (the "Charter"). The Charter had an initial expiration date of June 30, 2014, and has since been renewed twice, currently set to expire on June 30, 2023. The articles of incorporation for the Charter School were filed with the Colorado Secretary of State to operate as a Colorado nonprofit corporation on September 22, 2010 and on June 14, 2012 the Charter School was recognized by the Internal Revenue Service as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The Charter School serves students in kindergarten through eighth grades from its educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"). See "THE CORPORATION AND THE CHARTER SCHOOL" and APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

The Charter School Board is responsible for the academic and operations programs of the Charter School. The enrollment of the Charter School as of the October 1 count for the 2018-2019 school year was 430 students.

The Corporation will lease the Facilities to the Charter School for use by the Charter School pursuant to the terms of the Lease. The Charter School may terminate its obligations under the Lease on an annual basis. The Lease is triple net and requires the Charter School to pay all expenses, insurance, taxes, fees, and operational costs associated with the Facilities. See "THE SERIES 2019 BONDS - Use of Series 2019 Bond Proceeds," "THE CORPORATION AND THE CHARTER SCHOOL" and APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

Security..... The Series 2019 Bonds are special, limited obligations of the Authority as described under "Limited Obligations." Under the Agreement, the Corporation is obligated unconditionally to pay amounts sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2019 Bonds. The Series 2019 Bonds and any additional Bonds issued pursuant to the Indenture (collectively, the "Bonds") are secured by a pledge of (a) certain rights and interests of the Authority under and pursuant to the Agreement, (b) certain rights and interests of the Trustee under and pursuant to the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019 (the "Deed of Trust") from the Corporation to the Public Trustee of Weld County, Colorado, for the benefit of the Trustee, encumbering the Facilities subject however to the Permitted Encumbrances (defined therein), (c) all rights and interest of the Authority in the Facilities subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Agreement, (d) the Pledged Revenues and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Agreement, (e) the rights and interests of the Authority and the Corporation in the Lease, except certain rights of the Authority and the Corporation set forth in the Lease, (f) all Funds created in the Indenture (other than the Rebate Fund), subject to certain provisions of the Indenture, and (g) any and all other interests in real or personal property specifically mortgaged, pledged or hypothecated, as and for additional security under the Indenture as set forth therein. The foregoing pledge secures the Series 2019 Bonds for the equal and proportionate benefit, security, and protection of all Registered Owners of the Series 2019 Bonds without privilege, priority, or distinction as to the lien or otherwise of any of the Series 2019 Bonds over any other of the Series 2019 Bonds except as otherwise provided in the Indenture or with respect to moneys otherwise held to redeem or pay particular Bonds thereunder. See "SECURITY FOR THE SERIES 2019 BONDS" and APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS – Form of the Agreement."

Payments to be received from the Charter School by the Corporation under the Lease will be the sole expected source of Pledged Revenues and the

Lease is subject to annual appropriation by the Charter School. See "SECURITY FOR THE SERIES 2019 BONDS" and APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS – Form of the Agreement."

Moral Obligation Program; Bond Reserve Fund; and Colorado State Treasurer Charter School Intercept Program .....

A bond reserve fund will be established, pursuant to the Indenture, for the Series 2019 Bonds (the "Bond Reserve Fund") in an amount equal to $_____ which amount is equal to the maximum annual debt service on the Series 2019 Bonds and is pledged for the repayment of the Series 2019 Bonds. The Charter School is participating in and is a beneficiary of the Colorado Charter School Debt Reserve Fund Program pursuant to Section 22-30.5-407 C.R.S., as amended (the "CSDRF") and the Colorado Charter School Moral Obligation Program pursuant to Section 22-30.5-408 C.R.S., as amended (the "Moral Obligation Program") which enhances the security for the Series 2019 Bonds. The CSDRF was created to provide a fund managed by the State Treasurer that is available to replenish amounts drawn from the debt service reserve funds that secure qualifying charter school bond issues. Qualified charter schools are defined in State statutes as a charter school that has a stand-alone credit assessment or rating of at least investment grade by a nationally recognized rating agency at the time of issuance of any bonds issued by the Authority for the purpose of financing a facility to be used for occupancy by pupils enrolled in such charter school and are secured by the state charter school debt reserve fund, on behalf of such charter school by the Authority pursuant to the Act and that has been certified as a qualified charter school by the State Treasurer. The Series 2019 Bonds are secured by the CSDRF. Amounts available under the CSDRF are limited. See "SECURITY FOR THE SERIES 2019 BONDS-Indenture-*Bond Reserve Fund*."

If the Bond Reserve Fund is drawn upon and not restored to the respective Bond Reserve Fund Requirement, in addition to the monies available under the CSDRF program, if any, the Board of Directors of the Authority is required by statute to submit to the governor a certificate certifying any amount of moneys required to restore such fund to the applicable Bond Reserve Fund Requirement for that series of bonds. The governor is then required to submit a request for an appropriation from the State legislature in an amount sufficient to restore such account to the applicable Bond Reserve Fund Requirement and the general assembly of the State may, but shall not be required, to appropriate moneys for such purpose. See "SECURITY FOR THE SERIES 2019 BONDS-Indenture-*Bond Reserve Fund*."

The Authority, the Charter School, the Corporation and the Trustee are also utilizing the Colorado State Treasurer Charter School Intercept Program for the Series 2019 Bonds, pursuant to which the Charter School has agreed to transfer or cause the transfer of an amount equal to the

amounts due under the Lease representing debt service on the Series 2019 Bonds directly to the Trustee by the State Treasurer pursuant to the Charter School Intercept Program. The Charter School's obligation to make such payments under the Lease is subject to annual appropriation. See "SECURITY FOR THE SERIES 2019 BONDS-Lease- *Direct Payment of Lease Amounts (Charter Intercept Statute)*."

Limited Obligations ..... The Series 2019 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 will never constitute or give rise to a pecuniary liability of the Authority, the District, or the State or a charge against the general credit or taxing power of the Authority, the District or the State. The Authority has no authority to levy taxes or any other assessments.

Risk Factors..... Prospective purchasers are advised to read this entire Official Statement and the Appendices attached hereto in their entirety, particularly the section "RISK FACTORS" herein, for a discussion of certain risk factors, which should be considered in connection with an investment in the Series 2019 Bonds.

Payment Provisions..... The Series 2019 Bonds mature and bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rate set forth on page i hereof. Interest on the Series 2019 Bonds is payable June 1 and December 1 of each year, commencing December 1, 2019.

Book-Entry-Only Registration ..... The Series 2019 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 2019 Bonds may be acquired in "Authorized Denominations" of $5,000 and any integral multiple thereof.

Beneficial ownership interests in the Series 2019 Bonds in non-certificated book-entry only form in Authorized Denominations may be acquired by or through participants in the DTC system (the "Participants"). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for whom Participants acquire interests in the Series 2019 Bonds (the "Beneficial Owners") will not receive certificates evidencing their interests in the Series 2019 Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2019 Bonds. So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, payments of principal, premium, if any, and interest on the Series 2019 Bonds, as well as notices and other communications made by or on behalf of the Authority pursuant to the Bond Resolution, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See APPENDIX G—"BOOK–

ENTRY–ONLY SYSTEM" for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

Prior Redemption..... The Series 2019 Bonds are subject to optional, extraordinary and mandatory redemption. The terms and provisions regarding such prior redemption are set forth in "THE SERIES 2019 BONDS—Prior Redemption."

Registration and Denominations ..... Beneficial ownership interests in the Series 2019 Bonds may be acquired in "Authorized Denominations" of $5,000 and any integral multiple thereof.

Bond Rating..... The Series 2019 Bonds have been assigned a rating of "Aa3" by Moody's Investors Service, Inc. ("Moody's") which is contingent upon the Charter School's participation in the Moral Obligation Program. In addition, Moody's has assigned an underlying rating of "Baa3" which is reflective of the capacity of the Charter School to fulfill its payment obligations under the Lease. See "MISCELLANEOUS-Ratings."

Transfer of Series 2019 Bonds ..... The Indenture imposes no restrictions on the subsequent transfer of the Series 2019 Bonds, except for requiring that any such transfer be made in Authorized Denominations and that such transfers be made in accordance with state and federal securities laws.

Tax Status ..... In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Series 2019A Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax. Interest on the Series 2019A Bonds is exempt from individual federal alternative minimum tax. Interest on the Series 2019B Bonds is not excludable from the gross income of the owners thereof for federal income tax purposes. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Bonds is exempt from all taxation and assessments in the State of Colorado. See "TAX MATTERS" herein.

Authority for Issuance..... The Series 2019 Bonds are issued in full conformity with the constitution and laws of the State, and pursuant to an authorizing resolution (the "Bond Resolution") adopted by the Authority's Board of Directors (the "Authority's Board") at a meeting held on May 22, 2019 and pursuant to the terms of the Indenture. The Authority is authorized by Article 15, Title 23, C.R.S., as amended, and Article 57, Title 11, Section 201, et seq., C.R.S., as amended to issue the Series 2019 Bonds.

Delivery Information ..... The Series 2019 Bonds are offered when, as, and if issued by the Authority and accepted by George K. Baum & Company, as underwriter for the Series 2019 Bonds (the "Underwriter"), subject to prior sale and the approving legal opinion of Bond Counsel and certain other conditions. It

is expected that the Series 2019 Bonds will be available for delivery through the facilities of DTC on or about June __, 2019.

Coverage Ratio Covenant..... Pursuant to the Lease, the Charter School will deliver annually, no later than October 31, to the Trustee and the Underwriter a certificate stating the Coverage Ratio for the Fiscal Year then ended, commencing with the Fiscal Year ending June 30, 2020. The Coverage Ratio shall be 1.20 to 1 or above for the Fiscal Year ending June 30, 2020, and each Fiscal Year thereafter; provided, however, that if the Charter School has Days Cash on Hand equal to at least 75 on June 30 of any Fiscal Year, the Coverage Ratio is required to be at or above 1.10 to 1 for such Fiscal Year. Commencing with the Fiscal Year ending June 30, 2020, if such Coverage Ratio is below the applicable level, the Charter School shall retain, at its expense, a Management Consultant to submit a written report and make recommendations within forty-five (45) days of being retained (a copy of such report and recommendations shall be filed with the Underwriter, the Authority, and the Trustee) with respect to increasing revenues, decreasing Operating Expenses or other financial matters of the Charter School which are relevant to increasing the Coverage Ratio to at least the required level. Registered Owners of the Series 2019 Bonds then Outstanding shall have the right to object to the Charter School's selection of a Management Consultant and direct the Charter School to select an alternate Management Consultant pursuant to the Lease. The Charter School will, subject to the exceptions in the next sentence, adopt and follow the recommendations of the Management Consultant and will thereafter calculate the Coverage Ratio for each succeeding year. So long as the Trustee and the Management Consultant determine that the Charter School is demonstrating reasonable diligence to comply with the appropriate recommendations (excepting certain limited instances when an Opinion of Counsel is obtained excusing such actions by the Charter School or where the Charter School makes a good faith determination in a statement to the Trustee that the Management Consultant's recommendations would violate State or federal law, the educational or charitable purpose of the Charter School or the Charter) and the Coverage Ratio does not fall below 1.00 in any fiscal year, the Charter School will be deemed to have complied with its covenants under the Lease. The Charter School shall continue to retain the Management Consultant until the Charter School has achieved a Coverage Ratio of at least the required level for at least two consecutive fiscal years.

As set forth in APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS – Form of the Lease," the Coverage Ratio is the ratio obtained by dividing (i) Net Income Available for Base Rents for the prior Fiscal Year by (ii) Maximum Annual Base Rents.

For a table setting forth the Charter School's historic and projected coverage ratio for fiscal years 2017-18 through 2022-23, see the Historical and Forecast General Fund Budget table included in APPENDIX A – "INTERNALLY PREPARED FINANCIAL FORECAST."

Liquidity Covenant..... In the Lease, the Charter School covenants and agrees that it will maintain Days Cash on Hand equal to at least 45 as of June 30, 2020, and as of each June 30 thereafter.

The Charter School will provide the Trustee and the Underwriter not later than October 31 after each June 30, commencing June 30, 2020, with a certificate stating the Days Cash on Hand as of the applicable June 30. In the event that Days Cash on Hand falls below the requirement set forth above as of any testing date, the Charter School shall retain a Management Consultant within forty-five (45) days following the related reporting date at the Charter School's expense. Registered Owners of the Series 2019 Bonds then Outstanding shall have the right to object the Charter School's selection of a Management Consultant and direct the Charter School to select an alternate Management Consultant pursuant to the Lease. The Management Consultant shall make appropriate recommendations in order to bring the Charter School into compliance with the Liquidity Covenant.

Copies of such recommendations shall be filed with the Corporation, the Underwriter and Trustee. The Charter School agrees that promptly upon the receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, or to the extent practical, it shall revise its methods of operation and shall take such other reasonable actions as shall be in conformity with the recommendations. So long as the Charter School shall retain a Management Consultant and complies with such Management Consultant's recommendations to the extent practical or not prohibited by law, no default or Event of Default shall be declared solely by reason of a violation of the Borrower's covenant to maintain Days Cash on Hand equal to at least 45 as of June 30, 2020, and as of each June 30 thereafter.

For a table setting forth the Charter School's historic and projected Days Cash on Hand for fiscal years 2017-18 through 2022-23, see the Historical and Forecast General Fund Budget table included in APPENDIX A – "INTERNALLY PREPARED FINANCIAL FORECAST."

Financial Information..... Audited financial statements of the Charter School for the fiscal years ended June 30, 2017 and 2018 are attached to this Official Statement as APPENDIX B – "FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018." Such audited financial statements have been prepared by CliftonLarsonAllen LLP (the "Auditor"), and have been included in reliance upon the report of the Auditor. Neither the Charter School nor the Corporation is aware of any facts that would make such financial statements misleading. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this official statement.

Management of the Charter School has prepared financial projections for each of the fiscal years ending June 30, 2019 through June 30, 2023 (the

"Projections"), which are attached to this Official Statement in APPENDIX A – "INTERNALLY PREPARED FINANCIAL FORECAST." The Projections include a statement of revenues, expenditures, and changes in fund balance – governmental fund; and a summary of significant forecast assumptions. As a condition to delivery of the Series 2019 Bonds, Management of the Charter School will deliver a certificate that the assumptions upon which the projections are based, are reasonable.

The Projections have not been independently verified by any party other than Management. No feasibility studies have been conducted with respect to operations of Management pertinent to these financial projections or the Series 2019 Bonds. Neither the Authority nor the Underwriter nor Choice Advisors, LLC has participated in the creation of the Projections nor reviewed the Projections or the methodology used to create them nor independently verified the Projections, and neither the Authority nor the Underwriter nor Choice Advisors, LLC makes any representations or gives any assurances that such Projections, or the assumptions underlying them, are complete or correct. See "RISK FACTORS" in this Official Statement.

Continuing Disclosure ..... The Corporation and the Charter School have agreed in the Continuing Disclosure Agreement dated as of June 1, 2019 (the "Continuing Disclosure Agreement"), by and among the Corporation, the Charter School, and UMB Bank, National Association, as dissemination agent thereunder, for the benefit of the Registered Owners and Beneficial Owners of the Series 2019 Bonds to provide certain annual financial information, other operating data and notices of material events to the Electronic Municipal Market Access system for municipal securities disclosure established by the Municipal Securities Rulemaking Board and accessible at http://emma.msrb.org/ ("EMMA"). See "MISCELLANEOUS – Continuing Disclosure" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

Agents and Advisors ..... Ballard Spahr LLP has acted as Bond Counsel. Certain legal matters will be passed on for the Corporation and the Charter School by their counsel, Lewis Roca Rothgerber Christie LLP, Colorado Springs, Colorado, and for the Authority by its general counsel, Sherman & Howard L.L.C., Denver, Colorado. George K. Baum & Company will serve as the Underwriter. Certain legal matters will be passed on for the Underwriter by its counsel, Kline Alvarado Veio, P.C., Denver, Colorado. See "MISCELLANEOUS—Underwriting." UMB Bank, National Association, Denver, Colorado will serve as the Trustee for the Series 2019 Bonds. PFM Financial Advisors, LLC, Denver, Colorado (the "Authority Financial Advisor") is serving as financial advisor to the Authority, and Choice Advisors, LLC, Denver, Colorado (the "Borrower Financial Advisor") is serving as financial advisor to the Corporation and the Charter School. Certain fees that are payable with respect to the Series 2019 Bonds to various counsel, the Underwriter, the Trustee, the Authority Financial Advisor and the Borrower Financial Advisor are contingent upon the issuance and delivery of the Series 2019 Bonds.

Additional Information ..... The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Official Statement do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge from the Charter School's administrative offices at 6200 West 20th Street, Greeley, Colorado 80634, (970) 330-3671, or George K. Baum & Company at 1400 Wewatta Street, Suite 800, Denver, Colorado (303) 391-5000.

INTRODUCTION

General

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 $9,975,000* aggregate principal amount of Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Series 2019A (the "Series 2019A Bonds") and $290,000* aggregate principal amount of Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Federally Taxable Series 2019B (the "Series 2019B Bonds" and together with the Series 2019A Bonds, the "Series 2019 Bonds"). The Series 2019 Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2019 (the "Indenture"), by and between the Authority and UMB Bank, National Association (the "Trustee"). Capitalized terms used but not defined in this Official Statement have the meanings assigned to them in APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS." The offering of the Series 2019 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 2019 Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward looking statements" as defined in the Private 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 AUTHORITY

The Authority, created in 1981, is an independent public body politic and corporate constituting a public instrumentality and political subdivision of 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, in other states. The Authority has financed educational facilities that compete with the Charter School and may finance additional such facilities in the future. Such obligations have been and will be issued pursuant to and secured by instruments separate and apart from the Indenture.

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* Preliminary, subject to change.

The Authority has not prepared or assisted in the preparation of this Official Statement, except the statements under this heading "THE AUTHORITY" and the information with respect to the Authority under the headings "SUMMARY STATEMENT—The Authority" and "LEGAL MATTERS—Pending and Threatened Litigation-*No Proceedings Against the Authority*" and, except as described in this paragraph, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Series 2019 Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Series 2019 Bonds. Accordingly, except as described in this paragraph, 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 2019 Bonds.

The Series 2019 Bonds are limited obligations of the Authority payable solely from the payments made by the Corporation under the Agreement and from the moneys and securities held by the Trustee under the Indenture and Deed of Trust encumbering the Facilities (as defined herein). Neither the Authority nor its current or future directors or officers or employees are personally liable with respect to the Series 2019 Bonds. Accordingly, no financial information with respect to the Authority or its current or future directors, officers or employees has been included in this Official Statement.

THE CORPORATION AND THE CHARTER SCHOOL

The Corporation

WRA Building Corporation (the "Corporation") is a Colorado nonprofit corporation organized on December 11, 2015. The Corporation will serve as borrower under the Agreement, owner of the Facilities, and lessor under the Lease in connection with the Series 2019 Bonds. See APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

The Charter School

West Ridge Academy Charter School (the "Charter School") is a Colorado nonprofit corporation incorporated on September 22, 2010, and a public Charter School in the State established pursuant to the Colorado Charter Schools Act, Title 22, Article 30.5, C.R.S., as amended from time to time (the "Charter Schools Act").

The Charter School was authorized by Weld County School District 6 (the "District'), by a resolution dated December 13, 2010, and has operated as a charter school within the District since July 1, 2011, pursuant to the Charter School Contract dated April 13, 2011, between the Charter School and the District (the "Charter"). The Charter had an initial expiration date of June 30, 2014, and has been renewed twice currently set to expire on June 30, 2023. The articles of incorporation for the Charter School were filed with the Colorado Secretary of State to operate as a Colorado nonprofit corporation on September 22, 2010 and on June 14, 2012 the Charter School was recognized by the Internal Revenue Service as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The Charter School serves students in kindergarten through eighth grades from its educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"). The Facilities are comprised of an approximately 46,500 square foot building situated on 10.3 acres, designed to accommodate an academic program with over 500 students. See APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

The Charter School Board is responsible for the academic and operations programs of the Charter School. The enrollment of the Charter School as of the October 1 count for the 2018-2019 school year was 430 students.

Further information about the Corporation, the Charter School and the Facilities is included in APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

THE SERIES 2019 BONDS

Description of the Series 2019 Bonds

The Series 2019 Bonds will be dated as of the date of delivery, will be issued in the aggregate principal amounts and will bear interest at the rates and mature on the dates set forth on page i hereof, subject to redemption as described below. The Series 2019 Bonds will be issued as fully registered bonds without coupons in "Authorized Denominations," as set forth below. Interest on the Series 2019 Bonds is payable semiannually on June 1 and December 1 in each year, commencing on December 1, 2019 (each an "Interest Payment Date"), by check or draft mailed to the Registered Owners of the Series 2019 Bonds as of the Regular Record Date, which will be the fifteenth day of the month immediately preceding the month in which an Interest Payment Date occurs (the "Regular Record Date"). The principal, and premium if any, of the Series 2019 Bonds shall be payable, without exchange or collection charges, in lawful currency of the United States of America.

Interest on the Series 2019 Bonds will be computed on the basis of a year of 360 days of 12 months of 30 days each until payment of principal has been made or provided for, payable on each Interest Payment Date, except that Series 2019 Bonds which are reissued upon transfer, exchange or other replacement will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Series 2019 Bonds.

Except in the case of overdue interest, the record date for interest due will be the Regular Record Date. Interest which is due and payable on any Interest Payment Date, but cannot be paid on such date from available sources, ceases to be payable to the Registered Owner otherwise entitled thereto as of such date. At such time as sufficient funds are available for the payment of such overdue interest, the Trustee is required to establish a special payment date and a Special Record Date in respect thereof. The Trustee is required to mail a notice specifying each date so established to each Registered Owner of the Series 2019 Bonds, such notice to be mailed at least 10 days prior to the Special Record Date.

Authorized Denominations; Transfer of Series 2019 Bonds

Authorized Denominations are $5,000 and any integral multiple thereof.

The Indenture imposes no restrictions on the subsequent transfer of the Series 2019 Bonds, except for requiring that any such transfer be made in Authorized Denominations and that such transfers be made in accordance with state and federal securities laws.

Redemption

Optional Redemption Prior to June 1, [20__]*. The Series 2019 Bonds are subject to optional redemption prior to maturity on any date prior to June 1, [20__]* at the written direction of the Corporation, in whole or in part, at a redemption price (calculated by the Corporation and provided to the Trustee in the written direction of the Corporation), equal to the greater of:

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* Preliminary, subject to change.

(1) 100% of the principal amount of the Series 2019 Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2019 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2019 Bonds are to be redeemed, discounted to the date on which the Series 2019 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below), plus 25 basis points, plus interest accrued to the redemption date.

Notwithstanding the foregoing, in no event shall the Series 2019 Bonds be subject to optional redemption pursuant to the foregoing if the optional redemption price calculated in accordance with clause (2) above exceeds 105% of the principal amount of the Series 2019 Bonds to be redeemed. The Trustee shall be entitled to conclusively rely on the calculation of the optional redemption price provided to the Trustee in the written direction of the Corporation and shall be under no duty to independently verify such calculation.

"*Treasury Rate*" means, with respect to any redemption date for a particular Series 2019 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), that has become publicly available two (2) business days prior to the notice of redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data as determined by the Management Consultant along with an opinion of nationally recognized bond counsel delivered to the Authority and the Trustee that the use of such alternate source of market data does not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Series 2019A Bonds) most nearly equal to the period from the redemption date to the maturity date of the Series 2019A Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

Optional Redemption on and after June 1, [20__]*. The Series 2019 Bonds maturing on and after June 1, [20__], are subject to optional redemption prior to maturity on June 1, [20__]* and on any date thereafter at the written direction of the Corporation, in whole or in part, at a redemption price equal to 100% of the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest.

No Partial Optional Redemption in Event of Default. Notwithstanding any redemption provision set forth in the Indenture, the Series 2019 Bonds are not subject to partial redemption pursuant to the optional prior redemption provisions discussed above if an Event of Default has occurred under the Indenture and has not been cured or otherwise waived by the Trustee for the purpose of making such redemption payment.

Mandatory Sinking Fund Redemption.

Series 2019A Bonds. The Series 2019A Bonds maturing [June 1, 20__]* are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Corporation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to

* Preliminary, subject to change.

redeem the following principal amount of the Series 2019A Bonds maturing [June 1, 20__][*], plus accrued interest thereon to the redemption date:

Payment Date (June 1)*	Principal Amount*

[1]

[1] Maturity Date.

Not more than forty-five (45) days nor less than thirty (30) days prior to the sinking fund payment date for the Series 2019A Bonds, the Trustee is required to proceed to select for redemption (by lot in such manner as the Trustee may determine) from all outstanding Series 2019A Bonds, a principal amount of Series 2019A Bonds equal to the aggregate principal amount of Series 2019A Bonds, redeemable with the required sinking fund payment and is required to call such Series 2019A Bonds for redemption from the sinking fund on the next June 1 and give notice of such call.

Redemption of the Series 2019 Bonds Upon Occurrence of Certain Events. The Series 2019 Bonds are subject to extraordinary redemption at the option and upon the written direction of the Corporation, in whole at any time or in part (only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Bonds pursuant to paragraphs (a) and (b) below) on any Interest Payment Date from and to the extent of funds on deposit under the Indenture and available for this purpose at a redemption price equal to the principal amount of each of the Series 2019 Bonds to be redeemed plus accrued interest thereon to the redemption date upon the occurrence of any of the following events:

(a) The Facilities have been damaged or destroyed in whole or in part to such extent that, as expressed in a consulting architect's certificate filed with the Trustee (i) the Facilities cannot reasonably be restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) the Corporation or its lessee are thereby prevented from carrying on its normal operations for a period of six consecutive months, or (iii) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of the Agreement.

(b) Title to, or the temporary use of, all or any substantial part of the Facilities has been taken under the exercise of the power of eminent domain by any governmental authority, or person, or firm or corporation acting under governmental authority or because of a defect in title.

(c) As a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Corporation in good faith, the Agreement has become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Agreement, or unreasonable burdens or excessive liabilities have been imposed on the Corporation in respect to the Facilities, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on

the date of the Agreement. Redemption pursuant to this paragraph (c) shall be in whole only to the extent proceeds are available for redemption.

The Series 2019 Bonds are subject to mandatory redemption in whole only on the 60th day following a Determination of Taxability at a redemption price of 103% of the principal amount redeemed pursuant to this section plus accrued interest through the date of redemption. See APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS" attached hereto.

Purchase in Lieu of Redemption. At the election of the Corporation upon a call for optional redemption in whole of the Series 2019 Bonds, by written notice to the Trustee, given not less than forty-five (45) days in advance of the proposed Redemption Date, the Series 2019 Bonds will be deemed tendered for purchase in lieu of the redemption on such date and will be purchased by funds provided to the Trustee by the Corporation. The purchase price of Series 2019 Bonds so purchased and payable on such Redemption Date in lieu of redemption shall be equal to the redemption price set forth in the Indenture payable on such date of redemption had the Series 2019 Bonds been so redeemed. Series 2019 Bonds so purchased in lieu of redemption shall be registered to or upon the direction of the Corporation.

Notice of Redemption. The Series 2019 Bonds shall be called for optional redemption by the Trustee as provided in the Indenture upon receipt by the Trustee at least 45 days prior to the redemption date (which notice period may be waived by the Trustee) of a certificate of the Corporation specifying the principal amount of the Series 2019 Bonds to be called for redemption, the applicable redemption price or prices, the provision or provisions of the Indenture pursuant to which such Series 2019 Bonds are to be called for redemption, provided that such certificate shall not be required with respect to a sinking fund redemption pursuant to the Indenture and the Series 2019 Bonds shall be called for redemption by the Trustee pursuant to the Indenture without the necessity of any action by the Corporation. In the case of every redemption, or in the case of any defeasance, the Trustee shall cause notice of such redemption or defeasance by either providing notice via electronic means or by mailing by first-class mail a copy of the redemption notice or defeasance notice to the Authority and the Registered Owners of the Series 2019 Bonds designated for redemption or defeasance in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not less than 30 days prior to the redemption date or defeasance date (which notice period may be waived by the affected Registered Owners), provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption or defeasance of such Series 2019 Bonds. Any notice of redemption by the Trustee may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to the pay the redemption price of the Series 2019 Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Series 2019 Bonds called for redemption in the same manner as the original redemption notice was mailed.

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 2019 Series 2019 Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Series 2019 Bonds or portions thereof to be redeemed.

Method of Selecting Series 2019 Bonds. Except in the case of mandatory sinking fund redemption pursuant to the Indenture or as selected by the Corporation in connection with an optional redemption, in the event that less than all of the Outstanding Series 2019 Bonds shall be redeemed, the Series 2019 Bonds

redeemed shall be selected by lot in such manner as the Trustee or the Charter School, so long as the Lease is in effect and an Event of Default has not occurred and is continuing thereunder, may determine.

Use of Series 2019 Bond Proceeds

Refunding of the Series 2017A Bonds and Series 2017B Bonds. On the Closing Date, a portion of the proceeds of the Series 2019 Bonds in the approximate amount of $_____ will be applied to refund all of the outstanding Series 2017A Bonds at par. Additionally, a portion of the proceeds of the Series 2019 Bonds in the approximate amount of $_____ will be deposited into an escrow account held by UMB Bank, n.a., as escrow agent, to defease the outstanding 2017B Bonds to maturity on December 1, 2020.

New Improvements to the Facilities. In addition to the refunding proceeds of the Series 2019 Bonds, a portion of the proceeds of the Series 2019 Bonds in the approximate amount of $1,254,263.20[*] will be deposited to the Project Fund to be used to install new improvements to the Facilities, consisting of constructing, improving and equipping a new sports track and field, and other capital improvements.

[Remainder of page intentionally left blank.]

[*] Preliminary, subject to change.

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

Sources of Funds	
Par Amount of Series 2019A Bonds	$9,975,000.00*
Par Amount of Series 2019B Bonds	$290,000.00*
Amounts on Deposit under the Series 2017 Bond Indenture	.
Total	$.
Uses of Funds	
Refunding of Series 2017 Bonds	$.
Deposit to Project Fund	.
Deposit to Bond Reserve Fund	.
Costs of Issuance (including underwriting discount)	.
Total	$.

Source: The Underwriter

The Authority has, in the Indenture, authorized and directed the Trustee to disburse the Loan moneys in the Project Fund to or on behalf of the Corporation for the Cost of the Project upon receipt by the Trustee of a completed requisition signed by the Authorized Representative of the Corporation. The Trustee may rely conclusively on any such requisition and shall not be required to make any independent investigation in connection therewith.

In the event the Loan moneys in the Project Fund available for payment of the Cost of the Project should not be sufficient to pay the costs thereof in full, the Corporation will pay or deposit in the Project Fund moneys sufficient to pay the Cost of the Project as may be in excess of the moneys available therefor in the Project Fund, but solely from the Pledged Revenues. The terms of the Project Fund are set forth in APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS – Form of the Indenture."

Bond Reserve Fund. The Bond Reserve Fund will be funded on the date of issuance of the Series 2019 Bonds in the amount of $_____ (the "Bond Reserve Fund Requirement"). The terms of the Bond Reserve Fund are set forth in APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS – Form of the Indenture."

SECURITY FOR THE SERIES 2019 BONDS

General

The Series 2019 Bonds are secured by a pledge of: (a) certain rights and interests of the Authority under and pursuant to the Agreement, (b) certain rights and interests of the Trustee under and pursuant to the Deed of Trust, encumbering the Facilities subject however to the Permitted Encumbrances (defined therein), (c) all rights and interest of the Authority in the Facilities subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Agreement, (d) the Pledged Revenues and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except certain rights of the Authority set forth in the Agreement, (e) the rights and interests of the Authority and the Corporation in the Lease, except certain rights of the Authority and the Corporation set forth in the Lease,

* Preliminary, subject to change.

(f) all Funds created in the Indenture (other than the Rebate Fund), subject to certain provisions of the Indenture, and (g) any and all other interests in real or personal property specifically mortgaged, pledged or hypothecated, as and for additional security under the Indenture as set forth therein.

Certain provisions of the Indenture, the Agreement, the Lease and the Deed of Trust are summarized below. For complete provisions of each document, including the definitions of any capitalized terms used but not defined herein, see APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS."

Indenture

The Series 2019 Bonds are to be issued pursuant to the Indenture. The Indenture provides that all Bonds issued thereunder shall be limited obligations of the Authority, payable solely from and secured solely by the foregoing. As security for its obligations under the Indenture, the Authority will assign to the Trustee certain payments of the Corporation received or receivable by the Authority pursuant to the Agreement, certain of its rights and interests in the Pledged Revenues and its rights and interests in all Funds (other than the Rebate Fund) held by the Trustee under the Indenture and all income derived from the investment of such funds. The Trustee, for the benefit of the Registered Owners of the Series 2019 Bonds, will be, the beneficiary under the Deed of Trust encumbering the Facilities, subject to Permitted Encumbrances. See APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS" attached hereto.

Bond Reserve Fund. The Indenture provides for the creation of the Bond Reserve Fund to be held by the Trustee. The Bond Reserve Fund is to be used (subject to any required rebate of investment earnings thereon to the United States of America) solely for the payment of principal of premium, if any, and interest on the Series 2019 Bonds in the event that moneys in the Bond Principal Fund and Bond Interest Fund are insufficient to make such payments when due, whether on an Interest Payment Date, redemption date, mandatory sinking fund redemption date, maturity date or otherwise. The Bond Reserve Fund is required to be maintained in an amount equal to the Bond Reserve Requirement, which amount shall equal $_____, which amount is equal to the Maximum Annual Debt Service on the Series 2019 Bonds. The Corporation may direct the Trustee as to the priority of use of cash, Investment Obligations or amounts derived from or drawn on a Reserve Fund Insurance Policy, if any, on deposit in the Bond Reserve Fund.

The Series 2019 Bonds are secured by the CSDRF pursuant to Section 22-30.5-407 C.R.S., as amended and the Moral Obligation Program pursuant to Section 22-30.5-408 C.R.S., as amended, and the Bond Reserve Fund may be replenished under the Colorado Charter School Debt Reserve Fund Program. The CSDRF was created to provide a fund managed by the State Treasurer that is available to replenish amounts drawn from debt service reserve funds that secure qualifying charter school bond issues, such as the Bond Reserve Fund. Qualified charter schools are defined in the State statutes as a charter school that has a stand-alone credit assessment or rating of at least investment grade by a nationally recognized rating agency at the time of issuance of any bonds issued by the Authority for the purpose of financing a facility to be used for occupancy by pupils enrolled in such charter school and are secured by the state charter school debt reserve fund and that has been certified as a qualified charter school by the State Treasurer.

The CSDRF has been funded with $7.5 million of State appropriated moneys and is being funded from certain interest earnings on such deposit. The CSDRF is additionally funded with monies on deposit in the State charter school interest savings account (the "Interest Savings Fund"), which deposits are from amounts contributed by charter schools that participate in the Moral Obligation Program in an amount equal to ten basis points of the principal amount of the bonds outstanding as of each annual calculation date and the interest earnings thereon. As of December 31, 2018, the balance in the CSDRF was $7,922,938.75, including $422,938.75 in interest earnings to date. As of December 31, 2018, the balance in the Interest

Savings Fund was $5,563,506.41 (consisting of $5,013,501.41 paid in by the moral obligation schools plus $550,005.00 interest earnings to date). Amounts in the CSDRF are available to replenish the Bond Reserve Fund, to the extent amounts are available, and any other bond reserve fund created to secure other qualifying bond issues. The CSDRF is required by State statute to be replenished if drawn upon from charter school facilities aid money. There can be no assurance that the CSDRF will be adequate to meet all the demands that might be made upon it because by statute, the State has committed to allow up to $500 million in bonds to be secured by the CSDRF.

If the Bond Reserve Fund is drawn upon and not immediately restored to the respective Bond Reserve Fund Requirement, in addition to the monies available under the CSDRF program, if any, the Board of Directors of the Authority is required by statute to submit to the governor a certificate certifying any amount of moneys required to restore such fund to the applicable Bond Reserve Fund Requirement for that series of bonds. The governor is then required to submit a request for an appropriation from the State legislature in an amount sufficient to restore such account to the applicable Bond Reserve Fund Requirement and the general assembly of the State may, but shall not be required, to appropriate moneys for such purpose.

Repair and Replacement Reserve Fund. The Indenture provides for the creation of the Repair and Replacement Fund to be held by the Trustee in the name of the Authority. Absent an event of default under the Indenture, the Repair and Replacement Fund is to be used for paying the cost of maintenance and replacements which are not routine or annually incurred and may be required to keep the Facilities in sound condition, including but not limited to replacement of equipment, replacement of any roof or other structural component, exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment.

Pursuant to the Lease, the Charter School is required to cause an independent Consultant to complete a capital needs assessment of the Charter School projecting the Charter School's capital needs for the Facilities and the total cost thereof for the five year period commencing on the immediately following July 1 (each a "Capital Needs Assessment") no later than June 30, 2023, and every fifth anniversary thereafter as long as the Series 2019 Bonds are Outstanding.

The total cost set forth in a Capital Needs Assessment less the amount then on deposit in the Repair and Replacement Fund, divided by 60, will be the monthly "Repair and Replacement Fund Contribution" for each month of such five year period; provided, however, that in the event (i) the Charter School pays all or a portion of the cost of a capital need projected in the Capital Needs Assessment from a source of funds other than the Repair and Replacement Fund, the Repair and Replacement Fund Contribution for the remainder of the applicable five year period will be decreased by the amount of such projected cost that is paid from such other source of funds divided by the number of monthly Repair and Replacement Fund Contribution payments remaining in the applicable five year period or (ii) a draw is made upon the Repair and Replacement Fund in excess of the cost for a capital need projected in the Capital Needs Assessment or in any amount for a capital need not projected in the Capital Needs Assessment, the Repair and Replacement Fund Contribution for the subsequent 12 month period will be increased by the excess amount of such draw or the total amount of such unanticipated draw, as applicable, divided by 12 and paid monthly in such amount (the Repair and Replacement Fund Contribution as modified by either clause (i) or clause (ii), the "Modified Repair and Replacement Fund Contribution") payable monthly.

Payments into the Repair and Replacement Fund are to be paid as Additional Rents under the Lease to the extent appropriated therefor by the Charter School.

Additional Bonds. Additional Bonds secured by and payable from the Trust Estate may be issued in the Authority's sole discretion in one or more additional series, provided the following terms and conditions have been met:

(a) the Trustee has received a written certificate of an Authorized Representative of the Corporation to the effect that (i) the Corporation is not in default under the Agreement, the Lease, the Deed of Trust or the Indenture; (ii) the Corporation is not aware of any Events of Default under the Agreement, the Lease, the Deed of Trust or the Indenture; and (iii) that the requirements for additional Indebtedness of the Corporation as set forth in the Agreement have been met;

(b) the Authority has consented to the issuance of Additional Bonds;

(c) the Trustee has received a copy, duly certified by the Executive Director of the Authority, of the resolution adopted by the Authority authorizing the issuance of such Additional Bonds and the execution and delivery of a supplemental indenture, supplementing and amending the Indenture, providing the date, interest rates and maturities of such Additional Bonds, options and requirements for redemption prior to maturity with respect to such Additional Bonds, deposit of proceeds to the various funds and accounts, and such other terms as may be required by reason of the foregoing and which adopts the applicable provisions of the Indenture, and of an agreement supplementing and amending the Lease, the Deed of Trust, the Agreement or other instrument evidencing the Additional Bonds;

(d) the Authority and the Trustee have received an opinion of nationally recognized municipal bond counsel to the effect that the issuance of such Additional Bonds will not affect adversely the exclusion from gross income for federal income tax purposes of interest on any Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes;

(e) the Trustee has received original executed counterparts of the agreements supplementing and amending the Lease, the Deed of Trust, the Agreement or other instrument evidencing other Additional Indebtedness, and the supplemental indenture supplementing and amending the Indenture;

(f) the Trustee has received a written request and authorization to the Trustee on behalf of the Authority and signed by its Executive Director or any other Authorized Representative of the Authority to authenticate and deliver such Additional Bonds to the purchasers therein identified, upon payment to the Trustee, but for the account of the Authority, of a sum specified in such request and authorization, plus accrued interest thereon, if any, to the date of delivery;

(g) the Trustee has received from the proceeds of the Additional Bonds or otherwise on the date of delivery of the Additional Bonds an amount equal to any additional reserve requirement for deposit into the bond reserve fund designated for such Additional Bonds;

(h) the Authority and the Trustee have received an executed opinion of nationally recognized municipal bond counsel to the effect that (i) the Additional Bonds have been duly authorized, executed and delivered and constitute the binding limited obligations of the Authority, enforceable in accordance with their terms, subject to normal bankruptcy exceptions; and (ii) the interest on such Additional Bonds is excluded from gross income for federal income tax purposes (unless it is intended that such interest be taxable); and

(i) the Base Rents, as recalculated by the Corporation pursuant to the Lease or similar payments on other instruments, shall be equal to the amounts necessary to make the principal, premium, if any, and interest payments on the Outstanding Bonds, the Additional Bonds or other additional Indebtedness when due.

The provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of the Authority and in the Agreement and Deed of Trust to be performed by the Corporation shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Series 2019 Bonds and Additional Bonds or other additional Indebtedness, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2019 Bonds and Additional Bonds or other additional Indebtedness over any other thereof except as expressly provided in the Indenture.

Acceleration. Upon the occurrence of certain events, payment of the principal of and accrued interest on the Series 2019 Bonds may be accelerated under the Indenture, however, payments under the Lease are subject to the Charter School's annual appropriation therefor. See "RISK FACTORS" herein and APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS" attached hereto.

Agreement

Under the Agreement, the Authority agrees to issue the Series 2019 Bonds and to lend the proceeds thereof to the Corporation to finance the cost of the Series 2019 Project and the Corporation is obligated unconditionally (but only on the limited, nonrecourse basis described below in this paragraph) to repay the loan in amounts sufficient, together with available funds held under the Indenture, to provide for the timely payment of the principal of, premium, if any, and interest on the Series 2019 Bonds when due (whether by maturity, mandatory sinking fund redemption or acceleration) and to perform certain other obligations set forth therein. Among other things, the Corporation will covenant (a) to manage the Facilities on a revenue-producing basis; and (b) not to create, assume, incur or suffer to be created, assumed or incurred any Liens (other than Permitted Encumbrances) on all or any portion of the Facilities or the Pledged Revenues. Except as provided in the Agreement with respect to certain fees, expenses and indemnity rights of the Authority and the Trustee, which are general obligations of the Corporation, recovery against the Corporation for any event of default under the Agreement is limited to the Pledged Revenues and amounts realized from the foreclosure of the Deed of Trust encumbering the Facilities. The obligations of the Corporation under the Agreement (subject to such exceptions) are not general obligations of the Corporation and none of the Trustee, the Authority or the Registered Owners of the Series 2019 Bonds shall have any recourse to any property, funds or assets of the Corporation, if any (other than the Pledged Revenues and the Facilities), with respect to such obligations.

The Authority will assign certain of its rights and interests in the Agreement, including certain of its rights to receive certain payments thereunder and certain of its rights and interests in the Pledged Revenues (subject to Permitted Encumbrances) to the Trustee for the benefit of the Registered Owners of the Series 2019 Bonds under the Indenture.

Pursuant to the terms of the Agreement, the Corporation will grant (a) to the Trustee a Deed of Trust encumbering the Facilities (subject to Permitted Encumbrances) and modify it thereafter to include any and all property related to the Land or the Facilities; (b) to the Authority a security interest, within the meaning of the Colorado Uniform Commercial Code and to the extent permitted by law, in and to (i) the Pledged Revenues (subject to Permitted Encumbrances), (ii) all personal property, materials, equipment, fixtures or other property whatsoever now or hereafter attached or affixed to, or installed in, or used in connection with the buildings and other improvements now erected on the sites of the Facilities or otherwise in connection with the Facilities, certain intangible assets, insurance proceeds and all renewals or replacements of or substitutes for any of the foregoing comprising the Facilities (subject to Permitted Encumbrances); and (iii) to the Authority all of its right, title and interest, if any, in the Funds (other than the Rebate Fund) and in certain accounts referred to in the Agreement or in the Indenture, subject to Permitted Encumbrances. The Deed of Trust, liens and security interests created by the Indenture and the

Agreement are for the equal and ratable benefit of the Series 2019 Bonds. As to certain components of the Pledged Revenues, the security interest will not be perfected. See APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS" attached hereto and "RISK FACTORS" for a discussion of certain limitations on the enforceability of the security for the Series 2019 Bonds.

Pledged Revenues. Pledged Revenues are defined in the Agreement as all revenues, rentals, fees, third-party payments, receipts, contributions or other income derived from the Facilities, including the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with sound accounting practices, including, but not limited to, any revenues received from rentals of the Facilities, including, without limitation, rentals received pursuant to the Lease; proceeds derived from insurance, condemnation, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Corporation which are derived from the Facilities; and all donations, gifts, grants, bequests and contributions to the Corporation (including income and profits therefrom), to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for any of the payments required hereunder. Pledged Revenues, however, are not defined to include any administrative fee paid to the Corporation by a lessee of the Facilities for the Corporation's administration of the Facilities, including, without limitation, the Additional Rents paid to the Corporation pursuant to the Lease. See the caption "RISK FACTORS—Nonrecourse Obligation" herein.

Limitations on the Incurrence of Additional Indebtedness. The Corporation shall not incur additional Indebtedness except pursuant to the provisions of the Agreement summarized hereafter (and as provided in the Indenture when secured by the Trust Estate):

(a) Senior Indebtedness. The Corporation shall not incur additional Indebtedness secured by Liens on the Facilities or the Gross Revenues that are senior to the Lien of the Deed of Trust on the Facilities or the security interest in the Pledged Revenues granted by the Agreement and the Deed of Trust.

(b) Long-Term Indebtedness. The Corporation may incur additional Long-Term Indebtedness if both of the following tests are met:

(i) the Coverage Ratio for the most recent Fiscal Year for which an audit has been completed was at least 1.20 to 1 (taking into account the proposed additional Long-Term Indebtedness and any Long-Term Indebtedness to be refinanced thereby); and

(ii) a Management Consultant reports that (A) the Coverage Ratio for the most recent Fiscal Year for which an audit has been completed was at least 1.20 to 1, and (B) the Coverage Ratio for each of the first three consecutive Fiscal Years following the incurrence of such Long-Term Indebtedness or, if such Long-Term Indebtedness is being issued to finance improvements, equipment or new facilities, the first three consecutive Fiscal Years after such improvements, equipment or new facilities are placed in service, is projected to be at least 1.20 to 1 (taking into account the proposed additional Long-Term Indebtedness and any Long-Term Indebtedness to be refinanced thereby and provided that, such projected Net Income Available for Lease Payments shall be adjusted to provide for any projected revenues and expenses anticipated as the result of any real or personal property acquired, constructed, or completed with the proceeds of any such Long-Term Indebtedness).

(c) Completion Indebtedness. The Corporation may issue Completion Indebtedness in an amount not to exceed 10% of the original Indebtedness issued for the purpose of financing certain Capital Improvements, if the following conditions are met: (i) the Corporation certifies, in writing, to the Trustee that at the time the original Indebtedness issued for the purpose of financing certain Capital Improvements

was incurred, the Corporation believed or had reason to believe that the proceeds of such Indebtedness together with other moneys then expected to be available to pay for such Capital Improvements would provide sufficient moneys for the completion thereof; (ii) a Consulting Architect provides the Trustee with a written statement specifying the amount necessary to complete such Capital Improvements; and (iii) the Corporation certifies, in writing, to the Trustee that the proceeds of the proposed Completion Indebtedness, together with other legally available moneys of the Corporation, will be in an amount equal to the amount set forth in clause (ii) of this paragraph (c).

(d) Refunding Indebtedness. The Corporation may issue Refunding Indebtedness, provided that the Corporation certifies, in writing, to the Trustee that the Maximum Annual Debt Service on Indebtedness will not be increased by more than 10% by such refunding.

(e) Balloon Indebtedness. The Corporation may issue Balloon Indebtedness if the conditions set forth in paragraph (b)(i) and paragraph (b)(ii) above are met when it is assumed that when calculating the Maximum Annual Base Rents for such Balloon Indebtedness, the principal and interest payments thereon are in equal monthly installments amortized over 25 years from the date of issuance of the Balloon Indebtedness and at the rate of interest on the date of issuance of the Balloon Indebtedness.

(f) Variable Rate Indebtedness. The Corporation may issue Variable Rate Indebtedness if the conditions set forth in paragraph (b)(i) and paragraph (b)(ii) are met when it is assumed that the interest rate through the maturity date of the Variable Rate Indebtedness is the highest rate which may be applied thereto pursuant to the terms of the documents evidencing such Variable Rate Indebtedness.

(g) Short-Term Indebtedness, Non-Recourse Indebtedness, and Subordinated Indebtedness. The Corporation may incur Short-Term Indebtedness, Non-Recourse Indebtedness, and Subordinated Indebtedness provided that in no event shall the aggregate principal amount of all Short-Term Indebtedness, Non-Recourse Indebtedness, and Subordinated Indebtedness outstanding at any time exceed the greater of $500,000 or 5% of the Corporation's operating revenues for the last preceding Fiscal Year for which audited financial statements have been prepared pursuant to the Agreement.

Lease

The expected source of Pledged Revenues for the repayment of the Series 2019 Bonds is the amount annually appropriated and allocated by the Charter School for rental payments under the Lease. It is anticipated that such amounts will be sufficient to pay debt service on the Series 2019 Bonds and costs of operating, insuring and maintaining the Facilities. The Charter School's primary source of funding is the Per Pupil Revenue ("PPR") due to the Charter School under the charter contract (the "Charter") with the District and the Charter Schools Act. From the PPR due to the Charter School (and from any other amounts legally available for such purpose), the Charter School has agreed to transfer or cause the transfer of an amount equal to the amounts due under the Lease representing debt service on the Series 2019 Bonds directly to the Trustee by the State Treasurer pursuant to the Charter School Intercept Program. The Charter School's obligation to make such payments under the Lease is subject to annual appropriation. See APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL" and "RISK FACTORS" herein and APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS" attached hereto.

The Charter School will lease all of the Facilities pursuant to the Lease for a term commencing upon the issuance and delivery of the Series 2019 Bonds and running until the 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 Lease, (b) an Event of Default and termination of the Lease by the Trustee, as assignee of the Lease, or (c) discharge of the Indenture. The Lease provides for

payments which, if paid when due, are sufficient to pay the principal of and interest on the Series 2019 Bonds and all other amounts payable by the Corporation under the Agreement.

Pursuant to the Agreement, the Corporation covenants and agrees to transfer and convey fee simple title and its ownership interest in the Facilities, if the Lease is then in effect and the Corporation has not incurred Refunding Indebtedness to refund the Series 2019 Bonds and any Additional Bonds, to the Charter School at such time as the Series 2019 Bonds are no longer outstanding and all other Lease obligations have been satisfied.

Pursuant to the Lease, the Facilities are to be maintained by the Charter School. Under certain conditions, the Charter School has the ability in the Lease to make capital improvements to the Facilities. The Charter School is required to provide insurance with respect to the Facilities which is similar to some of the insurance required in the Agreement. At least once every five years from June 1, 2019, the Charter School shall employ (or cause to be employed), at its expense, an Insurance Consultant to review the insurance coverage required by the Lease and to render to the Authority, the Trustee, the Corporation and the Charter School a report certifying that the Corporation and the Charter School each have in effect insurance of the types and in the amounts carried by similarly situated institutions in the same geographic area. The insurance coverage so provided may be reduced or otherwise adjusted by the Charter School without the prior written consent of the Trustee or the Authority, provided that all coverages after such reduction or other adjustment are certified by the Insurance Consultant to be adequate and customary for facilities of like size and type, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance and the effect of such terms and such cost upon the Charter School's fees, rentals and charges for the use of the Leased Property. The insurance coverage is required to be increased or otherwise adjusted by the Charter School if as a result of such review the Insurance Consultant finds that the existing coverage is inadequate, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance, and the effect of such terms and such cost upon the Charter School's costs and charges for its services.

Pursuant to the Lease, and subject to certain conditions, the Charter School is permitted to sublet the Facilities with the consent of the Corporation, the Trustee and the Authority, provided, however, that nationally recognized bond counsel delivers an opinion to the Authority and the Trustee stating that the sublease will not cause an adverse impact on the tax-exempt status of the Series 2019A Bonds or the validity of the Series 2019 Bonds. The Charter School is not permitted to assign the Lease.

In addition to the annual renewal right described above, the Charter School has the ability in the Lease to terminate the Lease upon certain events of condemnation or damage or destruction or defects of or in the Facilities. The Lease is subordinate to the lien of the Deed of Trust given by the Corporation to secure the Agreement and the Series 2019 Bonds issued under the Indenture.

Direct Payment of Lease Amounts (Charter Intercept Statute). The State provides funding to the Charter School through the District. On or before the Closing Date, application will be made by the Charter School for the direct payment of the Series 2019 Bonds by the Colorado State Treasurer pursuant to the Section 22-30.5-406, C.R.S., as amended (the "Charter Intercept Statute"). Following such application, the Colorado State Treasurer will make debt service payments on the Series 2019 Bonds directly to the Trustee from the Charter School's PPR. 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 money can otherwise be paid by the State Treasurer under the Charter Intercept Statute unless an allocable portion of the State share of total program funding which the Charter School is entitled to receive equals or exceeds the amount of the payments which the State Treasurer is directed to make. Further, the Charter Intercept Statute may 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. 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 offers or sale of the Series 2019 Bonds.

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 Lease.

Financial information about the State is available at https://www.colorado.gov/pacific/osc/cafr. The State's internet address is provided as a matter of convenience for purchasers of the Series 2019 Bonds. None of the Authority, the Charter School, the Underwriter or the Corporation incorporate herein any information that may be provided at such internet address or any other internet addresses that may be contained therein, and disclaim any responsibility for any such information. The information at such internet address or internet addresses is not to be construed or incorporated as part of this Official Statement.

Coverage Ratio Covenant. Pursuant to the Lease, the Charter School will deliver annually, no later than October 31, to the Trustee and the Underwriter a certificate stating the Coverage Ratio for the Fiscal Year then ended, commencing with the Fiscal Year ending June 30, 2020. The Coverage Ratio shall be 1.20 to 1 or above for the Fiscal Year ending June 30, 2020, and each Fiscal Year thereafter; provided, however, that if the Charter School has Days Cash on Hand equal to at least 75 on June 30 of any Fiscal Year, the Coverage Ratio is required to be at or above 1.10 to 1 for such Fiscal Year. Commencing with the Fiscal Year ending June 30, 2020, if such Coverage Ratio is below the applicable level, the Charter School shall retain, at its expense, a Management Consultant to submit a written report and make recommendations within forty-five (45) days of being retained (a copy of such report and recommendations shall be filed with the Underwriter, the Authority, and the Trustee) with respect to increasing revenues, decreasing Operating Expenses or other financial matters of the Charter School which are relevant to increasing the Coverage Ratio to at least the required level. Registered Owners of the Series 2019 Bonds then Outstanding shall have the right to object to the Charter School's selection of a Management Consultant and direct the Charter School to select an alternate Management Consultant pursuant to the Lease. The Charter School will, subject to the exceptions in the next sentence, adopt and follow the recommendations of the Management Consultant and will thereafter calculate the Coverage Ratio for each succeeding year. So long as the Trustee and the Management Consultant determine that the Charter School is demonstrating reasonable diligence to comply with the appropriate recommendations (excepting certain limited instances when an Opinion of Counsel is obtained excusing such actions by the Charter School or where the Charter School makes a good faith determination in a statement to the Trustee that the Management Consultant's recommendations would violate State or federal law, the educational or charitable purpose of the Charter School or the Charter) and the Coverage Ratio does not fall below 1.00 in any fiscal year, the Charter School will be deemed to have complied with its covenants under the Lease. The Charter School shall continue to retain the Management Consultant until the Charter School has achieved a Coverage Ratio of at least the required level for at least two consecutive fiscal years.

As set forth in APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS – Form of the Lease," Coverage Ratio is the ratio obtained by dividing (i) Net Income Available for Base Rents for the prior Fiscal Year by (ii) Maximum Annual Base Rents.

Liquidity Covenant. In the Lease, the Charter School covenants and agrees that it will maintain Days Cash on Hand equal to at least forty-five (45) as of June 30, 2020, and as of each June 30 thereafter.

The Charter School will provide the Trustee and the Underwriter not later than October 31 after each June 30, commencing June 30, 2020, with a certificate stating the Days Cash on Hand as of the applicable June 30. In the event that Days Cash on Hand falls below the requirement set forth above as of

any testing date, the Charter School shall retain a Management Consultant within forty-five (45) days following the related reporting date at the Charter School's expense. Registered Owners of the Series 2019 Bonds then Outstanding shall have the right to object to the Charter School's selection of a Management Consultant and direct the Charter School to select an alternate Management Consultant pursuant to the Lease. The Management Consultant shall make appropriate recommendations in order to bring the Charter School into compliance with the Liquidity Covenant.

Copies of such recommendations shall be filed with the Authority, the Corporation, the Underwriter and Trustee. The Charter School agrees that promptly upon the receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, or to the extent practical, it shall revise its methods of operation and shall take such other reasonable actions as shall be in conformity with the recommendations. So long as the Charter School shall retain a Management Consultant and complies with such Management Consultant's recommendations to the extent practical or not prohibited by law, no default or Event of Default shall be declared solely by reason of a violation of the Borrower's covenant to maintain Days Cash on Hand equal to at least forty-five (45) as of June 30, 2020, and as of each June 30 thereafter.

Selection of Management Consultant. Upon the selection of a Management Consultant as required by in connection with the Coverage Ratio Covenant or the Liquidity Covenant, the Charter School shall cause a notice of the selection of such Management Consultant (the "Management Notice"), including the name of such Management Consultant and a brief description of such Management Consultant to be filed with EMMA. The Management Notice must also state each Registered Owner of the Series 2019 Bonds then outstanding shall be deemed to have consented to the selection of such Management Consultant unless such Registered Owner submits to the Trustee a written objection to the Management Consultant in a manner acceptable to the Trustee (an "Objection Notice") within thirty days of the date the Management Notice is posted to EMMA (the "Objection Period"). If the Registered Owners of at least a majority in aggregate principal amount of the Series 2019 Bond then outstanding provide Objection Notices to the Trustee within the Objection Period, then the Charter School shall select an alternate Management Consultant and post a new Management Notice with respect to the newly selected Management Consultant, which may be objected to by the Registered Owners as set forth in the Lease. The objection rights of the Registered Owners set forth in the Lease shall be ongoing until the Objection Period expires.

Additional Leases. The Charter School is not permitted to enter into any capital leases or leases for additional facilities, unless the Corporation has satisfied the requirements of the Agreement relating to additional Indebtedness.

Deed of Trust

As security for the Secured Obligations, pursuant to the Deed of Trust, the Corporation grants, bargains, encumbers, assigns and mortgages to the Trustee, with power of sale, all of its estate, right, title and interest in, to and under the Premises, Chattels and Intangible Personalty, in trust for the use and benefit of the Trustee, and subject to all provisions of the Deed of Trust and the Agreement. Capitalized terms used in this paragraph have the meanings set forth below.

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

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

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

"***Premises***" means all of the Corporation's right, title and interest in and to real property located in Weld County, State of Colorado more particularly described on Exhibit A attached to the Deed of Trust included in APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS" – Form of the Deed of Trust" and incorporated therein by reference (the "Real Property"), together with the following:

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

(b) All plans, permits, contracts, agreements, and entitlements in or relative to the Real Property;

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

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

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

(f) All other personal property, interests and intangibles pledged to the Trustee by the Corporation under the Agreement;

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

(h) All water and water rights, contracts with water districts, ditches and ditch rights, reservoir rights, stock or interests in irrigation or ditch companies, minerals, oil and gas rights, royalties, lease or leasehold interests owned by the Corporation, now or hereafter used or useful in connection with, appurtenant to or related to the Real Property.

(i) All right, title and interest of the Corporation now owned or hereafter acquired in an to all streets, roads, alleys and public places, and all easements and rights of way, public or private, now or hereafter used in connection with the Real Property.

In the Deed of Trust, the Corporation grants a fee mortgage interest in the Facilities for the benefit of the Trustee.

Debt Service Requirements

Set forth in the following table are the debt service requirements for the Series 2019 Bonds for the indicated 12 month period ending June 1. On the Closing Date, neither the Corporation nor the Charter School will have any Indebtedness outstanding other than in connection with the Series 2019 Bonds.

Debt Service Requirements*

12 Month Period Ending June 1	Principal	Interest	Annual Debt Service
2020	$160,000		
2021	130,000		
2022	125,000		
2023	130,000		
2024	135,000		
2025	145,000		
2026	150,000		
2027	160,000		
2028	165,000		
2029	175,000		
2030	185,000		
2031	195,000		
2032	205,000		
2033	215,000		
2034	225,000		
2035	235,000		
2036	245,000		
2037	260,000		
2038	270,000		
2039	285,000		
2040	300,000		
2041	315,000		
2042	330,000		
2043	345,000		
2044	365,000		
2045	380,000		
2046	400,000		
2047	420,000		
2048	445,000		
2049	465,000		
2050	490,000		
2051	515,000		
2052	540,000		
2053	565,000		
2054	595,000		
TOTAL	**$10,265,000**	**$_____**	**$_____**

Source: The Underwriter

* Preliminary, subject to change.

RISK FACTORS

General

The Series 2019 Bonds do not constitute a 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 the District. The Series 2019 Bonds are special and limited obligations of the Authority. The Authority has no power to levy taxes or any other assessment. They are secured by and payable solely from funds payable by the Corporation under the terms and conditions of the Agreement and as otherwise described herein.

Speculative Investment

Purchase of the Series 2019 Bonds involves a certain degree of risk.

Any investor who, because of financial condition, is unable to bear the loss of an investment in the Series 2019 Bonds, or who, because of investment policies or otherwise, does not desire to assume, or have the ability to bear, the risks inherent with an investment in the Series 2019 Bonds, should not purchase the Series 2019 Bonds.

The Series 2019 Bonds may experience price fluctuations due to changes in interest rates and yield levels. As a result, the value of the Series 2019 Bonds may fluctuate significantly in the short-term. Further, such securities generally have a less liquid resale market. As a result, potential investors may have difficulty selling or disposing of the Series 2019 Bonds quickly in certain markets or market conditions.

Nonrenewal of the Lease

The expected source of Pledged Revenues for the repayment of the Series 2019 Bonds is the rent payments made by the Charter School under the Lease. The Lease will be subject to annual renewal by the Charter School. It is anticipated that amounts payable pursuant to the Lease will be sufficient to pay debt service on the Series 2019 Bonds. However, the Charter School's obligation to pay such amounts is subject to: (a) the continued existence of the Charter School (see "RISK FACTORS – Revocation or Nonrenewal of Charter" hereafter); (b) the level of annual appropriations made by the State and the District 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 Lease, or in the event the Charter School does not receive adequate funds from the State or the District for such purpose, it is highly likely that insufficient proceeds will be generated by the Trustee from the reletting or sale of the Facilities (which have been designated and built specifically for the purpose of operating a charter school). Pursuant to the Agreement, the Corporation covenants and agrees to transfer and convey fee simple title and its ownership interest in the Facilities to the Charter School at such time as the Series 2019 Bonds are no longer outstanding; provided that if the Lease has been terminated or not renewed, or the Charter School is no longer existing and operating as a public charter school, the Corporation covenants and agrees in the Agreement to transfer fee simple title and its ownership interest in the 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 Series 2019 Bond Counsel, will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2019 Bonds or the validity of the Series 2019 Bonds.

Pursuant to the Lease, the Charter School is responsible for paying the costs of operating, insuring and maintaining the Facilities and the Corporation has no independent source of revenues to meet such costs. See "RISK FACTORS – Damage or Destruction of the Facilities." Nonrenewal of the Lease is not

an Event of Default under the Agreement or the Indenture. If the Charter School chooses to not renew the Lease, the only likely tenants for the Facilities will be the District, or another charter school of the District, if any.

Revocation or Nonrenewal of Charter

Pursuant to the Charter Schools Act and the Charter, the Charter will terminate, not be renewed, or be renewed by June 30, 2023. In addition, the District may terminate, revoke or deny renewal of the Charter for certain ground provided by State law or material breach of the Charter. Grounds for termination, revocation, or denial include but are not limited to the following: (i) if the Charter School is accredited with a priority improvement plan or turnaround plan for a combined total of five consecutive years or any lesser number of years established by the State Board after which closure or restructuring is required or (ii) if the Charter School is accredited with a turnaround plan and does not attain a higher accreditation rating at its next performance review in accordance with State law. See "THE CORPORATION AND THE CHARTER SCHOOL – The Charter School." A copy of the Charter is on file with the Charter School.

The Charter is scheduled to expire on June 30, 2023, if not renewed prior to such date. The Charter may or may not be renewed prior to such date. No assurance can be given that the Charter School will be able to maintain its Charter; if the Charter is revoked or not renewed, the Charter School will be prohibited from renewing the Lease. See "RISK FACTORS — Nonrenewal of the Lease."

Competition for Students; School Choice Initiatives

The Charter School competes for students with public, private and other charter schools within or near the District as wells as other surrounding school districts. No students are required to attend the Charter School, and students at the Charter School may subsequently transfer to other public, private or charter schools at will. There are numerous public and private schools and charter schools in the immediate areas where the Charter School is located, many of which may be closer to the homes of present or prospective students of the Charter School. As charter schools become more common, and as existing charter schools demonstrably provide an attractive educational choice, the number of charter schools may increase, leading to increased competition for established charter schools, such as the Charter School.

Similarly, the implementation of a State voucher program providing tuition assistance to parents of students who could not otherwise afford tuition at a private, independent school, could increase competition facing charter schools by increasing the number of financially feasible school options available to parents. The implementation of any State voucher program would likely increase demand for private, independent schools, possibly adversely affecting enrollment at other schools, including both public schools and charter schools, like the Charter School. The Charter School cannot determine the specific impact any voucher program might have on the operation or financial performance of the Charter School, nor can the Charter School predict whether such a voucher program will be implemented in the future.

There can be no assurance that the Charter School will continue to attract and retain the number of students needed to generate sufficient revenues for the Charter School to make payments under the Lease representing debt service payments on the Series 2019 Bonds. See APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL."

Reputational Risks

The Corporation and the Charter School are subject to financial and other risks that differ from those of other for-profit and nonprofit institutions and public schools. These risks include, among others, (a) changes in the reputation of the Corporation or the Charter School, its faculty or student body, either

generally or with respect to certain academic or extracurricular areas which may affect enrollment; (b) litigation brought against the Corporation or the Charter School, including litigation brought by parents, civil authorities, students or former or potential employees; (c) the potential inability to raise funds through gifts, grants and donations; and (d) competition from other public, charter and private schools for students, trained faculty and administrative staff due to differences in salary and other costs. There can be no assurance that these or other factors will not adversely affect the Corporation's or the Charter School's financial condition and their ability to make payments representing debt service on the Series 2019 Bonds.

Key Personnel

The Charter School's creation, curriculum, and educational philosophy reflect the vision and commitment of members of the Charter School's board of directors (the "Charter School Board") and certain key personnel who comprise the upper management of the Charter School ("Key Personnel"). Loss of any Charter School Board members or Key Personnel could adversely affect the Charter School's operations, its ability to attract and retain students and its financial results.

For more information regarding the Charter School Board, its administrative staff and management, see APPENDIX A - "THE CORPORATION AND THE CHARTER SCHOOL—Governing Bodies – The Charter School Board of Directors" and "THE CHARTER SCHOOL – Management and Administration."

Failure To Achieve or Maintain Enrollment

The economic feasibility of the Charter School depends in large part upon its ability to attract sufficient numbers of children at the Facilities to maintain sufficient enrollment to meet the debt service requirements on the Series 2019 Bonds prior to the Maturity Date. The Charter School's ability to maintain enrollment depends, to some extent, on factors outside of its control. If the Charter School fails to achieve the increased enrollment set forth in APPENDIX A – "THE CORPORATION AND THE CHARTER SCHOOL – THE CHARTER SCHOOL" or maintain the enrollment levels it currently has, there may be insufficient Pledged Revenues available to pay debt service on the Series 2019 Bonds.

Risks Associated with Charter School Operations

The likelihood of success of the Charter School must be viewed in light of the special problems, expenses, difficulties, delays, and complications often encountered in the operation of charter schools. The Charter School receives 100% of the PPR or money designated by the State Legislature each year for operating expenses, capital reserve and risk insurance. The District, as the Charter School authorizer, may retain up to 5% of the documented central administrative costs associated with oversight of the Charter School. A potential investor should anticipate that significant operational difficulties will exist for the Charter School which may not exist for traditional public schools or for established private schools. See APPENDIX C - "CHARTER SCHOOL LAWS AND FUNDING IN COLORADO - CHARTER SCHOOL FINANCIAL INFORMATION - Sources of Revenue."

In addition, potential purchasers should be aware that the system under which the Charter School operates could be significantly affected by unforeseen problems arising from the interpretation or implementation of the statutory provisions governing charter schools in Colorado or future changes thereto.

Risks Related to the Bond Reserve Fund

The Bond Reserve Fund will be funded on the date of issuance of the Series 2019 Bonds in the amount of $_____ (the "Bond Reserve Fund Requirement"). The Bond Reserve Fund is being funded with proceeds of the Series 2019 Bonds.

If there is a draw on the Bond Reserve Fund that is not replenished as required by the terms of the Indenture, the Agreement and the Lease, or if there is a loss on investments of funds in the Bond Reserve Fund, then the amounts available in the Bond Reserve Fund, together with amounts provided by the Corporation under the Agreement and the Charter School under the Lease, may be insufficient to pay debt service on the Series 2019 Bonds when due.

Under the Agreement and the Lease, the calculations of both the Coverage Ratio and Maximum Annual Debt Service are calculated on the basis of Maximum Annual Debt Service for all years, including the year of final maturity of the Series 2019 Bonds.

Damage or Destruction of the Facilities

The Agreement and the Lease require that the Facilities be insured against certain risks. There can be no assurance that the amount of insurance required to be obtained with respect to the Facilities will be adequate or that the cause of any damage or destruction to the Facilities will be as a result of a risk which is insured. Further, there can be no assurance of the ongoing creditworthiness of the insurance companies from which the Corporation or the Charter School obtain insurance policies. The Charter School may choose to terminate the Lease if a casualty renders the Facilities totally or partially unusable or unfit for its purposes, or if insurance proceeds are insufficient to restore the Facilities to a tenantable condition.

The Charter School believes that the risks associated with its properties and its operations are adequately provided for through the standard commercial insurance policies it maintains through the District. The Charter School is required under the Lease to provide property insurance on the Facilities through a standard commercial hazard insurance policy, provided by the District, if available, or purchased commercially.

Relating to Security for the Series 2019 Bonds

Pursuant to the Loan Agreement (and the "Authority's assignment of its rights thereunder to the Trustee under the Indenture) and the Deed of Trust, the Corporation is granting as security for its obligations thereunder all of is estate, right, title and interest in, to and under the Facilities and a security interest in the Gross Revenue.

Trophy Property Company, Inc., Lakewood, Colorado (the "Appraiser") conducted an original Market Value Appraisal dated January 9, 2017 (the "Original Appraisal") to determine the "market value" of the "as completed" fee simple interest as of September 1, 2017 for the Facilities. Such value was originally estimated in the Original Appraisal to be $10,020,000. The market value of the Facilities has been updated pursuant to a Market Value Appraisal, dated May 21, 2019 (the "Appraisal"), conducted by the Appraiser. The "market value" of the "as completed" Facilities, not including the new improvements to be made with the proceeds of the Series 2019 Bonds, is currently estimated by the Appraiser to be $12,270,000.

There can be no assurance that the Facilities' present or future value will be sufficient to repay the Series 2019 Bonds in the event of an Event of Default and a foreclosure. In addition, it may be difficult to find a buyer or lessee for the Facilities. Thus, upon an Event of Default, the Trustee may not realize the amount of the outstanding Series 2019 Bonds from the sale or lease of such Facilities if it were necessary to proceed against the Facilities, whether pursuant to a judgment, if any, against the Corporation, or otherwise.

The effectiveness of the Deed of Trust on the Facilities and the lien on, and the security interest in, the Gross Revenue to the extent granted pursuant to the Deed of Trust and the Loan Agreement may be

limited by a number of factors, including: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (d) federal bankruptcy laws which may affect the enforceability of the security interest in the revenues of the Corporation which are earned by the Corporation within 90 days preceding and after any effectual institution of bankruptcy proceedings by or against the Corporation; (e) rights of third parties in Gross Revenue converted to cash and not in the possession of the Trustee; and (f) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Colorado Uniform Commercial Code as from time to time in effect. See "SECURITY FOR THE SERIES 2019 BONDS."

Foreclosure Delays and Deficiency

Should Pledged Revenues be insufficient to pay the principal of and interest on the Series 2019 Bonds, the Trustee may seek to foreclose on the Deed of Trust encumbering the Facilities securing the Series 2019 Bonds. However, no assurance can be given that the value of the Facilities at the time of such foreclosure would be sufficient to meet all remaining principal and interest payments on the Series 2019 Bonds. In addition, the time necessary to institute and complete foreclosure proceedings could substantially delay receipt of funds from a foreclosure. There could also be delays in regaining possession of the Facilities from the Charter School in the event of any nonrenewal of or default or dispute under the Lease.

Environmental Risks

The Facilities are 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 owner of the Facilities (and to any mortgagee holding a mortgage lien on the Facilities, particularly following any foreclosure proceeding) for remediation of adverse environmental conditions on or relating to the Facilities, whether arising from preexisting conditions or conditions arising as a result of the activities conducted in connection with the ownership and operation of the Facilities.

Environmental Phase I Reports. A Phase I Environmental Site Assessment (the "Phase I") was performed on the Facilities by Western Environment and Ecology, Inc., Greeley Colorado ("Western") and dated December 30, 2009. In conducting the Phase I, Western reviewed three previous Phase I Environmental Site Assessments performed on the property including a Phase I done by Western dated October 5, 2007, a Phase I Assessment conducted by Paragon Consulting Group dated August 2004 and a Phase I Assessment conducted by Weston Solutions, Inc., dated May 2003. The conclusions of all four reports state "This assessment has revealed no evidence of recognized environmental conditions in connection with the property."

Asbestos Report. Prior to the issuance of the Series 2017 Bonds, LT Environmental Inc., Arvada, Colorado ("LTE") prepared an Asbestos Report following the asbestos survey and sampling of Building B of the Facilities. Based on the results of laboratory analysis, no asbestos-containing materials ("ACMs") were identified.

Costs incurred by the Corporation with respect to environmental remediation or liability could adversely impact its financial condition and its ability to own and operate the Facilities. Certain environmental costs might be the responsibility of the Charter School, but such costs would be subject to appropriation and might be a factor in the Charter School's decision concerning the continuation of the Lease. If excessive costs are incurred by the Corporation or the Charter School in connection with remediation of environmental problems or from liability to third parties, such costs could make it impractical for the Lease to be continued pursuant to its current terms or such costs could make it more difficult to successfully re-let the Facilities if the Lease were not renewed.

Special, Limited Obligations of the Authority

The Series 2019 Bonds do not constitute a debt or indebtedness of the Authority, the District or the State within the meaning of any provision or limitation of the constitution or statutes of the State and shall never constitute or give rise to a pecuniary liability of the Authority, the District or the State. The Series 2019 Bonds are special and limited obligations of the Authority. They are secured by and payable solely from funds payable by the Corporation under the terms and conditions of the Agreement and as otherwise described herein.

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 imposed certain spending, revenue and other limitations upon the State and its political subdivisions (including the Charter School). One of the subsections of Article X, Section 20 limits the maximum annual percentage change in the Charter School's fiscal year spending to an amount equal to inflation in the prior calendar year plus annual enrollment growth, adjusted for changes approved by voters after 1991. The Lease is subject to annual appropriation by the Charter School. There can be no assurances that Article X, Section 20 spending limitations would not adversely affect 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 actions have already occurred, the effect of any future interpretations or actions upon the Series 2019 Bonds is impossible to determine at this time.

Although constitutional provisions cannot be changed by the General Assembly, the General Assembly in the future may, from time to time, by resolution, submit constitutional changes or limitations to the electorate for approval. Adverse State budget considerations could result in the General Assembly seeking voter approval to reduce existing constitutional requirements for public school funding.

Changes to Charter Schools Act

Future changes to either the Charter Schools Act or the Public School Finance Act by the Colorado General Assembly could be adverse to the financial interests of the Charter School and could adversely impact the prospects for the repayment of the Series 2019 Bonds. There can be no assurance that the Colorado General Assembly will not in the future amend either the Charter Schools Act or the Public School Finance Act in a manner which is adverse to the interests of the registered owners of the Series 2019 Bonds. See APPENDIX C - "CHARTER SCHOOL LAWS AND FUNDING IN COLORADO - CHARTER SCHOOL FINANCIAL INFORMATION - Sources of Revenue - Legislation Changing School Funding."

Colorado has from time to time experienced downturns in its economy and tax revenues and may experience additional downturns in the future. While constitutional provisions cannot be amended by the General Assembly, Public School Finance Act provisions, such as the capital funding for charter schools, are subject to amendment by the State legislature, or upon initiative and approval of the electors of the State by constitutional amendment, which may include the reduction of funding, which could adversely affect the Charter School. STATE BUDGET CONSIDERATIONS MAY ADVERSELY AFFECT APPROPRIATIONS FOR CHARTER SCHOOL FUNDING IN THE FUTURE.

Although constitutional provisions cannot be changed by the General Assembly, the General Assembly may, by resolution, submit reductions or limitations to the electorate. Adverse State of Colorado budget considerations could result in the General Assembly seeking voter approval to reduce constitutional requirements for public school funding.

See APPENDIX C - "CHARTER SCHOOL LAWS AND FUNDING IN COLORADO - CHARTER SCHOOL FINANCIAL INFORMATION - Sources of Revenue" for a description of funding for charter schools in Colorado. Additional information relating to Colorado charter schools is available at www.cde.state.co.us Such internet address is provided merely as a matter of convenience for prospective purchasers of the Series 2019 Bonds. None of the Authority, the Charter School, the Corporation or the Underwriter incorporates herein any information provided at such internet address or any other internet address or addresses that may be contained therein or herein, and the information at such internet address or addresses is not to be construed or incorporated as part of this Official Statement.

Factors Associated with Education

There are a number of factors affecting schools in general, including the Charter School, that could have an adverse effect on the Corporation's and the Charter School's financial position and their ability to make the payments required under the Agreement and the Lease. 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 regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating persons with disabilities; any unionization of the Charter School's work force with consequent impact on wage scales and operating costs of the Charter School; changes in existing statutes pertaining to the powers of the Charter School; and legislation or regulations which may affect program funding. There can be no assurance regarding the ultimate effect of these factors on their operations or financial results of operations.

Litigation

Schools 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 Corporation and the Charter School. Litigation may also arise from the corporate and business activities of the Corporation or the Charter School in 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 are not covered by insurance or other sources and, in whole or in part, may be a liability of the Corporation or the Charter School if determined or settled adversely. Although the Corporation and the Charter School, as appropriate, maintain insurance policies covering educator's professional and general liability, management of the Corporation and the Charter School is unable to predict the availability, cost or adequacy of such insurance in the future.

Bankruptcy

Bankruptcy or other insolvency or similar proceedings affecting the Corporation or the Charter School may delay and otherwise adversely affect the enforcement of rights in the property granted as security for the obligations related to Series 2019 Bonds, including those granted by the Indenture, the Agreement, the Lease and the Deed of Trust. For example, if the Corporation or the Charter School became a debtor in bankruptcy proceedings under Federal bankruptcy law, those proceedings would stay any proceeding to foreclose the lien of the Deed of Trust pending further order of the bankruptcy court, and could affect the Trustee's ability to obtain direct payments pursuant to the Agreement. If the Corporation's or the Charter School's obligations in connection with the Series 2019 Bonds exceeded the value of the collateral security for the obligations, then in Federal bankruptcy proceedings, the recovery for the Series 2019 Bondholders might be limited to the value of that collateral. In such a bankruptcy proceeding, a reorganization plan containing provisions, for example, backloading loan or bond payment amounts on the Series 2019 Bonds, could be confirmed and become effective even if the plan were not supported by some or all of the holders of the Series 2019 Bonds. Each of the legal opinions delivered in connection with the issuance of the Series 2019 Bonds will be qualified as to the effect of State and federal laws, rulings and decisions, including bankruptcy laws, affecting remedies and affecting the enforceability of remedies, creditors' rights generally, and the documents described herein.

Reliance on Projections

Audited financial statements of the Charter School for the fiscal years ended June 30, 2017 and 2018 are attached to this Official Statement as APPENDIX B – "FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018." Such audited financial statements have been prepared by CliftonLarsonAllen LLP (the "Auditor"), and have been included in reliance upon the report of the Auditor. Neither the Charter School nor the Corporation is aware of any facts that would make such financial statements misleading. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this official statement.

Management of the Charter School ("Management") has prepared financial projections for each of the fiscal years ending June 30, 2019 through June 30, 2023 (the "Projections"), which are attached to this Official Statement in APPENDIX A – "INTERNALLY PREPARED FINANCIAL FORECAST." The Projections include a statement of revenues, expenditures, and changes in fund balance – governmental fund; and a summary of significant forecast assumptions. As a condition to delivery of the Series 2019 Bonds, Management of the Charter School will deliver a certificate that the assumptions upon which the projections are based, are reasonable.

The Projections constitute "forward looking statements" of the type described in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. See "INTRODUCTION" in the forepart of this Official Statement. The Projections do not constitute a "Certified Financial Forecast" prepared in accordance with generally accepted accounting principles. Although Management believes that the assumptions upon which the Projections are based are reasonable,

any of the assumptions could prove to be inaccurate and, as a result, the forward looking statements based on those assumptions could also be incorrect. All phases of the operation of the Charter School involve risks and uncertainties, many of which are outside of the Charter School's control and any one of which, or a combination of which, could materially affect the Charter School's results.

Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions; the willingness of the State to fund public schools including charter schools at present or increased levels; competitive conditions within the Charter School's service area; lower-than-projected enrollment; unanticipated expenses; changes in government regulation including changes in the law governing charter schools in the State; future claims for accidents against the Corporation and the Charter School and the extent of insurance coverage for such claims; and other risks discussed in this Official Statement. See "RISK FACTORS" in this Official Statement.

The Projections have not been independently verified by any party other than Management. No feasibility studies have been conducted with respect to operations of Management pertinent to these financial projections or the Series 2019 Bonds. Neither the Authority nor the Underwriter nor Choice Advisors, LLC has participated in the preparation of or independently verified the Projections, and neither the Authority nor the Underwriter makes any representations or gives any assurances that such Projections, or the assumptions underlying them, are complete or correct.

Covenant to Maintain Tax-Exempt Status of the Series 2019A Bonds

The excludability from gross income for federal income taxation purposes of the interest on the Series 2019A Bonds is based on the continuing compliance by the Corporation, the Trustee, the Charter School and the Authority with certain covenants contained in the Indenture, Lease, Agreement and Tax Compliance Certificate, dated as of June __, 2019 (the "Tax Compliance Certificate"), by and among the Authority, the Corporation and the Charter School. These covenants relate generally to restrictions on the use of the Facilities, restrictions on reletting the Facilities to organizations other than a governmental organization or a tax-exempt organization (subject to receipt of a written opinion of bond counsel), 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 2019A Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2019A Bonds.

Risks Related to Tax Reform

On December 22, 2017, the Tax Cuts and Jobs Act ("H.R. 1") was enacted into law. Among other things, H.R. 1 reduces corporate tax rates, modifies individual tax rates, eliminates many deductions, repeals the alternative minimum tax for corporations, and eliminates advance refundings of tax-exempt bonds. Although H.R. 1 retains the federal tax exemption for governmental and private activity bonds, including the Series 2019 Bonds, H.R. 1 may affect the market value of the Series 2019 Bonds, and the ability of holders of the Series 2019 Bonds to sell their Series 2019 Bonds in the secondary market.

In addition, from time to time there are legislative proposals in the United States Congress and the Colorado General Assembly, that, if enacted, could alter or amend the federal and State income tax matters with respect to the Series 2019 Bonds, adversely affect the market value or liquidity of the Series 2019 Bonds, impact the Corporation's income tax status or impact how the State funds public schools, including charter schools. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment or the status of tax exempt entities. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or liquidity of the Series 2019 Bonds. It cannot be predicted whether any such regulatory action will

be implemented, how any particular lawsuit will be resolved, or whether the Series 2019 Bonds or the market value or liquidity thereof would be impacted thereby. Purchasers of the Series 2019 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

Purchasers of the Series 2019 Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively affect such investors' federal, state or local tax liability. In all such events, the market value of the Series 2019 Bonds may be impacted and the ability of holders to sell the Series 2019 Bonds in the secondary market may be reduced.

Additional Bonds

Under the Indenture, the Authority may issue Additional Bonds for the benefit of the Corporation from time to time, on a parity with the Series 2019 Bonds if certain conditions are met. See "SECURITY FOR THE SERIES 2019 BONDS –Indenture – *Additional Bonds*."

Incurrence of Additional Indebtedness;

The Agreement permits the Corporation to incur additional Indebtedness upon compliance with the provisions thereof, summarized above under the heading "SECURITY FOR THE SERIES 2019 BONDS – Agreement – *Limitations on the Incurrence of Additional Indebtedness*." Under the Lease, the Charter School is not permitted to enter into any capital leases or leases for additional facilities, unless the Corporation has satisfied the requirements of the Agreement relating to additional Indebtedness. See "SECURITY FOR THE SERIES 2019 BONDS – Lease – *Additional Leases*." The incurrence of any such additional Indebtedness or additional leases could adversely affect the Corporation's or the Charter School's financial condition and their ability to make payments representing debt service on the Series 2019 Bonds.

Enforcement of Remedies

The remedies available to the Trustee or the registered owners of the Series 2019 Bonds upon an Event of Default under the Indenture, the Agreement, the Deed of Trust or the Lease, including the acceleration of the Series 2019 Bonds and foreclosure and sale of the Facilities pursuant to the Deed of Trust, are in many respects dependent upon judicial actions which are often subject to discretion and delay. However, the Series 2019 Bonds are additionally secured by the CSDRF and the Moral Obligation Program, to the extent moneys are available thereunder to replenish the Bond Reserve Fund.

Additionally, an Event of Default and acceleration of the Series 2019 Bonds under the Indenture, the Agreement, the Deed of Trust or the Lease may impact the State's willingness to appropriate funds for the replenishment of the Bond Reserve Fund. There is nothing in the Moral Obligation Program that requires the State to either pay off any outstanding Series 2019 Bonds in the Moral Obligation Program or pay off the Series 2019 Bonds on an accelerated basis, and the acceleration of the Series 2019 Bonds may negatively impact the State's willingness to make an accelerated payment on the Series 2019 Bonds from the CSDRF and under the Moral Obligation Program.

The various legal opinions to be delivered concurrently with the delivery of the Series 2019 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.

Failure to Provide Continuing Disclosure

The Corporation and the Charter School have agreed in the Continuing Disclosure Agreement dated as of June 1, 2019 (the "Continuing Disclosure Agreement"), by and among the Corporation, the Charter School, and UMB Bank, National Association, as dissemination agent thereunder, for the benefit of the Registered Owners and Beneficial Owners of the Series 2019 Bonds to provide certain annual financial information, other operating data and notices of material events to the Electronic Municipal Market Access system for municipal securities disclosure established by the Municipal Securities Rulemaking Board and accessible at http://emma.msrb.org/ ("EMMA"). See "MISCELLANEOUS – Continuing Disclosure" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

Failure to comply with the Continuing Disclosure Agreement in the future may adversely affect the liquidity of the affected Series 2019 Bonds and their market price in the secondary market.

LEGAL MATTERS

Sovereign Immunity

The Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S., as amended (the "Governmental Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity for injuries which lie in tort or could lie in tort, regardless of whether that may be the type or the form of relief chosen by the claimant. Further, the Governmental Immunity Act applies to any action brought against a public entity or a public employee in any Colorado state court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort. The Governmental Immunity Act, however, does not apply to federal claims litigated in federal courts. Charter schools have been accorded the immunities provided by the Governmental Immunity Act.

The Governmental Immunity Act also waives immunity for injuries occurring as a result of certain specified actions or conditions. Such instances include, among other things, a dangerous condition of the public building, failure to perform an education employment background check, or any other types of injuries that the public entity waives by resolution. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employee that occurs during that public employee's performance of his/her duties and within the scope of his/her employment, except where such action was willful and wanton.

Additionally, sovereign immunity is waived for any claim of any of the Charter School's breach of its duty to exercise reasonable care to protect all students, faculty, and staff from harm resulting from acts committed by another person when the harm is reasonably foreseeable, while such students, faculty, and staff are within the school facilities or are participating in school-sponsored activities. This waiver under the Governmental Immunity Act is titled the "Claire Davis School Safety Act" and applies to incidences of school violence occurring on or after June 3, 2015. An employee of the charter school is not subject to suit under the Claire Davis School Safety Act in his/her individual capacity unless the employee's actions or omissions are willful and wanton.

The maximum amounts that may be recovered under the Governmental Immunity Act and the Claire Davis School Safety Act therein, whether from one or more public entities and public employees, are as follows for claims accruing on or after January 1, 2018 and before January 1, 2022: (a) for any injury to one person in any single occurrence, the sum of $387,000; and (b) for any injury to two or more persons in any single occurrence, the sum of $1,093,000, except that, in such instance, no person may recover in excess of $387,000. These amounts are subject to adjustment on or before January 1, 2022, and every fourth

year thereafter based on the consumer price index for Denver-Boulder-Greeley, or its successor index. A public entity may also increase any maximum amount by resolution. Suits against both a charter school and a public employee will not increase the maximum amounts which may be recovered. The charter school may not be held liable either directly or by indemnification for punitive or exemplary damages.

Pending and Threatened Litigation

No Proceedings Against the Charter School. In connection with the issuance of the Series 2019 Bonds, the Charter School will deliver a certificate which will state that, as of the date of issuance of the Series 2019 Bonds, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending or, to the best of its knowledge, threatened against or affecting the Charter School, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture, the Agreement, the Deed of Trust, the Lease, the bond purchase agreement (referred to in "MISCELLANEOUS—Underwriting"), or this Official Statement, the validity and enforceability of the Indenture, the Agreement, the Deed of Trust, the Lease, the bond purchase agreement or the Series 2019 Bonds or the operations (financial or otherwise) of the Charter School. See "RISK FACTORS – Litigation" for an explanation of risks associated with any potential litigation that may arise in the normal course of business for the Corporation or the Charter School.

No Proceedings Against the Corporation. In connection with the issuance of the Series 2019 Bonds, the Corporation will deliver a certificate which will state that, as of the date of issuance of the Series 2019 Bonds, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending or, to the best of its knowledge, threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture, the Agreement, the Deed of Trust, the Purchase Agreement, the Lease, the bond purchase agreement or this Official Statement, the validity and enforceability of the Indenture, the Agreement, the Deed of Trust, the Lease, the bond purchase agreement or the Series 2019 Bonds or the operations (financial or otherwise) of the Corporation.

No Proceedings Against the Authority. There is not now pending or, to the knowledge of the Authority, threatened, any litigation against the Authority restraining or enjoining the issuance or delivery of the Series 2019 Bonds or questioning or affecting the validity of the Series 2019 Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending or, to the Authority's knowledge, threatened against the Authority which in any manner questions the right of the Authority to enter into the Agreement with the Corporation or the Indenture with the Trustee or to issue and secure the Series 2019 Bonds in the manner provided in the Indenture.

TAX MATTERS

Federal Tax Exemption

Series 2019A Bonds. In the opinion of Ballard Spahr LLP, Bond Counsel, interest on the Series 2019A 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 2019A Bonds, assuming the accuracy of the certifications of the Authority, Corporation and the Charter School and continuing compliance by the Authority, the Corporation and the Charter School with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Series 2019A Bonds is exempt from individual federal alternative minimum tax. 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 2019A Bonds.

Series 2019B Bonds. Interest on the Series 2019B Bonds is not excludable from the gross income of the owners thereof for federal income tax purposes.

Original Issue Discount

Certain of the Series 2019A 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 2019A Bond accrues periodically over the term of the Series 2019A Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the Series 2019A Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Holders should consult their tax advisers for an explanation of the accrual rules.

Original Issue Premium

Certain of the Series 2019A 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 2019A Bond through reductions in the holder's tax basis for the Series 2019A 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. Holders should consult their tax advisers for an explanation of the amortization rules.

State Taxation

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Bonds is exempt from all taxation and assessments in the State of Colorado. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

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 2019 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 2019 Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

MISCELLANEOUS

Ratings

Moody's Investors Service, Inc. ("Moody's") has assigned the rating of "Aa3" to the Series 2019 Bonds which is contingent upon the Charter School's participation in the Moral Obligation Program, as described in "SECURITY FOR THE SERIES 2019 BONDS-Indenture-*Bond Reserve Fund*."

In addition, Moody's has assigned the underlying rating of "Baa3," to the Series 2019 Bonds which is reflective of the capacity of the Charter School to fulfill its payment obligations under the Lease. Such

ratings reflect only the view of Moody's and any desired explanation of the significance of such ratings should be obtained from Moody's at 250 Greenwich Street, New York, New York 10007.

Generally, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions of their own. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the Series 2019 Bonds.

Underwriting

The Series 2019 Bonds are being sold by the Authority to the Underwriter at a purchase price resulting in an underwriting discount of $_____, pursuant to a bond purchase agreement entered into by and among the Underwriter, the Corporation, the Charter School and the Authority. Expenses associated with the issuance of the Series 2019 Bonds are being paid from proceeds of the Series 2019 Bonds. The right of the Underwriter to receive compensation in connection with the Series 2019 Bonds is contingent upon the actual sale and delivery of the Series 2019 Bonds. The Underwriter has initially offered the Series 2019 Bonds in a limited public offering at the price or yield set forth on page i of this Official Statement, plus accrued interest from the date of the Series 2019 Bonds. Such price or yield may subsequently change without any requirement of prior notice.

No Registration of Series 2019 Bonds

Registration or qualification of the offer and sale of the Series 2019 Bonds (as distinguished from registration of the ownership of the Series 2019 Bonds) is not required under the Securities Act of 1933 or the Colorado Securities Act, as amended. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2019 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2019 BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

Continuing Disclosure

The Corporation and the Charter School have agreed in the Continuing Disclosure Agreement for the benefit of the Registered Owners and Beneficial Owners of the Series 2019 Bonds to provide certain annual financial information, quarterly financial, other operating data and notices of material events to EMMA. See APPENDIX F – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

Although the issuance of the Series 2017 Bonds was exempt from the continuing disclosure requirements of Rule 15c2-12, the Corporation and the Charter School voluntarily entered into a continuing disclosure undertaking in connection with the issuance of the Series 2017 Bonds.

Interest of Certain Persons Named in This Official Statement

Certain fees that are payable with respect to the Series 2019 Bonds to various counsel, the Underwriter, the Trustee, the Authority Financial Advisor and the Borrower Financial Advisor are contingent upon the issuance and delivery of the Series 2019 Bonds.

Financial Information

Audited financial statements of the Charter School for the fiscal years ended June 30, 2017 and 2018 are attached to this Official Statement as APPENDIX B – "FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018." Such audited financial statements have been prepared by the Auditor, and have been included in reliance upon the report of the Auditor. Neither the Charter School nor the Corporation is aware of any facts that would make such financial statements misleading.

Management of the Charter School has prepared Projections, which are attached to this Official Statement in APPENDIX A – "INTERNALLY PREPARED FINANCIAL FORECAST." The Projections include a statement of revenues, expenditures, and changes in fund balance – governmental fund; and a summary of significant forecast assumptions. As a condition to delivery of the Series 2019 Bonds, Management of the Charter School will deliver a certificate that the assumptions upon which the projections are based, are reasonable.

The Projections have not been independently verified by any party other than Management. No feasibility studies have been conducted with respect to operations of Management pertinent to these financial projections or the Series 2019 Bonds. Neither the Authority nor the Underwriter nor Choice Advisors, LLC has participated in the preparation of or independently verified the Projections, and neither the Authority nor the Underwriter nor Choice Advisors, LLC makes any representations or gives any assurances that such Projections, or the assumptions underlying them, are complete or correct. See "RISK FACTORS" in the forepart of this Official Statement.

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 "SUMMARY STATEMENT—Additional Information."

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Official Statement Certification

The preparation and distribution of this Official Statement have been authorized by the Corporation and the Charter School. This Official Statement is not to be construed as an agreement or contract between the Corporation or the Charter School and any purchaser, owner or holder of any Series 2019 Bond.

WRA BUILDING CORPORATION, a Colorado nonprofit corporation

By _____
Name _____
Title _____

By _____
Name _____
Title _____

WEST RIDGE ACADEMY CHARTER SCHOOL

By _____
Name _____
Title _____

By _____
Name _____
Title _____

APPENDIX A

THE CORPORATION AND THE CHARTER SCHOOL

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THE CORPORATION AND THE CHARTER SCHOOL

General

The Charter Schools Act authorizes teachers, parents and/or community members to contract with the local board of education to establish a publicly-funded school operating with significant freedom from district policies and State of Colorado regulations. A charter school is, nonetheless, a public school, which is part of the school district in which it is located. Charter schools operate under a "charter contract" between the charter school and the local board of education. If the local board of education fails to grant a charter, the charter school may appeal that decision to the Colorado State Board of Education. The Charter defines the charter school's goals, standards, education design, governance and operations. The degree of authority to be exercised by the charter school on such issues as personnel, curriculum and facilities is negotiated between the charter applicant and the local school district and reflected in the Charter. School centered governance, autonomy, and a clear design for how and what students will learn are the essential characteristics of a charter school.

The Charter School. West Ridge Academy Charter School (the "Charter School") is a Colorado nonprofit corporation incorporated on September 22, 2010, and a public Charter School in the State of Colorado (the "State") established pursuant to the Colorado Charter Schools Act, Title 22, Article 30.5, C.R.S., as amended from time to time (the "Charter Schools Act"). The Charter School is a governmental unit not subject to federal income tax. The Charter School was created by Weld County School District 6 (the "District"), by resolution dated December 13, 2010, and has operated as a charter school within the District since July 1, 2011, pursuant to the Charter School Contract dated April 13, 2011, between the Charter School and the District (the "Charter"). The Charter had an initial expiration term of June 30, 2014. On January 27, 2014, the District approved the Charter School's renewal application and extended the Charter term for four years expiring on June 30, 2018. The Charter School's current Charter became effective July 1, 2018 and is set to expire June 30, 2023. See "THE CORPORATION AND THE CHARTER SCHOOL – The Charter" below.

The Charter School has received a 501(c)(3) determination letter from the Internal Revenue Service, dated June 14, 2012, classifying the Charter School as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") which is exempt from federal taxation. The Charter School is organized for the exempt purpose of education in the form of a Colorado public charter school.

The Charter School serves students in kindergarten through eighth grades from its educational facilities located at 6905 8th Street, Greeley, Colorado (the "Facilities"). The Corporation will lease the Facilities to the Charter School for use by the Charter School pursuant to the terms of an annual appropriation Lease Agreement, dated as of June 1, 2019 (the "Lease"), by and between the WRA Building Corporation and the Charter School. The Charter School may terminate its obligations under the Lease on an annual basis. The Lease is triple net and requires the Charter School to pay all expenses, insurance, taxes, fees, and operational costs associated with the Facilities.

The Corporation. WRA Building Corporation (the "Corporation") was formed on December 11, 2015 with the filing of their Articles of Incorporation with the Colorado Secretary of State (the "Corporation Articles of Incorporation") exclusively for charitable, scientific and educational purposes with the specific purposes and objectives including, but not limited to the following: to acquire and hold real and/or personal property for, and to lease or make the same available for use by, the Charter School and to otherwise provide facilities, equipment and other physical plant and related support to the Charter School; to help the Charter School operate a public charter school, and specifically, to assist the Charter School in the implementation of its mission as a charter school; to receive, hold, invest and administer funds for the benefit of the Charter

School; and, to assist the Charter School in the financing of and the acquisition and development of real and personal property used or to be used by the Charter School, and in the refinancing of indebtedness incurred by the Charter School.

The Charter

Term. The Charter School operates pursuant to the Charter, which is effective July 1, 2018 through June 30, 2023. Any renewal application will be due by December 1 of the year preceding expiration of the Charter.

The Charter is amended annually to reflect any legislative changes to the School Finance Act attributable to the Charter School and to evidence annual agreements with the District regarding funding amounts and purchased services. Any financial commitment on the part of the District is subject to annual appropriation by the District based on funds received by the District, and the District has no obligation to fund the financial obligations of the Charter School other than for the current year.

Termination, Revocation, and Non-Renewal. The District may terminate, revoke or deny renewal of the Charter for any of the grounds provided by State law, as they exist now or may be amended, or for material breach of the Charter. Grounds for termination or revocation of the Charter, or denial of a renewal application, include, but are not limited to, the following: (i) if the Charter School is accredited with a priority improvement plan or turnaround plan for a combined total of five consecutive years or any lesser number of years established by the State Board of Education (the "State Board") after which closure or restructuring is required or (ii) if the Charter School is accredited with a turnaround plan and does not attain a higher accreditation rating at its next performance review in accordance with State law. See "RISK FACTORS – Revocation or Nonrenewal of Charter."

If the District believes that grounds for termination exist, the District must, to the extent practicable, send the Charter School a notice of concern and a notice of breach. The District must then provide the Charter School written notice of the grounds for termination and the date of the termination hearing before the District Board. Termination shall not take effect until the Charter School has exhausted its opportunity to appeal such decision to the State Board. The District may impose remedies other than termination.

It should be noted that the Charter School has consistently achieved the highest level of performance in the State Performance Framework, receiving a Performance Plan rating for the past 5 years, as set forth under "Performance Framework" herein.

Governing Bodies

The Corporation.

The business and affairs of the Corporation are conducted and managed by the Corporation Board of Directors (the "Corporation Board") as set forth in the Corporation Articles of Incorporation and bylaws (the "Corporation Bylaws"). Directors must be at least 25 years of age but do not need to be residents of the State of Colorado. As set forth in the Corporation Bylaws the Corporation Board is to be comprised of at least one member and no more than nine members, with the initial Corporation Board consisting of four members. Directors are appointed by the Charter School Board and serve two year terms. Directors may be removed, with or without cause, by action of the Charter School Board. A director may resign at any time by providing written notice to the Corporation Board. Such resignation takes effect on the date specified therein. Vacancies in the Corporation Board are filled by the Charter School Board. Each director holds office until his or her successor is appointed and qualified, or until his or her death, resignation or removal.

The Corporation Board holds an annual meeting and regular and special meetings as necessary. Directors do not receive any salaries for their services to the Corporation Board, but by resolution a fixed sum to reimburse expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Corporation Board. No part of the net earnings of the Corporation shall inure to the benefit of any trustee or officer of the Corporation, or any other individual, and no trustee or officer of the Corporation, or any other individual shall be entitled to share in any distribution of any of the Corporate assets on dissolution of the Corporation or otherwise. Information regarding the Corporation Board is set forth in the following table:

NAME	BOARD POSITION	PROFESSION	EMPLOYER	YEAR JOINED
Ken Dyer	President	Financial Investment Advisor	Cornerstone Financial Strategies	2016
Dawn Barth	Secretary	Photographer	A Beautiful Life Photography by Dawn	2018
John Boyd	Treasurer	Owner	Dark Energy Investments, LLC	2016
Brian Bartels	Member	Principle	Waltel Companies	2016

Kenneth Dyer/President – Mr. Dyer is an investment advisor and has owned and operated his own investment firm, Cornerstone Financial Strategies, since 2003. He has worked in the financial services industry for over 20 years. Mr. Dyer holds a BS in Business Finance from the University of Northern Colorado.

Dawn Barth/Secretary – Ms. Barth owns and operates her own photography business. A Beautiful Life Photography by Dawn. She holds a Bachelor of Science in Civil Engineering from Colorado State University.

John Boyd/Treasurer – Mr. Boyd holds a Bachelor of Science degree in Accountancy from Northern Arizona University in Flagstaff, Arizona. Mr. Boyd owns Dark Energy Investments, LLC, where he manages and directs various personal oil and gas, real estate and other investments.

Brian Bartels/Member – Mr. Bartels is a Principle at Waltel Companies. Waltel Companies was founded in 2005, and is a closely held umbrella of companies focused on strategic partnerships and investments predominately in the real estate and oil & gas industries.

The Charter School.

The business, property and affairs of the Charter School are conducted and managed by the Charter School board of directors (the "Charter School Board") as set forth in the Articles of Incorporation and the bylaws (the "Charter School Bylaws"). The Charter School was organized for educational purposes primarily to operate the Charter School. No part of the net earnings of the Charter School will inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons.

As set forth in the Charter School Bylaws, the Charter School Board is comprised of at least five directors and no more than seven directors. Members of the Charter School Board must be at least 18 years of age or older. There are two classes of directors: Parent Directors and Community Directors. The Charter School Board will include at least three Parent Directors and at least four Community Directors. Parent Directors must be parents, grandparents or legal guardians of students enrolled at all times during their term as Parent Director. Community Directors are those who have no children, grandchildren, or legal guardianship over any children attending the Charter School, however they are representative of the area the Charter School serves. "Community" is broadly defined to include, but not be limited to, business people, grass roots or civic activists, professionals, volunteers, lay people or other interested people who live in the communities served by the Charter School. Community Directors who enroll their children, grandchildren, or legal guardians in the Charter School, may retain their Charter School Board membership by a simple majority vote of the Charter School Board.' Neither Parent Directors nor Community Directors

can be paid employees of the Charter School. The principal of the Charter School serves as an ex-officio representative to the Charter School Board, but has no voting rights.

All Parent Directors are elected at the annual meeting by the parents of the Charter School as set forth in the Charter School Bylaws. All Community Directors are appointed by the Charter School Board through a process established by Charter School Board policy. Directors serve staggered four year terms with each director holding office until the end of their term and until his or her successor is elected and takes office, or until their death, resignation, or removal. A director may serve two consecutive terms, after which time a director may not serve on the Charter School Board for at least one year.

The Charter School Board holds regular meetings at least eight times per year including the annual meeting, and special meetings as needed. Missing more than two consecutive Charter School Board meetings without prior approval from the Chair will be considered a resignation from the Charter School Board. Unexcused absences from two or more of the Charter School Board meetings in any one school year will also be grounds for removal. Any member of the Charter School Board may be removed by the affirmative vote of two-thirds of the remaining directors. A director may resign at any time by giving written notice of resignation to the Charter School Board. The resignation is effective when the notice is received by the Charter School Board's secretary or the remaining Charter School Board, unless the notice specifies a later effective date. Vacancies on the Charter School Board are filled by appointment by the remaining directors.

Members of the Charter School Board do not receive compensation for serving on the Charter School Board, however, they may be reimbursed for reasonable expenses incurred in connection with service on the Charter School Board as determined by the Charter School Board either by general policy or on specific matters from time to time. The current members of the Charter School Board, their occupations and terms of office are set forth hereafter:

NAME	BOARD POSITION	PROFESSION	EMPLOYER	YEAR JOINED
Ken Dyer	Chair	Financial Investment Advisor	Cornerstone Financial Strategies	2013
Bush White	Vice Chair	Director of Special Education and Alternative Licensure	Colorado Christian College	2014
Dawn Barth	Treasurer	Photographer	A Beautiful Life Photography by Dawn	2016
Tracey Lawrence	Secretary	Professor, adjunct faculty, and author	Colorado Christian College	2017
Philip Wagner	Member	National Guardsman - Space Control management	Colorado National Guard	2018
Jeff Wiley	Member	Graphic and web designer	Wiley Design + Technology	2018

Kenneth Dyer/Chair – Mr. Dyer is an investment advisor and has owned and operated his own investment firm, Cornerstone Financial Strategies, since 2003. He has worked in the financial services industry for over 20 years. Mr. Dyer holds a BS in Business Finance from the University of Northern Colorado.

Bushrod White/Vice Chair – Mr. White is Director of Special Education and Alternative Licensure, College of Adult and Graduate Studies at Colorado Christian University. He is also the president of Bushrod White Learning Services, a firm that specializes in designing charter schools with a focus on at-risk students. He is a member of the following organizations: Colorado Association of School Executives, National Staff Development Council, and Colorado Association of School Personnel Administrators. Mr. White holds a Doctorate in Educational Administration from Nova Southeastern University, a Master of Education from Colorado State University, and a Bachelor of Arts in history from Western State College.

Dawn Barth/Treasurer – Ms. Barth owns and operates her own photography business. A Beautiful Life Photography by Dawn. She holds a Bachelor of Science in Civil Engineering from Colorado State University.

Tracey D. Lawrence, M.A., D.Phil/Member – Dr. Lawrence is an author and serves as adjunct faculty for Colorado Christian University in biblical studies and communications. Tracey has written for Chuck Colson's *BreakPoint*, the Wilberforce Forum, Council for Christian Colleges and Universities, and others. She has earned a B.S. in Christian Education, an M.A. in church history and theology, and holds a Doctorate of Philosophy in social research. Her dissertation received the Silver Quill Award for outstanding qualitative research on the Rwandan genocide. She authored *My Father, Maker of the Trees*, a memoir of the Rwandan genocide, featured on the New York Times best-sellers list.

Philip Wagner/Member – Mr. Wagner is a Colorado National Guardsman that has served in a multitude of leadership positions within the satellite communications maintenance and space operations career fields. Currently, he is supporting the creation of the Colorado Guard's first Space Control electronic warfare squadron and training detachment. He is charged with providing personal and professional development for the 105-person squadron as well as leadership, management, and guidance in organizing, equipping, training, and the mobilizing expeditionary Space Control assets and personnel. Philip has multiple deployments within Colorado supporting natural disaster relief efforts and overseas for contingency operations.

Jeff Wiley/Member – Mr. Wiley is an IT provider and graphic and web designer and has owned and operated his own business, Wiley Design + Technology, since 2000. He holds a BFA with a Graphic Design Concentration from Colorado State University.

Committees.

Pursuant to the Charter School Bylaws, committees of the Charter School Board may be appointed by the Chair of the Charter School Board or by majority vote of the Charter School Board. Committees will be composed of two or more directors and will have the powers delegated by the Charter School Board. The Chair of the Charter School Board, or his/her designee, will serve as an ex• officio member of all committees.

THE SERIES 2019 PROJECT

The proceeds derived from the sale of the Series 2019 Bonds will be loaned by the Authority to the Corporation pursuant to the Loan and Security Agreement, dated as of June 1, 2019 (the "Agreement") by and between the Authority and the Corporation for the purposes of: (a) refunding the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A (the "Series 2017A Bonds") issued in the original aggregate principal amount of $9,345,000 and the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") issued in the original aggregate principal amount of $145,000; (b) financing improvements to existing educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"); (c) funding capitalized interest, if any; (d) funding a bond reserve fund; and (e) paying the costs of issuance of the Series 2019 Bonds (collectively, the "Series 2019 Project").

On the Closing Date, a portion of the proceeds of the Series 2019 Bonds in the approximate amount of $9,531,242.71[*] will be applied to refund the outstanding Series 2017 Bonds at par and a portion of the proceeds of the Series 2019 Bonds in the approximate amount of $1,254,263.20[*] will be applied to finance additional improvements to the Facilities as described below under " – The Improvements."

[*] Preliminary, subject to change.

The Lease

The Corporation will lease the Facilities to the Charter School pursuant to the Lease. See "THE CORPORATION AND THE CHARTER SCHOOL" and "SECURITY FOR THE SERIES 2019 BONDS – The Lease" in the forepart of this Official Statement.

Mortgaged Property

The Series 2019 Bonds will be secured in part by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019 (the "Deed of Trust") from the Corporation to the Public Trustee of Weld County, Colorado, for the benefit of the Trustee, encumbering the Facilities subject however to the Permitted Encumbrances (defined therein). The Facilities are the only real property that is and will be subject to the Deed of Trust. See "THE SERIES 2019 PROJECT – Appraisals" below for a more detailed description of the Facilities and for a description of the appraised value thereof.

In the Deed of Trust, the Corporation grants a fee mortgage interest in the Facilities for the benefit of the Trustee.

The Facilities

The Facilities are currently comprised of an approximately 46,500 square foot educational building situated on 10.3 acres located at 6905 West 8th Street, Greeley, Colorado. The Facilities include administrative and classroom space, including art, music and language departments and specialty classrooms, a gymnasium, common areas, playgrounds, play fields, and are designed to accommodate an academic program with over 500 students.

See "THE SERIES 2019 PROJECT – Appraisals" below for a more detailed description of the Facilities and for a description of the appraised value thereof.

Map of Facilities Location

The following maps show the location of the Charter School.

6905 West 8th Street
West Ridge Academy Charter
Bank of Colorado
McDonald's
Greeley Fire Department Station 7
King Soopers Fuel Center
Burger King
Papa Murphy's Take N' Bake Pizza
NorthGate Village
King Soopers Marketplace
UCHealth Greeley Emergency and...
KCL CREATIONS, LLC
Sheep Draw Veterinary Hospital
The Wrench
The Farm Brazilian Jiu Jitsu
Sonic Drive-In
Wells Fargo Bank
First National Bank
James Salon
Days Inn by Wyndham Greeley
Social Security Administration
Twin Peaks Commun
Google
Peak View Park

25
62
6905 West 8th Street
85
Island Grove Regional Park
64
Greeley-Weld County Airport
263
E 8th St
Greeley
University of Northern Colorado
Garden City
43
45
Evans
47

The Improvements

A portion of the proceeds of the Series 2019 Bonds will be used to install new improvements to the Facilities, consisting of constructing, improving and equipping a new sports track and field, and other capital improvements. In light of the fact that the planned improvements do not involve construction or renovation to the existing Charter School building, the Charter School does not anticipate that these improvements will disrupt daily operations, enrollment or classrooms.

Appraisals

Trophy Property Company, Inc., Lakewood, Colorado (the "Appraiser") conducted an original Market Value Appraisal dated January 9, 2017 (the "Original Appraisal") to determine the "market value" of the "as completed" fee simple interest as of September 1, 2017 for the Facilities. Such value was originally estimated in the Original Appraisal to be $10,020,000. The market value of the Facilities has been updated pursuant to a Market Value Appraisal, dated May 3, 2019 (the "Appraisal"), conducted by Appraiser. The "market value" of the "as completed" Facilities, not including the new improvements to be made with the proceeds of the Series 2019 Bonds is currently estimated by the Appraiser to be $12,270,000.

Environmental Site Assessment

Environmental Phase I Reports. A Phase I Environmental Site Assessment (the "Phase I") was performed on the Facilities by Western Environment and Ecology, Inc., Greeley Colorado ("Western") and dated December 30, 2009. In conducting the Phase I, Western reviewed three previous Phase I Environmental Site Assessments performed on the property including a Phase I done by Western dated October 5, 2007, a Phase I Assessment conducted by Paragon Consulting Group dated August 2004 and a Phase I Assessment conducted by Weston Solutions, Inc., dated May 2003. The conclusions of all four reports state "This assessment has revealed no evidence of recognized environmental conditions in connection with the property."

Asbestos Report. Prior to the issuance of the Series 2017 Bonds, LT Environmental Inc., Arvada, Colorado ("LTE") prepared an Asbestos Report following the asbestos survey and sampling of Building B of the Facilities. Based on the results of laboratory analysis, no asbestos-containing materials ("ACMs") were identified. See "RISK FACTORS – Environmental Risks."

THE CHARTER SCHOOL

Management and Administration

Charter School Interim Principal, Assistant Principal, Executive Director, and Contract Finance Manager. The Charter School's administrative team consists of Charter School Interim Principal, Josh Cochran, Assistant Principal, Brandon O'Field, Executive Director, John Steckel, and Contract Finance Manager, Susan Ackerman.

Josh Cochran/Interim Principal – Josh Cochran has served as the Charter School's Interim Principal since September 2018. Prior to joining the Charter School's staff, he served as the Executive Director/Principal at Stargate School from 2012-2018. Mr. Cochran successfully led a $52 million K-12 school expansion project that completed construction in August 2016. In July of 2018, he was able to navigate the refinance process and secure investment grade bonds through the State of Colorado's moral obligation program. As the Principal, Mr. Cochran leads the Charter School in daily operations and reports to the Charter School Board. Mr. Cochran holds a Bachelor's Degree from Nebraska Wesleyan University and a Master's Degree in Education from the University of Phoenix.

Brandon O'Field/Assistant Principal – Brandon O'Field joined the Charter School in July 2018, following eleven years of service in the Brighton 27J school district. He began his career at Prairie View High School, where he taught World History, American History, Geography, and Political Science for eight years before joining the staff at Brighton Heritage Academy. At Brighton Heritage Academy, he served as the Dean of Students and coordinated the Discovery program to address the social/emotional needs of students. Brandon graduated from the University of Northern Colorado with a Bachelor's Degree in History and earned his Master's Degree in Educational Leadership from the American College of Education. Mr. O'Field will be promoted to Principal when Mr. Steckel becomes Executive Director as described below.

John Steckel/Executive Director – After a search process that included meeting with and interviewing candidates, the Board of the Charter School voted to extend an offer to John Steckel to serve as the Charter School's new Executive Director. Mr. Steckel has accepted the offer and will begin his tenure as the new Executive Director in July 2019. Mr. Steckel has been working in public education for almost 20 years. He has experience as a principal at the high school, elementary, and PK-12 levels. He began his career as a high school science teacher, athletic coach, and instructional coach. In 1995 he was part of the first graduating class of Highland High School (Arizona), and received a B.S in Earth Science from the University of Northern Colorado in 2000. He completed his master's degree in Educational Leadership from the University of Phoenix in 2005.

Most recently, he has been the director of an Innovation Center, where he designed a nationally recognized STEM program and a new 20-million-dollar facility.

Susan Ackerman/Contract Finance Manager – Ms. Ackerman joined the Charter School team in October 2018. She is currently the owner/manager of Ackerman Properties, LLC, a residential property management company and Ackerman Business Consulting, LLC, a consulting business for accounting, business, and nonprofits. Prior to her current occupations, she was co-owner of an accounting firm for 9 years. She also previously held the positions of Finance Director for Windsor Charter Academy as well as contract Business Manager for Union Colony Schools. She has training and mentoring experience with business managers and entrepreneurs. Ms. Ackerman has a BS in Business Administration, emphasis on Accounting, graduating summa cum laude from Monfort College of Business, University of Northern Colorado, Greeley.

Recent Changes in Management and Administration

Russ Spicer served as Principal to the Charter School from 2014 until his voluntary resignation in July 2018. Following Mr. Spicer's resignation, Josh Cochran was appointed Interim Principal in September 2018 will serve as Interim Principal through June 2019 when Brandon O'Field will assume the position.

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Conflicts of Interest; Code of Conduct and Succession Policies; School Safety Practices;

Conflicts of Interest Policy. The Charter School Board has adopted a formal Conflicts of Interest Policy. There are no known conflicts of interest at this time.

Standard of Conduct. Each director and officer must perform their duties, including, without limitation, their duties as a member of any committee of the Charter School Board, in good faith, in a manner the director or officer reasonably believes to be in the best interests of the Charter School, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of their duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by the following persons: (a) one or more officers or employees of the Charter School whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, a public accountant, or other person as to matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Charter School Board on which the director or officer does not serve if the director reasonably believes the committee merits confidence. However, a director or officer is not considered to be acting in good faith, if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer is not liable to the Charter School or its members for any action the director or officer takes or omits to take as a director or officer if, in connection with such action or omission, the director or officer performs their duties in compliance with the Charter School Bylaws.

Succession Policy. The Charter School Board has not adopted a formal Succession Policy providing for the procedure for the appointment of an acting principal in the event of an unplanned absence of the principal to ensure the continuous coverage of executive duties critical to the ongoing operations of the Charter School and its services to students.

School Safety Practices. The Charter School takes the safety of all students very seriously. The Charter School has safety task force and emergency safety procedures in place in order to ensure the safety of its students. An Emergency Management Plan is available for review in the front office of the Charter School, and, in order to ensure the safe management of each student, each family must complete an Emergency Contact Form. This form is updated whenever there is a change in address, home or work phone numbers, or emergency contacts.

Employees and Labor Relations

Faculty and Employees. The Charter School currently employs the faculty and employees listed in the table below for the 2018-19 school year.

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2018-19 Faculty and Staff	
Grade/Subject	Teacher
K	Heidi Kirkman
K	Cindy Bender
1	Sydnie Lambeth
1	Shawna Kiliman
2	Miranda Siemens
2	Morgan Hawthorn
3	Shannon Schubert
3	Donni Dumler
4	Megan Jones
4	Shannon Dominguez
5	Benjamin Steitz
5	Logan Grantz
Math	Laurie Haddorff
Math/Science	John Bentz
English	Sherry Seader
History	Evan Barker
Music	Cory Swift
Music/Choir	Christen Adler
Art	Karen Schaffer
PE	Emily Kurz
PE	Anthony Rios
Science	Taylor Scruggs
World Language	Riley Alexander-Christensen
Learning Specialist-IEP/504	Mary Withey
ELL	Lisa Simon
Art	Samantha Cook
Music	Jenny Petty
Instructional Coach	Krista Grantz
Teaching Assistant	Sandy Perkins
Teaching Assistant	Maria Lopez
Teaching Assistant	Abigal Thompson
Teaching Assistant	Dorothy Ray
Teaching Assistant	Michelle McCoy
Teaching Assistant	Jenny Taylor
Interim Principal	Josh Cochran
Assistant Principal	Brandon O'Field
Front Office Supervisor	Kelly Smith
Health Clerk	Debbie Nester
Receptionist	Jennifer Webb
Bookkeper	Tamara Rhoads
Contract Finance Manager	Susan Ackerman
Facilities Manager	Sterling Jones
Custodian	Donna Boucher
Custodian	Lee Woods

The Charter School's teacher retention rates for the current school year and the last three school years are set forth in the table below.

	2016-17 to 2017-18	2017-18 to 2018-19	2018-19 to 2019-20
Retention Rate	83%	75%	85%
Source: Management			

Employee Benefits. All employees are employed "at will" and none of the employees are represented by any collective bargaining unit. The Charter School offers medical, dental, vision, life and personal accident insurance and short term disability insurance. All Charter School employees are members of the Public Employees Retirement Association of Colorado, School Employees Division ("PERA") to which the Charter School and employees are required to contribute a statutorily determined percentage of salaries paid. For additional information regarding the Charter School's contribution to PERA, see "APPENDIX B-CHARTER SCHOOL FINANCIAL INFORMATION-Retirement and Pension Matters."

Labor Relations. Charter School employees are not members of any union. Despite low teach retention rates, the Charter School considers its relations with the teachers to be "excellent."

Enrollment

Enrollment. Enrollment in the Charter School is open to all residents of the District, and to out-of-District students subject to compliance with applicable State of Colorado laws, Charter School Board policy and the Charter. Enrollment procedures include filling out an interest form and filing it with the Charter School. All students are added to a waiting list arranged chronologically according to the date the interest form was received. As positions in the classrooms open up, students for the appropriate grade level openings are notified to see if there is still interest. If the offer is accepted, a placement testing for the student is scheduled. After the testing, any concerns are addressed and the child is placed into the appropriate grade level. During the 2013-14 fiscal year the Charter School experienced a change in administrative personnel and curriculum. As a result, to increase enrollment and revenue, the Charter School Board increased classroom size in 2014-15 and added teaching assistants to classrooms. For 2016-17, the Charter School Board added an additional Kindergarten class; however, there was not enough time before the start of the fiscal year to promote the addition and the class was not full. The current student teacher ratio is approximately 28:1.

Historical Enrollment, Current Enrollment, and Waitlist. The table below shows the historical or projected enrollment count for the Charter School for each year indicated. As of the October 1 count for the 2018-2019 school year, the Charter School served approximately 430 students in kindergarten through eighth grades.

Enrollment projections and the underlying assumptions are set forth in this Appendix A under "INTERNALLY PREPARED FINANCIAL FORECAST."

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Historical & Projected Enrollment by Grade							Projected			
Grade Level	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Kindergarten	21	28	28	37	56	56	56	56	56	56
1st	26	27	28	29	46	55	56	56	56	56
2nd	24	27	28	28	51	52	55	56	56	56
3rd	24	28	28	28	54	51	52	56	56	56
4th	25	26	28	29	46	53	52	56	56	56
5th	24	28	28	28	45	42	53	56	56	56
6th	16	24	26	27	46	55	50	56	56	56
7th	17	22	26	28	31	36	56	52	56	56
8th	10	18	13	24	31	30	41	55	56	56
Total	187	228	233	258	406	430	471	499	504	504

The Charter requires the Charter School to provide the District with its latest and best estimates of its anticipated enrollment for the next school year by April 30.

The table below sets forth the Charter School's wait list for the 2019-20 school year.

Waitlist

Grade Level	2019-20*
Kindergarten	286
1st	42
2nd	81
3rd	15
4th	10
5th	7
6th	14
7th	27
8th	9
Total	491

* As of May 1, 2019.

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Retention Rates. The Charter School's retention rates for the 2016-17, 2017-18 and 2018-19 school years (including the number of students re-enrolling and the number of new students in each year) are set forth in the table below.

Retention			
Grade	2016-17 to 2017-18	2017-19 to 2018-19	2018-19 to 2019-20
1st	81%	84%	98%
2nd	83%	95%	93%
3rd	85%	81%	98%
4th	92%	82%	99%
5th	94%	75%	98%
6th	85%	88%	93%
7th	78%	72%	97%
8th	84%	67%	96%

Retention Rate. The Charter School had a total retention rate of 96.5% for the 2018-19 school year as of the October 1 count.

Future Plans for Expansion

Except for the Improvements described herein, the Charter School currently has no formal plans to expand its Facilities.

Traditional Public Schools and Charter Schools in the District

Traditional Public Schools and Charter Schools. For the 2018-19 school year, the District serves approximately 22,547 students in 31 district-operated schools, plus six charter schools and an online academy.

Competitor Schools. Management has identified 18 schools serving students in kindergarten through fifth grades, 4 schools serving students in sixth through eighth grades, and 4 schools serving students in ninth through twelfth grades as being located within five miles of the Charter School.

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The following tables show certain data for the Charter School and for the traditional public and charter schools located within five miles of the Charter School for the 2017-18 school year, including English language CMAS and Math CMAS results.

SURROUNDING PUBLIC & CHARTER SCHOOLS WITHIN 5 MILES

SCHOOL NAME	DISTANCE	GRADES	TYPE	ENROLLMENT	ELA CMAS RESULTS	MATH CMAS RESULTS
West Ridge Academy	**0.00 miles**	K-8	**Charter**	**406**	**51.30**	**24.20**
Winograd k-8 Elementary	0.87 miles	K-8	District	699	55.60	35.60
University Schools	0.92 miles	K-12	Charter	1,784	41.10	24.80
Mcauliffe Elementary School	1.33 miles	K-7	District	502	47.30	37.70
Union Colony Preparatory School	1.74 miles	6-12	Charter	485	23.30	10.20
Monfort Elementary School	2.25 miles	K-5	District	481	37.70	38.40
Shawsheen Elementary School	2.30 miles	PK-5	District	396	21.50	16.10
Frontier Charter Academy	2.48 miles	K-12	Charter	1,597	50.10	39.10
Franklin Middle School	2.98 miles	6-8	District	650	23.00	9.30
Scott Elementary School	3.29 miles	PK-5	District	494	25.90	22.80
Prairie Heights Middle School	3.49 miles	6-8	District	767	30.80	12.50
Meeker Elementary School	3.64 miles	K-5	District	485	27.00	18.70
Heiman Elementary School	3.74 miles	K-5	District	715	33.70	28.10
Madison Elementary School	3.80 miles	K-5	District	505	24.10	23.80
Heath Middle School	4.05 miles	6-8	District	740	27.80	8.60
Maplewood Elementary School	4.13 miles	K-5	District	597	19.60	16.40
Brentwood Middle School	4.19 miles	6-8	District	438	36.60	16.90
Martinez Elementary School	4.59 miles	PK-5	District	575	27.50	25.50
Jackson Elementary School	4.64 miles	K-5	District	464	37.00	24.90

School distances and enrollment provided by Greatschools.com

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Funding

General. Each year, the District must provide to the Charter School its proportionate share of applicable federal Elementary and Secondary Education Act ("ESEA") funding received by the District for which the Charter School is eligible. The Charter School is eligible for such funds upon approval of its plans for such funds, which funds are to be distributed on a documented expenditure reimbursement basis on a monthly interval as long as the Charter School provides the District with the required documentation. On or before January 15 of each year, the District must provide to the Charter School its proportionate share of applicable State categorical aid received by the District for which the Charter School is eligible. The Charter School is eligible for such funds upon approval of its plans for such funds, or evidence of students enrolled in the Charter School that are eligible for such funds.

Commencing on July 1 of each fiscal year, District Per Pupil Revenue funding is to be disbursed to the Charter School in monthly installments, subject to annual appropriation and the District's receipt of such funding. July through December funding is based on the School's enrollment projections and funding for January and subsequent months of each fiscal year is adjusted based on actual enrollment, as described in the following paragraph. Funds are to be disbursed within five days of receipt by the District.

The District's disbursement of funds is to be adjusted as follows: January 1 of each year, funding is to be revised based on the number of full-time equivalent pupils actually enrolled at the Charter School as determined at the October 1 count and included in the official membership count, and to reflect any change in Per Pupil Revenue, positive or negative, so that the overall funding for the year is equal to the Per Pupil Revenue provided for in the District and not otherwise deducted. Funding as of January 1 may also be adjusted for any services provided by the Charter. In addition, to the extent that the District experiences any reduction or increase in State equalization support by a legislative rescission or other action, proportionate reductions or increases shall be made to the Charter School's funding. Any adjustments to funding after the December true-up to equal the Per Pupil Revenue provided for in the Charter are to be made by direct payment to the Charter School or the District. Any adjustment for an increase in funding from July 1 through the date of payment is to be paid to the Charter School as a lump sum payment.

Capital Funding. Under State law, qualified charter schools are eligible to receive additional funding for capital construction from the State Education Fund ("Capital Construction Funds"). The Charter School will be a qualified charter school for purposes of such capital funding so long as the Charter School has capital construction costs, which are defined under the statute as construction, demolition, remodeling, financing, purchasing or leasing of land, buildings, or facilities used to educate pupils enrolled in or to be enrolled in the Charter School. The statewide aggregate amount available to all charter schools for the 2017-18 fiscal year is $25,000,000. See "RISK FACTORS-Changes to Charter Schools Act." Under the Charter Schools Act, Capital Construction Fund payments made to charter schools may be reduced by up to 50% for charter schools participating in the Moral Obligation Program, such as the Charter School, and 10% for charter schools not participating in the Moral Obligation Program, if there are un-replenished draws on the CSDRF of the Interest Savings Fund under the Moral Obligation Program.

Other Funding; Override Revenues (C.R.S. 22-54-108).

A school district may desire to spend more property tax revenues than authorized/required to fund its Total Program i.e., the formula by which the amount of revenue capable of being earned by the district under the School Finance Act is determined. In this event, a district must seek approval from the voters to raise and expend "override" property tax revenues via an additional mill levy.

On November 7, 2017, registered voters of the District approved a ballot measure increasing District taxes by $14,000,000 in 2017 (for collection in 2018) and by such amounts generated annually

thereafter through 2023 (for collection in 2024), by a mill levy of up to 10 mills, to be expended for educational purposes as approved by the Colorado Board of Education and monitored by the citizens oversight committee, which include, among other things, allocating mill levy override revenues based on student count to District charter schools authorized as of July 1, 2017, including the Charter School.

The increase is an additional property tax mill levy in excess of the levies the District is otherwise authorized by law to impose, and the District is authorized to collect, retain and spend all revenues from such taxes and the earnings from the investment of such revenues as a voter approved revenue change and an exception to the limits that that would otherwise apply under Article X, Section 20 of the Colorado constitution.

For the 2018-19 school year, the District is expected to receive adjusted per pupil funding of $8,016. The table below shows the adjusted per pupil funding received by the District for each of the past six school years.

DISTRICT FUNDING - GREELEY 6

SCHOOL YEAR	TOTAL ADJUSTED PROGRAM FUNDING AFTER RECISSION	PER PUPIL FUNDING	%CHANGE
2012-13	$ 121,572,087	$ 6,320	-
2013-14	$ 130,077,568	$ 6,548	3.61%
2014-15	$ 141,227,602	$ 6,855	4.67%
2015-16	$ 151,138,588	$ 7,192	4.93%
2016-17	$ 157,012,764	$ 7,326	1.86%
2017-18	$ 163,273,269	$ 7,538	2.89%
2018-19	$ 176,444,697	$ 8,016	6.34%

SOURCE: Colorado Department of Education

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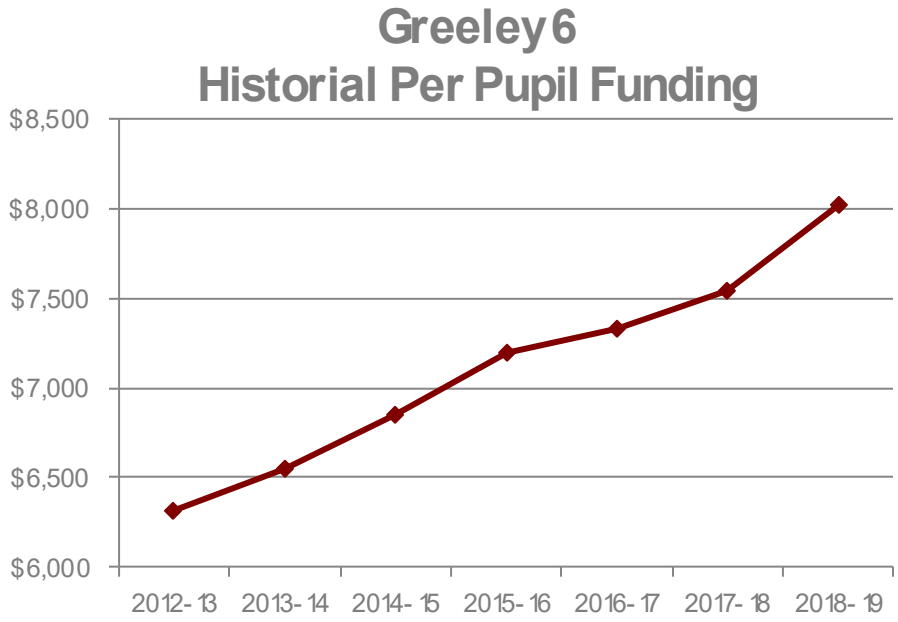
Weld County School District 6 Per Pupil Funding



Academics and Performance

Vision and Mission. The vision of the Charter School is a child-centered school that will become a model of academic excellence for other schools in the Greeley area to emulate. The Charter School will provide an exemplary educational experience to enable every student, no matter their ethnicity, to reach their full potential; academically, socially, emotionally and physically while preparing them for a global economy with confidence and preparedness; confidence to overcome life's challenges and preparedness to take advantage of life's opportunities. The Charter School's mission is to make the vision a reality by providing: strong, consistent leadership, an expertly trained staff, high expectations and accountability for staff, students and parents. The Charter School will provide an effective curriculum that is a scientifically proven teaching strategy utilized at all grade levels within a quiet, safe, nurturing, orderly and positive learning environment and school culture.

Curriculum

The Charter School's curriculum is based on the Core Knowledge Sequence ("Core"). The idea behind Core is simple and powerful; knowledge builds on knowledge. The more you know, the more you are able to learn. This insight, well-established by cognitive science bas profound implications for teaching and learning. Nearly all of our most important goals for education-greater reading comprehension, the ability to think critically and solve problems, even high test scores are a function of the depth and breadth of knowledge. By outlining the precise content that every child should learn in language arts and literature, history and geography, mathematics, science, music and the visual arts, the Core curriculum represents a first of its kind effort to identify the foundational knowledge every child needs to reach these goals and to teach it, grade by grade, year by year, in a coherent, age appropriate sequence. The Charter School provides students with a variety of special and extra-curricular classes, including athletics, chess club, tutoring and art club.

Special Education

The Charter School provides for appropriate special education programs for special needs students. There were 35 students enrolled in the special education program in the 2018-19 school year.

Reduced Lunch

A free or reduced lunch program is contracted through the District and offered by the Charter School. For the 2018-19 school year 31% or 79 students qualified and participated in the free or reduced lunch program.

Parental Involvement

The Charter School has a parent volunteer requirement of 20 hours per family per year. Parents volunteer in the classroom, during school social events, and at home. The School Wide Volunteer Coordinator and several Classroom Volunteer Coordinators assist the teachers in their classrooms. Parents also serve on the District Advisory Committee and School Accountability Committee.

Performance Framework

No Child Left Behind Act of 2001 and Flexibility Waiver. The No Child Left Behind Act of 2001 ("NCLB") used Adequate Yearly Progress ("AYP") to measure and hold schools and districts responsible for student achievement. In Colorado, NCLB required school districts to make a determination of AYP for every school in their district. In order for a district or school to make AYP, it was required to achieve a 95% participation rate in State reading and math assessments, reach targets for either proficiency or decrease non-proficiency in reading and math, and either show an advanced level of performance for elementary and middle schools in reading and math (with respect to elementary and middle schools) or graduation rate for high schools (with respect to high schools).

In connection with federal approval of Colorado's ESEA Flexibility Waiver, Colorado ceased to calculate AYP for school, district and state accountability, but instead used the state performance frameworks for federal Title IA accountability. The performance framework report provided information about the levels of attainment in each of the four key performance indicators identified in the Educational Accountability Act of 2009: achievement, growth, extent of gaps, and postsecondary and workforce readiness. For schools, the evaluation of overall performance in these indicators lead to the assignment of the type of improvement plan schools will implement. Each district accredited its schools using its own accreditation framework which met or exceeded the rigor of the State's performance framework. The State Department of Education provided information regarding district and school performance. Through the Colorado state accountability system, districts and schools were assigned to one of four "plan types." They are: Performance, Improvement, Priority Improvement and Turnaround, each as further described below. These plan types identified which schools and districts would receive greater attention from the State in terms of both increased State scrutiny of their plans and additional State support. Plans were submitted to the State Department of Education for publication each year on April 15. The foregoing applied to Colorado schools and districts through the 2016-17 school year before the Every Student Succeeds Act ("ESSA") took effect for the 2017-18 school year.

The Charter School has consistently been achieving the highest level of performance in the State Performance Framework.

STATE PERFORMANCE FRAMEWORK RATING	
Year	Rating
2014	Performance Plan
2015	Performance Plan
2016	Performance Plan
2017	Performance Plan
2018	Performance Plan

Every Student Succeeds Act. In December 2015, the ESSA replaced NCLB. The State Department of Education ("CDE") engaged stakeholders in the development of the State's ESSA plan (the "Colorado Plan") through the 2016-17 school year, before announcing the Colorado Plan in April 2017.

The Colorado Plan represents the four existing goals of CDE, that every student: starts strong with a solid foundation from preschool through grade 3, reads at grade level by the end of grade 3, meets or exceeds standards, and graduates ready for college and careers.

The Colorado Academic Standards has continued to apply under the Colorado Plan, with reviews thereof occurring from spring 2017 through spring 2018. During the Spring of 2018, the State Board of Education approved revisions to the Colorado Academic Standards, as required by statute. This approval completed the first four phases of the standards review and revision timeline, moving Colorado into the final two phases ending in full implementation of the Colorado Academic Standards.

CDE will continue with its academic testing program, but will develop Spanish language testing beyond the current CMAS math and science tests and language arts assessments for third through fourth grades. Further, CDE transitioned to a new grade 9 assessment in 2018, the implications of which are still being evaluated.

Recently CDE solicited feedback on the option to extend the implementation timeline only for the science standards. As a result, full implementation of the science standards will take place in the 2021-22 school year. The Colorado Measures of Academic Success (CMAS) science assessments will transition to covering the 2020 Colorado Academic Standards in science no sooner than the full implementation of the 2020 science Colorado Academy Standards.

To comply with ESSA accountability requirements, the Colorado Plan will base progress targets and long-term goals on averaged scaled scores and historical State data, base English language proficiency on growth on the Statewide English language proficiency assessment, evaluate chronic absenteeism, and identify schools that need comprehensive support based on performance among disaggregated racial/ethnic group performance data, graduation rates, and expectations for accountability indicators. UIPs will be required to address participation deficiencies for schools and districts with accountability participation rates below 95%. Changes to the accountability system will be implemented in the next two years, with additional feedback expected to be gathered and used to inform future decisions during that timeframe and beyond.

Support for school improvement under the Colorado Plan will be a "needs-based" approach, with evidence-based interventions, strategies, and partnerships offered as a resource for schools and districts. In addition, CDE will provide technical assistance to address schools' and districts' unique needs. The design, redesign, and implementation of this support system will continue to be developed collaboratively.

Further, CDE will work to support the recruitment and development of educators in the State, build supports for teachers to enhance and differentiate their instruction and develop and deliver guidance to support districts in implementing options to address "out-of-field" teachers.

In addition, CDE will ensure that program administrative procedures and programmatic requirements meet ESSA requirements, work to provide a well-rounded education, and support schools and districts in meeting the needs of disadvantaged student groups.

School Performance.

Regulation. The Charter School is regulated by the Colorado Department of Education and the District. The Charter School complies with all applicable state laws and District policies.

Accreditation. Colorado school districts undergo an accreditation process under the District Performance Framework ("DPF"), pursuant to the Education Accountability Act. Individual schools are also accredited under a School Performance Framework ("SPF"). The Charter School earned the highest possible rating under the framework of "Performance Plan," for the elementary and middle school levels on all SPF from the State of Colorado, indicating that the Chatter School meets or exceeds statewide attainment on the performance indicators. The four performance indicators are: academic achievement, academic growth, academic gaps, and postsecondary and workforce readiness. As a result of the implementation of new State of Colorado testing discussed hereafter, the State of Colorado has not issued a new SPF since the spring of 2014. The new framework was issued for the first time in the fall of 2016.

Student Assessment. The Charter School has a comprehensive assessment plan in place to monitor student growth and achievement in several phases. The Charter School uses the Dibels, STAR Reading, STAR Math, Accelerated Reader and Accelerated Math programs for in house assessment, progress monitoring and interventions. The Charter School also administers an internal placement examination, the NWEA/MAP, that is aligned to Colorado state standards and provides an accurate assessment of a student's current achievement level.

State of Colorado indicators are also used to measure student achievement. The primary purpose of the assessment program is to determine the level at which Colorado students meet the Colorado Model Content Standards in the content areas assessed. The CMAS is a statewide single point in time assessment, aligned with the State of Colorado model content standards, that covers limited grades and subjects each year. In 2012, pursuant to State of Colorado legislation, Colorado joined the Partnership for Assessment of Readiness for College and Careers ("PARCC") consortia as a governing member. PARCC is a multi-state assessment consortium that is developing shared English language arts/literacy and mathematics assessments. About 10 states participate in PARCC and rely on the PARCC assessment system for grades 3-9. The following tables illustrate the percentage of students that met or exceeded the 2017 and 2018 CMAS, for the grade levels shown, at the Charter School, the District as a whole and for the State of Colorado. The Charter School was the top performing school in the District in 3rd grade and 6th grade English and Math and 5th grade Math.

CMAS English Language Arts % Met or Exceeded

	2017	2018
School	57.3	51.3
Greeley 6	30.5	33.4
State	42.3	44.5

CMAS Math % Met or Exceeded

	2017	2018
School	40.8	24.2
Greeley 6	20.6	21.8
State	32.8	34.1

CMAS Science % Met or Exceeded

	2017	2018
School	32.7	37.0
Greeley 6	17.5	17.8
State	30.8	31.2

Math scores in 2018 dipped due the increase in new student enrollment (125 new students) in the fall of 2018. While the Charter School still out-performed area district schools, staff set a goal for math growth and quality instruction as a focal point in the annual Unified Improvement Plan.

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Academic Performance NWEA MAP Assessments

The Charter School administers the NWEA MAP tests to students throughout the year, to track progress of students, and testing indicates that all grades are at or above expected levels.

READING - MAPS Scores Demonstrated Growth: Fall to Winter to Spring						
	Fall 2018 MAPS Scores		Winter 2018 MAPS Scores		Spring 2019 MAPS Scores	
Grade level	Mean	Grade Level Correlation	Mean	Grade Level Correlation	Mean	Grade Level Correlation
Kindergarten	144.1	Beg of Kinder	155.2	Mid Kinder	168.7	Beg 1st grade
1st grade	166.0	Beg 1st grade	176.4	End 1st grade	185.5	Mid 2nd grade
2nd grade	184.8	Mid 2nd grade	193.8	Mid 3rd grade	200.5	Beg 4th grade
3rd grade	191.9	Beg 3rd grade	197.8	End 3rd grade	198.8	Beg 4th grade
4th grade	206.3	Beg 5th grade	209.8	Mid 5th grade	215.1	Beg 7th grade
5th grade	209.7	Mid 5th grade	212.9	Beg 6th grade	216.9	Beg 8th grade
6th grade	217.1	End 7th grade	214.8	Beg 7th grade	219.4	Mid 8th grade
7th grade	220.2	End 8th grade	219	Mid 8th grade	222.4	Beg 11th grade
8th grade	221.6	End of 10th grade	225	Above 11th grade	226.2	Above 11th grade

MATHEMATICS - MAPS Scores Demonstrated Growth: Fall to Winter to Spring						
	Fall 2018 MAPS Scores		Winter 2018 MAPS Scores		Spring 2019 MAPS Scores	
Grade level	Mean	Grade Level Correlation	Mean	Grade Level Correlation	Mean	Grade Level Correlation
Kindergarten	143.0	Beg K	155.8	Mid K	170.8	Beg 1st grade
1st grade	166.4	Beg 1st grade	176.6	Mid 1st grade	187.3	Mid 2nd grade
2nd grade	181.1	Beg 2nd grade	190.3	Mid 2nd grade	201.3	Beg 4th grade
3rd grade	193.6	Beg 3rd grade	200.8	Mid 3rd grade	207.8	Mid 4th grade
4th grade	207.6	Mid 4th grade	212.2	End 4th grade	220.6	End 5th grade
5th grade	213.6	Beg 5th grade	221.7	End 5th grade	223.3	Beg 7th grae
6th grade	221.1	Beg 6th grade	222.3	Mid 6th grade	226.5	Beg 8th grade
7th grade	228.3	End 7th grade	229.3	Mid 8th grade	234.0	Mid 11th grade
8th grade	230.0	Beg 9th grade	232.7	Mid 9th grade	240.9	Above 11th grade

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Litigation

As of the date of this Official Statement, neither the Corporation nor the Charter School is the subject of any litigation or administrative proceeding related to its operations. Generally, litigation may arise in the normal course of business of either the Corporation or the Charter School. See "RISK FACTORS – Litigation" for an explanation of risks associated with any potential litigation that may arise in the normal course of business for the Corporation or the Charter School.

Service Area

The Charter School is located within the District, which is in Weld County, Colorado. Southwest Weld County is one of the fastest growing areas in Colorado due to its proximity to the north Denver metro area.

The population of Weld County was 252,839 in 2010, and grew to an estimated 304,633 in 2017, each according to the United States Census Bureau, with an estimated 20.5% of the population under 18 years old in 2016.

The population of Greeley, Colorado, was 92,889 in 2010, and grew to an estimated 105,448 in 2017, with an estimated 25.8% of the population under 18 years old in 2010 (and no estimate available for 2017).

Certain demographic information and housing stock information about Weld County is set forth in the tables below.

DEMOGRAPHIC STATISTICS

	WELD COUNTY	COLORADO
Population estimates, July 1, 2017, (V2017)	304,633	5,607,154
Population, Census, April 1, 2010	252,839	5,029,325
Persons under 18 years, percent, July 1, 2016	20.5%	11.5%

Source: U.S. Census Bureau Quick Facts

GREELEY 6 PRINCIPAL EMPLOYERS

RANK	EMPLOYER	# OF EMPLOYEES	% OF TOTAL EMPLOYMENT
1	JBS Swift & Company	4,590	7.11%
2	North Colorado Medical Center	3,560	5.52%
3	Vestas	2,270	3.52%
4	Weld County School Dist 6	1,923	2.98%
5	University of Northern Colorado	1,623	2.52%
6	Weld County Government	1,615	2.50%
7	State Farm Insurance Companies	1,200	1.86%
8	Haliburton Energy Services	1,030	1.60%
9	City of Greeley	812	1.26%
10	TTEC	620	0.96%

Source: Greeley 6 2018 CAFR

Additional Weld County Statistics:

- The Colorado Oil & Gas Conservation Commission reported 3,000 Applications for Permits to drill were approved in 2016, a modest 3% decline from 2015. For 2017, the commission approved 1,744 permits as of September 1, which is 7% below the level of permitting for the same period in 2016. There are 2,479 active permits statewide as of September 1, 2017, with 60% of said permits located in Weld County.

- Weld County is further supporting education and the employment pipeline by providing workforce stipends to every graduating high school senior.

- A large percentage of oil production in Colorado is concentrated in Weld County, and the area became the largest producer of natural gas in the State in 2015.

CERTAIN FINANCIAL INFORMATION

Historical Financial Information

Audited financial statements of the Charter School for the fiscal years ended June 30, 2017 and 2018 are attached to this Official Statement as APPENDIX B – "FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018." Such audited financial statements have been prepared by CliftonLarsonAllen LLP (the "Auditor") and have been included in reliance upon the report of the Auditor. Neither the Charter School nor the Corporation is aware of any facts that would make such financial statements misleading. Certain summary financial information derived from the audited financial information for the Charter School for the fiscal years ended June 30, 2017 and 2018 is included below.

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The following table sets forth the Charter School's General Fund Balance Sheet as of June 30, 2017 and 2018.

BALANCE SHEET
General Fund

	As of June 30,	
	2017	**2018**
ASSETS	(Audited)	(Audited)
Cash and Investments	$862,656	$1,329,937
Restricted Cash and Investments	--	--
Due from Other Funds	7,152	66,919
Accounts Receivable	8,138	--
Prepaid Items	--	9,374
TOTAL ASSETS	$877,946	$1,406,230
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	104,758	65,970
Due to Other Funds	--	--
Accrued Expenditures	838	462
TOTAL LIABILITIES	105,596	66,432
FUND BALANCES		
Nonspendable	7,152	9,374
Restricted:		
Emergencies	55,853	96,595
Educational Purposes – Mill Levy	--	39,990
Debt Service	--	--
Capital Projects	--	--
Technology Grant	100,000	--
Unassigned	609,345	1,193,839
TOTAL FUND BALANCES	772,350	1,339,798
TOTAL LIABILITIES AND FUND BALANCES	$877,946	$1,406,230

The following tables set forth the Charter School's and the Corporation's combined statement of revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2017 and 2018.

STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE
Governmental Funds

	Fiscal Year Ending June 30,	
	2017	**2018**
REVENUES	**(Audited)**	**(Audited)**
Per Pupil Funding	$1,701,974	$2,785,378
State and Federal Sources	139,148	233,249
Local Sources	240,755	265,570
Rental Income	--	303,897
Interest Income	26,811	17,404
Other Revenues	30,782	177,451
TOTAL REVENUES	2,139,470	3,782,949
EXPENDITURES		
Current:		
Instruction	1,156,912	1,920,164
Support Services:	922,144	892,779
Debt Service:		
Interest	182,936	522,675
Capital Outlay	5,236,416	3,075,988
TOTAL EXPENDITURES	7,498,408	6,411,606
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,358,938)	(2,628,657)
OTHER FINANCING SOURCES		
Sale of Capital Assets	60,000	--
Proceeds from Debt Issuance	9,490,000	--
TOTAL OTHER FINANCING SOURCES	9,550,000	--
NET CHANGE IN FUND BALANCE	4,191,062	(2,628,657)
Fund Balance, Beginning	435,312	4,626,374
FUND BALANCE, ENDING	$4,626,374	$1,997,717

Debt

Upon issuance of the Series 2019 Bonds, neither the Corporation nor the Charter School will have any outstanding note debt or other Indebtedness other than the Series 2019 Bonds. The Corporation and the Charter School are permitted to incur Additional Indebtedness under certain circumstances.

Neither the Corporation nor the Charter School expects to incur Additional Indebtedness in the foreseeable future, but the Loan Agreement and the Lease do permit the incurrence of Additional Indebtedness if certain requirements are met. See APPENDIX D – "SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS – Form of the Loan Agreement" and " – Form of the Lease."

INTERNALLY PREPARED FINANCIAL FORECAST

Management of the Charter School has prepared financial projections for each of the fiscal years ending June 30, 2019 through June 30, 2023 (the "Projections"). The Projections include a statement of revenues, expenditures, and changes in fund balance – governmental fund; and a summary of significant forecast assumptions. As a condition to delivery of the Series 2019 Bonds, Management of the Charter School will deliver a certificate that the assumptions upon which the projections are based, are reasonable.

The Projections constitute "forward looking statements" of the type described in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. See "INTRODUCTION" in the forepart of this Official Statement. The Projections do not constitute a "Certified Financial Forecast" prepared in accordance with generally accepted accounting principles. Although Management believes that the assumptions upon which the Projections are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. All phases of the operation of the Charter School involve risks and uncertainties, many of which are outside of the Charter School's control and any one of which, or a combination of which, could materially affect the Charter School's results.

Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions; the willingness of the State to fund public schools including charter schools at present or increased levels; competitive conditions within the Charter School's service area; lower-than-projected enrollment; unanticipated expenses; changes in government regulation including changes in the law governing charter schools in the State; future claims for accidents against the Corporation and the Charter School and the extent of insurance coverage for such claims; and other risks discussed in this Official Statement. See "RISK FACTORS" in the forepart of this Official Statement.

The Projections have not been independently verified by any party other than Management. No feasibility studies have been conducted with respect to operations of Management pertinent to these financial projections or the Series 2019 Bonds. Neither the Authority nor the Underwriter nor Choice Advisors, LLC has participated in the creation of the Projections or independently verified the Projections, and neither the Authority nor the Underwriter nor Choice Advisors, LLC makes any representations or gives any assurances that such Projections, or the assumptions underlying them, are complete or correct.

The following table sets forth the financial projections for the years 2019 through 2023.

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West Ridge Academy
Historical and Forecast General Fund Budget

	2017-18 Final Audit	2018-19 Approved Adjusted Budget	2019-20 Forecast Budget	2020-21 Forecast Budget	2021-22 Forecast Budget	2022-23 Forecast Budget
Student Count (FTE)	383 FTE *408 Actual*	403.9 Budgeted; *430 Actual*	471	499	504	504
	FTE Increase: 125	*FTE Increase: 20.9*	*FTE Increase: 41*	*FTE Increase: 28*	*FTE Increase: 5*	*Capacity*
REVENUES						
Per Pupil Funding	$ 2,785,378	$ 3,108,061	$ 3,748,755	$ 4,090,802	$ 4,255,776	$ 4,383,288
State & Federal Sources	$ 233,249					
Capital Construction		$ 117,854	$ 134,186	$ 149,635	$ 151,134	$ 151,134
SPED Reimbursement		$ 73,841	$ 86,108	$ 91,227	$ 92,141	$ 92,141
SPED- Teacher/TA Reimb		$ 59,043	$ 64,993	$ 66,943	$ 68,951	$ 71,020
ELPA		$ 8,858	$ 9,123	$ 9,397	$ 9,679	$ 9,969
READ Act		$ 3,339	$ 3,439	$ 3,542	$ 3,648	$ 3,758
Title II Part A		$ 11,684	$ 12,035	$ 12,396	$ 12,768	$ 13,151
Title IV		$ 5,280	$ 5,438	$ 5,601	$ 5,769	$ 5,942
Local Sources:						
MLO	$ 265,570	$ 284,394	$ 334,284	$ 344,313	$ 354,642	$ 365,281
MLO Balance 17-18		$ 39,500	$ -	$ -	$ -	$ -
Weld County Grant		$ 1,581	$ 1,581	$ 1,581	$ 1,581	$ 1,581
Other Revenues:	$ 83,425					
Interest		$ 19,427	$ 17,000	$ -	$ -	$ -
General Student Fees		$ 1,000	$ 3,500	$ 3,675	$ 3,859	$ 4,052
Total Revenues	**$ 3,367,622**	**$ 3,733,862**	**$ 4,420,442**	**$ 4,779,112**	**$ 4,959,949**	**$ 5,101,317**
EXPENDITURES						
Instruction:						
Supplies & Materials	$ 104,345	$ 80,000	$ 84,000	$ 88,200	$ 92,610	$ 97,241
Salaries	$ 1,004,923	$ 1,254,596	$ 1,380,056	$ 1,421,457	$ 1,464,101	$ 1,493,383.01
Benefits	$ 261,280	$ 330,840	$ 363,924	$ 400,316	$ 440,348	$ 484,383
Support Services:						
Bond Lease Payment	$ 303,897	$ 585,175	$ 588,774	$ 619,552	$ 619,000	$ 617,750
Utilities	$ 38,538	$ 84,000	$ 85,000	$ 89,250	$ 93,713	$ 95,587
Building Operations	$ 44,894	$ 54,000	$ 58,000	$ 60,900	$ 63,945	$ 65,224
Purchased Services	$ 81,807	$ 122,476	$ 128,600	$ 135,030	$ 141,781	$ 144,617
District Admin Fee	$ 43,298	$ 54,757	$ 56,400	$ 59,220	$ 62,181	$ 63,424
Special Education Services	$ 309,035	$ 341,938	$ 352,196	$ 362,762	$ 373,645	$ 381,118
Student Data Services	$ 5,273	$ 7,048	$ 7,259	$ 7,477	$ 7,702	$ 7,856
Technology/Infrastructure	$ 192,928	$ 80,690	$ 83,111	$ 85,604	$ 88,172	$ 89,936
General Operations	$ 79,994	$ 78,000	$ 81,900	$ 85,995	$ 90,295	$ 92,101
Supplies & Materials	$ 10,652	$ 17,500	$ 18,375	$ 19,294	$ 20,258	$ 20,664
Salaries	$ 253,420	$ 388,013	$ 426,814	$ 439,619	$ 452,807	$ 461,863
Benefits	$ 65,890	$ 151,776	$ 166,954	$ 183,649	$ 202,014	$ 206,054
Total Expenditures	**$ 2,800,174**	**$ 3,630,809**	**$ 3,881,363**	**$ 4,058,324**	**$ 4,212,571**	**$ 4,321,199**
***Net Change* in Fund Balance**	**$ 567,448**	**$ 103,053**	**$ 539,079**	**$ 720,787**	**$ 747,377**	**$ 780,118**
Beginning Cash Balance	$ 862,656	$ 1,430,104	$ 1,533,157	$ 2,072,236	$ 2,793,024	$ 3,540,401
Ending Cash Balance	**$ 1,430,104**	**$ 1,533,157**	**$ 2,072,236**	**$ 2,793,024**	**$ 3,540,401**	**$ 4,320,519**
Days Cash on Hand	***186.4***	***154.1***	***194.9***	***251.2***	***306.8***	***364.9***
Annual Coverage Ratio	***2.1***	***1.2***	***1.9***	***2.2***	***2.2***	***2.3***
MADS Coverage Ratio	***1.9***	***1.2***	***1.9***	***2.2***	***2.2***	***2.3***

Forecast Assumptions:

Assumptions for Forecasted Revenues:

Per Pupil Funding growth rate of 3%/year
Cap. Construction, SPED Reimbursement and Grants grown at 0%
General Student Fees grown at 5%/year
Remaining Revenue line items grown at 3%/year

Assumptions for Forecasted Expenditures:

Salaries increasing at 3%/year. Benefits increase at 10%/yr.
Special Ed Serv., Student Data Serv., and Technology grown at 3%/yr
Remaining Expenditure line items grown at 5%/year

Breakeven FTE Enrollment: PPR Declines Providing 1.2x DSC with Expenditures Held Steady

School Year	2019-20	2020-21	2021-22	2022-23
Total FTE	**426**	**435**	**442**	**443**
Adjusted Total Revenues	$ 4,062,281	$ 4,235,248	$ 4,417,829	$ 4,552,508
Total Expenditures	$ 3,881,363	$ 4,058,324	$ 4,212,571	$ 4,321,199
Max Annual Debt Service	$ 620,000	$ 620,000	$ 620,000	$ 620,000
MADS DSC	**1.21**	**1.20**	**1.20**	**1.20**

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APPENDIX B

FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018

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WEST RIDGE ACADEMY

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

WEST RIDGE ACADEMY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
West Ridge Academy
Greeley, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of West Ridge Academy, a component unit of Weld County School District 6, as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise West Ridge Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of West Ridge Academy as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, the budgetary comparison information and the pension schedules on pages 31 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
September 27, 2017

This section of the report provides readers with a narrative overview and analysis of the financial activities of West Ridge Academy (the School) for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the School's financial performance.

FINANCIAL HIGHLIGHTS

- West Ridge Academy experienced a decrease of $1,116,092 in net position for the year ended June 30, 2017.
- West Ridge Academy's General Fund assets exceeded liabilities by $772,350 at June 30, 2017.
- The WRA Building Corporation was formed in the year ended June 30, 2017. The WRA Building Corporation issued $9,490,000 in debt during the year ended June 30, 2017.
- The WRA Building Corporation spent $5,157,674 of the debt issuance on land and building. $5,209,706 of the debt issuance remains held by the trustee in cash and investments, with $1,362,887 in liabilities relating to capital outlay for land and buildings.
- Total unrestricted cash was at $869,861 June 30, 2017, as compared to $490,809 at June 30, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report also contains required supplementary information.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the School's financial position is improving or deteriorating.

The *statement of activities* presents the government's changes in net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected fees).

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. West Ridge Academy, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

West Ridge Academy reports two governmental funds: the General Fund and WRA Building Corporation, a special revenue fund, both of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 10-13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-30 of this report.

Budgetary Comparisons. West Ridge Academy adopts annual appropriated budgets for the General Fund and the WRA Building Corporation. A budgetary comparison statement has been provided for the General Fund on page 31 of this report. A budgetary comparison statement has been provided for the Building Corporation on page 32 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

TABLE A-1
COMPARATIVE SUMMARY STATEMENT OF NET POSITION

	2017	2016
Assets and Deferred Outflows of Resources:		
Current Assets	$ 6,094,857	$ 520,530
Capital Assets	5,248,019	108,218
Deferred Outflows	2,138,609	449,882
Total Assets and Deferred Outflows of Resources	13,481,485	1,078,630
Liabilities and Deferred Inflows of Resources:		
Current Liabilities	1,509,897	85,218
Noncurrent Liabilities	9,490,000	-
Net Pension Liability	4,940,296	2,325,400
Deferred Inflows	22,321	32,949
Total Liabilities and Deferred Inflows of Resources	15,962,514	2,443,567
Net Position:		
Investment in Capital Assets	(1,004,379)	108,218
Restricted	155,853	51,358
Unrestricted	(1,632,503)	(1,524,513)
Total Net Position	$ (2,481,029)	$ (1,364,937)

The School has $55,853 of net position that is restricted to comply with the Taxpayer's Bill of Rights (TABOR) requirements. The School reports $100,000 restricted fund balance related to a technology grant received at the end of the fiscal year.

TABLE A-2
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2017	2016
Program Revenues:		
Charges for Services	$ -	$ 8,170
Operating Grants and Contributions	312,571	127,322
Capital Grants and Contributions	67,332	57,178
General Revenues:		
Per Pupil Funding	1,701,974	1,535,415
Interest Income	26,811	-
Other Revenue	30,782	-
Total Revenues	2,139,470	1,728,085
Expenses:		
Instruction	2,109,068	1,288,144
Support Services	922,144	470,448
Interest Expense	224,350	-
Total Expenses	3,255,562	1,758,592
Change in Net Position	(1,116,092)	(30,507)
Net Position - Beginning	(1,364,937)	(1,334,430)
Net Position - Ending	$ (2,481,029)	$ (1,364,937)

Governmental-wide activities decreased the School's net position by $1,116,092 in 2017. This is largely due to recording pension expense of $915,541 as required by governmental accounting standards.

FINANCIAL ANALYSIS OF THE SCHOOL'S GENERAL FUND

The General Fund ended the year with a fund balance of $772,350, an increase of $337,038 from the beginning fund balance. The School was able to increase the ending fund balance by cost control measures, increased enrollment, and increased fundraising efforts.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School's budget is prepared according to Colorado statutes.

West Ridge Academy budgeted for 235 students for the Per Pupil Revenue (PPR). The actual number ended up being 242. This increase coupled with the fact that we received supplemental income in per pupil revenues improved our financial standing.

There was also an increase in fundraising efforts that helped offset expenses.

Other savings were due to tight budgetary management. The administration and the board of directors know that West Ridge Academy needed to improve the net fund balance and therefore closely monitored all expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. West Ridge Academy's investment in capital assets for its governmental activities as of June 30, 2017 totals $5,248,019 (net of accumulated depreciation). This investment includes land, construction in progress, and equipment.

The School utilizes the straight-line depreciation method for its capital assets. Depreciation is recognized when the asset is placed into service.

Additional information on the School's capital assets can be found in note 3 of this report.

Long-term debt: The Building Corporation carries total bonded debt outstanding of $9,490,000. Additional information on long-term debt and the related facility leases can be found in Notes 4 and 5 on pages 21 - 22 of this report.

FUTURE OPERATIONS

West Ridge Academy continues to make improvements in the areas of financial management, academic performance, and strategic vision. Once again, the school finished the year in an even stronger financial position than the prior year. Our teachers are being paid at a better average salary than ever before in the school's history.

Due to increased demand, the School purchased land and a building. We renovated the building and added an addition to it, thus doubling the size of our school. This allowed us to double the number of students moving from a one track school to a two track school. Now more students will benefit from the quality academic and character education offered. Once again, our standardized test scores were some of the best in Weld County School District #6. We continue to refine and improve our educational practices to insure all students are having their academic needs met.

As West Ridge Academy continues to strive for excellence, the Administration will continue to look for incorporating best practices, managing strategic vision, and putting the school in a strong financial and academic position.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of West Ridge Academy finances for all those with an interest in the Schools' finances. Questions concerning any of the information provided should be addressed to West Ridge Academy, 6200 West 20th Street, Greeley, Colorado 80634.

WEST RIDGE ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Cash	$ 6,079,567
Prepaid Items	7,152
Accounts Receivable	8,138
Capital Assets, Net of Accumulated Depreciation	5,248,019
Total Assets	11,342,876
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	2,138,609
Total Deferred Outflows of Resources	2,138,609
LIABILITIES	
Accounts Payable	1,467,645
Accrued Expenses	838
Accrued Interest Payable	41,414
Long-Term Liabilities	
Due in More than One Year	9,490,000
Net Pension Liability	4,940,296
Total Liabilities	15,940,193
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Inflows	22,321
Total Deferred Inflows of Resources	22,321
NET POSITION	
Net Investment in Capital Assets	(1,004,379)
Restricted for TABOR	55,853
Restricted for Technology Grant	100,000
Unrestricted	(1,632,503)
Total Net Position	$ (2,481,029)

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES					
Instructional	$ 2,109,068	$ -	$ 312,571	$ -	S (1,796,497)
Support Services	922,144	-	-	67,332	(854,812)
Interest Expense	224,350	-	-	-	(224,350)
Total Government Activities	$ 3,255,562	$ -	$ 312,571	$ 67,332	(2,875,659)
		GENERAL REVENUES			
		Per Pupil Revenue			1,701,974
		Interest Income			26,811
		Other			30,782
		Total General Revenues			1,759,567
		CHANGE IN NET POSITION			(1,116,092)
		Net Position - Beginning			(1,364,937)
		NET POSITION - ENDING			$ (2,481,029)

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Building Corporation	Total
ASSETS			
Cash	$ 862,656	$ 7,205	$ 869,861
Restricted Cash and Investments	-	5,209,706	5,209,706
Prepaid Items	7,152	-	7,152
Accounts Receivable	8,138	-	8,138
Total Assets	$ 877,946	$ 5,216,911	$ 6,094,857
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	104,758	1,362,887	1,467,645
Accrued Expenditures	838	-	838
Total Liabilities	105,596	1,362,887	1,468,483
FUND BALANCES			
Nonspendable	7,152	-	7,152
Restricted:			
Emergencies	55,853	-	55,853
Debt Service	-	609,217	609,217
Capital Projects	-	3,244,807	3,244,807
Technology Grant	100,000	-	100,000
Unassigned	609,345	-	609,345
Total Fund Balances	772,350	3,854,024	4,626,374
Total Liabilities and Fund Balances	$ 877,946	$ 5,216,911	$ 6,094,857

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Fund Balance - Governmental Funds		$ 4,626,374
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $5,274,466 and accumulated depreciation is $26,447.		5,248,019
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds Payable	$ (9,490,000)	
Accrued Interest Payable	(41,414)	
Net Pension Liability	(4,940,296)	(14,471,710)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		2,138,609
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		(22,321)
Total Net Position		$ (2,481,029)

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General Fund	Building Corporation	Total
REVENUES			
Per Pupil Funding	$ 1,701,974	$ -	$ 1,701,974
State and Federal Sources	139,148	-	139,148
Local Sources	240,755	-	240,755
Interest Income	-	26,811	26,811
Other Revenues	20,635	10,147	30,782
Total Revenues	2,102,512	36,958	2,139,470
EXPENDITURES			
Current:			
Instruction	1,156,912	-	1,156,912
Support Services	589,820	332,324	922,144
Debt Service:			
Interest	-	182,936	182,936
Capital Outlay	78,742	5,157,674	5,236,416
Total Expenditures	1,825,474	5,672,934	7,498,408
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	277,038	(5,635,976)	(5,358,938)
OTHER FINANCING SOURCES			
Sale of Capital Assets	60,000	-	60,000
Proceeds from Debt Issuance	-	9,490,000	9,490,000
Total Other Financing Sources	60,000	9,490,000	9,550,000
NET CHANGE IN FUND BALANCE	337,038	3,854,024	4,191,062
Fund Balance - Beginning	435,312	-	435,312
FUND BALANCE - ENDING	$ 772,350	$ 3,854,024	$ 4,626,374

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net Change In Fund Balance - Governmental Fund		$ 4,191,062
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities, these costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital Outlay	$ 5,236,416	
Depreciation Expense	(21,208)	
Net Book Value of Disposal	(75,407)	5,139,801
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:		
Pension Expense		(915,541)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.		
Issuance of Debt	(9,490,000)	
Accrued Interest	(41,414)	(9,531,414)
Change in Net Position		$ (1,116,092)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of West Ridge Academy (the School) conform to accounting principles generally accepted in the Unites States of America. The following is a summary of the School's significant accounting policies:

Reporting Entity

GASB has specified the criteria to be used in defining a governmental entity for financial reporting purposes:

> The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the exercise of financial accountability over such agencies by the governmental unit's elected officials. Financial accountability is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Financial accountability implies that a governmental unit is dependent on another and the dependent unit should be reported as part of the other.

The School is a charter school organized under the Colorado Charter Schools Act (Colorado Revised Statutes §22-30.5-101). This Act permits school districts to contract with individuals and organizations for the operation of schools within Weld County School District 6 (the District). The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the school district's School Finance Act revenues and from revenues generated by the charter school within limits established by the Charter School Act. Charter schools have separate governing boards; however, the school district's board of education must approve all charter school applications and budgets.

The school operates under a charter granted by the District Board of Education. The School is funded based on the level of per pupil operating revenue (PPR) as defined by the State of Colorado Legislature and the number of full-time equivalent (FTE) students. As of the designated count day (October 1, 2016), there were 242 students enrolled. The PPR rate for the fiscal year ended June 30, 2017, was approximately $7,000.

The accompanying financial statements present the School and its component units, an entity for which the School is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the School's operations. The WRA Building Corporation (the Building Corporation) meets the requirements for blending.

The School is a component unit of the District and is included in the District's Comprehensive Annual Financial Report.

The accounting policies of the School conform to accounting principles generally accepted in the United States of America. The following is a summary of the School's significant accounting policies:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expense of a given function segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or individuals who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenue from per pupil operating revenue is recognized in the fiscal year for which the funding is provided. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measureable means that the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

Charges for services are considered revenue once the service is rendered, and as such are considered susceptible to accrual.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The accounts of the School are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

Major Governmental Funds

General Fund - The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required legally or by sound financial management to be accounted for in another fund.

Special Revenue - WRA Building Corporation: Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School reports a special revenue fund for the Building Corporation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Cash and Investments

Cash and investments may include cash on hand, demand deposits, certificates of deposit, savings accounts and pooled investment funds. Investments are carried at fair value.

Capital Assets

Capital assets, which include land, buildings and building improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets, except for land, are depreciated. Depreciation on all assets is provided using the straight-line method over the following estimated useful lives:

Modular Building	10 Years
Equipment	10 Years
Computers and Software	5 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

The School's governmental activities report a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The School reports deferred outflows of resources relating to its proportionate share of the net pension liability. See Note 7 for additional information.

Long-Term Debt

Long-term debt is reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of debt using the effective interest methods. Bonds payable are reported net of the applicable bond premium or discount.

Net Pension Liability

The School's governmental activities report a net pension liability as of June 30, 2017. The School is required to report its proportionate share of PERA's unfunded pension liability. See Note 7 for additional information.

Deferred Inflows of Resources

The School's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The School reports deferred inflows of resources relating to its proportionate share of the net pension liability. See Note 7 for additional information.

Net Position/Fund Balance

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets.

In the fund financial statements, fund equity of the School's governmental funds are classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balances indicate amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact.

Restricted fund balances in the School's general fund indicate amounts constrained for specific purpose by external parties, constitutional provision, or enabling legislation. Restrictions on the School's general fund balance are described in Note 6.

Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require an ordinance by the School's board to remove or change the constraints placed on the resources. This action must occur prior to year-end; however, the amount can be determined in the subsequent period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balance (Continued)

Assigned fund balances indicate amounts for governmental funds, other than the general fund, any remaining positive amounts not classified in the above categories. For the general fund, amounts constrained for the intent to be used for a specific purpose has been delegated to the Principal.

Unassigned fund balances indicate amounts in the general fund that are not classified as nonspendable, restricted, committed, or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. The School uses restricted funds prior to unrestricted funds. When both unassigned and committed or assigned resources are available for use, it is the School's policy to use committed, then assigned resources first, then unassigned resources as needed.

NOTE 2 CASH AND INVESTMENTS

Colorado statutes govern the School's deposits of cash and investments. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2017, the School's carrying amount of deposits was $869,861.

WRA Building Corporation

The bonds require the Building Corporation to maintain certain cash and investment reserve accounts. These accounts are held by a trustee. Bond payments are made from the accounts.

At June 30,2017, $334,150 is held in reserve accounts required by the bond agreements which is to be used for the payment of principal and interest on the bond in the event that sufficient funds are not available to make such payments when due. $275,067 is held in reserve accounts required by the bond agreements, which are to be used for the current principal and interest payments on the bonds. Additionally, $4,600,489 is held in a project fund to be used for future construction.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments: The School does not hold investments. The cash and investment reserve accounts owned by the Building Corporation are in the custody of the trustee, these funds are used primarily to make bond principal and interest payments. These funds are invested by the trustee as directed by the Building Corporation; investments are limited to investments as allowed by the state of Colorado. The statutes define the permissible rating, maturity, custodial and concentration risk criteria in which local governments may invest to include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

At June 30, 2017, the Building Corporation's investments consisted of $5,209,706 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1.00. ColoTrust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. The Building Corporation's investments are in the ColoTrust Plus+ portfolio. A designated custodial bank serves as custodian for ColoTrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by ColoTrust. ColoTrust is rated AAAm by Standard & Poor's. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk: The extent to which changes in interest rates will adversely affect the fair value of an investment is defined as interest rate risk. The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

As of June 30, 2017 the Building Corporation's investment in ColoTrust of $5,209,706 has a maturity date of 12 months or less.

Credit Risk: The School has no policy toward credit risk other than to follow State statutes, which limit certain investments to those with specified ratings provided by nationally recognized statistical rating organizations, depending on the type of investment.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk: State statutes do not limit the amount the School may invest in one issuer, except for corporate securities.

Fair Value: The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is sued to value securities based on the securities' relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

The Building Corporation's investment of $5,209,706 in ColoTrust is measured at net asset value.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Capital Assets, Not Depreciated				
Land	$ -	$ 1,006,898	$ -	$ 1,006,898
Construction in Progress	-	4,150,776	-	4,150,776
Total Capital Assets Not Being Depreciated	-	5,157,674	-	5,157,674
Capital Assets, Being Depreciated:				
Modular Building and Improvements	148,345	-	(148,345)	-
Equipment	38,050	78,742	-	116,792
Total Capital Assets Being Depreciated	186,395	78,742	(148,345)	116,792
Accumulated Depreciation:				
Modular Building and Improvements	(59,340)	(13,598)	72,938	-
Equipment	(18,837)	(7,610)	-	(26,447)
Total Accumulated Depreciation	(78,177)	(21,208)	72,938	(26,447)
Total Capital Assets, Net	$ 108,218	$ 5,215,208	$ (75,407)	$ 5,248,019

Depreciation expense of $21,208 was charged to the instruction function of the School.

NOTE 4 BONDS PAYABLE

On January 1, 2017, the Public Finance Authority (the Authority) issued its Charter School Revenue Bonds as Series 2017A and 2017B, in the amount of $9,490,000. The bonds were issued for the WRA Building Corporation's use in the acquisition of land and construction, improvement, and equipping of educational facilities of the Building Corporation, to fund a debt service reserve fund for the Series 2017A and 2017B bonds, to fund capitalized interest on the Series 2017A and 2017B bonds, and pay the cost of issuance of the Series 2017A and 2017B bonds. The Authority and Building Corporation have entered into a loan agreement wherein the proceeds of the Authority bonds have been loaned to the Building Corporation. The Series 2017A bonds mature in 2021 with a 5.5% interest rate. The Series 2017B bonds mature in 2020 with a 6.0% interest rate.

The Building Corporation has granted the Authority a mortgage lien on the real estate and a security interest in the lease revenues from the School. The Authority's rights under the agreement have been assigned to the trustee.

The lease revenues, which are the basis of the pledged revenues, are described in Note 5. The lease revenue over the term of the agreement is equal to the expected principal and interest payments to be made over the life of the bonds. One hundred percent of lease revenues have been pledged under the agreement. For the year ended June 30, 2017, $182,936 in an interest payment was made using part of the proceeds from the original bond issue as payment. No lease payments were made during the year ended June 30, 2017.

The following schedule represents the School's debt service requirements to maturity for outstanding revenue bonds at June 30, 2017:

Year Ending June 30,	Principal	Interest	Total
2018	$ -	$ 522,675	$ 522,675
2019	-	522,675	522,675
2020	125,000	518,925	643,925
2021	155,000	510,863	665,863
2022	9,210,000	253,275	9,463,275
Total	$ 9,490,000	$ 2,328,413	$ 11,818,413

Changes in bonds payable for the year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Bonds Payable	$ -	$ 9,490,000	$ -	$ 9,490,000
Total	$ -	$ 9,490,000	$ -	$ 9,490,000

NOTE 5 LEASES

The School entered into a three-year lease for a building beginning July 2011. The lease commitment has been automatically renewed each year. The School made payments of $14,000 per month for fiscal year 2017. Rental expense for the lease was $161,000 for the year-ended June 30, 2017. This lease was terminated in June 2017.

The School leases its building from the Building Corporation. The lease requires payments, which approximate the Building Corporation's required payments on the bonds (Note 4) and may be terminated in any year by non-appropriation of funds. The Building Corporation has pledged the lease payments to pay bond principal and interest. The School was not required to make any lease payments during the year ended June 30, 2017.

NOTE 6 RESTRICTION OF NET POSITION / DESIGNATIONS OF FUND BALANCE

On November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the state and local governments such as the School to increase revenues, debt, and spending and restricts property, income and other taxes. In addition, the amendment requires government entities to create an emergency "reserve" of 3% of annual spending excluding bonded debt service. In November 1998, voter approval was given to Weld County School District 6 to remove the restriction on growth in revenue, eliminating the restriction of revenues on the School. The 3% emergency reserve is still required both at the District and the School level. As of June 30, 2017, management believes the School complied with the requirements to include emergency reserves in its budgetary basis fund balance.

As of June 30, 2017, the School reports $100,000 restricted for educational technology relating to revenue from a private grant.

The Building Corporation is required to hold funds in accounts related to its bond obligations as identified in Note 2. Net position/fund balance is restricted attributable to the restrictions on its cash and investments.

NOTE 7 DEFINED BENEFIT PENSION PLAN

The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deletions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan

Plan Description: Eligible employees of the School are provided with pensions through the School Division Trust Fund (SCHDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S), administrative rules are set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided: PERA provides retirement, disability, and survivor benefits. Retirements are determined by the amount of service credit earned and/or purchases, highest average salary, the benefit structure under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. §24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA Benefit Structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA Benefit Structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions: Eligible employees and the School are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2017
Employer Contribution Rate[1]	10.15 %	10.15 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF[1]	9.13 %	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	4.50 %	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	4.50 %	5.00 %
Total Employer Contribution Rate to the SCHDTF[1]	18.13 %	18.63 %

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF for the School for the year ended June 30, 2017 were $144,336.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2017, the School reported a liability of $4,940,296 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

At December 31, 2016, the School's proportion was 0.0165927247%, which was an increase of 0.0013883631% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the School recognized pension expense of $915,541. At June 30, 2017, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 61,761	$ 43
Changes of Assumptions or other Inputs	1,603,023	22,278
Net Difference between Projected and Actual Earnings on Pension Plan Investments	165,193	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	233,332	-
Contributions Subsequent to the Measurement Date	75,300	-
Total	$ 2,138,609	$ 22,321

$75,300 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	$ 838,208
2019	816,072
2020	385,060
2021	1,648
	$ 2,040,988

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions: Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's board on November 18, 2016 and were effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.70%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	5.26%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007;	
and DPS Benefit Structure (Automatic)	2.00%
PERA Benefit Structure hired after December 31, 2006	
(Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years. Active member mortality was based upon the same mortality rates but adjusted to 55% of the base rate for males and 40% of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's board on November 13, 2012, and an economic assumption study, adopted by PERA's board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50% per year, compounded annually, net of investment expenses to 7.25% per year, compounded annually, net of investment expenses.

- Price inflation assumption decreased from 2.80% per year to 2.40% per year.

- Real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.

- Wage inflation assumption decreased from 3.90% per year to 3.50% per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00 %	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount Rate: The discount rate used to measure the total pension liability was 5.26%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the project of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25% on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86%, resulting in a discount rate of 5.26%.

As of the prior measurement date, the projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50%, 2.24% higher compared to the current measurement date.

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (4.26%) or one percentage-point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate Share of the Net Pension Liability	$ 6,212,263	$ 4,940,296	$ 3,904,324

Pension Plan Fiduciary Net Position: Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8 POSTEMPLOYMENT HEALTH CARE BENEFITS

Health Care Trust Fund

Plan Description – The School contributes to the Health Care Trust Fund (HCTF), a cost sharing multiple employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The School is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2017, 2016 and 2015, the School's contributions to the HCTF were $8,003, $7,265, and $6,309, respectively, equal to their required contributions for each year.

NOTE 9 RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The School maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

WEST RIDGE ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Per Pupil Funding	$ 1,650,480	$ 1,700,480	$ 1,701,974	$ 1,494
State and Federal Sources	144,986	142,550	139,148	(3,402)
Local Sources	4,500	104,500	240,755	136,255
Other Revenues	-	-	20,635	20,635
Total Revenues	1,799,966	1,947,530	2,102,512	154,982
EXPENDITURES				
Current:				
Instruction	1,230,255	1,230,255	1,156,912	73,343
Support Services	462,856	612,856	589,820	23,036
Capital Outlay	15,000	15,000	78,742	(63,742)
Total Expenditures	1,708,111	1,858,111	1,825,474	32,637
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	60,000	60,000
NET CHANGE IN FUND BALANCE	91,855	89,419	337,038	247,619
Fund Balance - Beginning	244,592	435,312	435,312	-
FUND BALANCE - ENDING	$ 336,447	$ 524,731	$ 772,350	$ 247,619

See accompanying Notes to Required Supplementary Information.

WEST RIDGE ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – BUILDING CORPORATION
YEAR ENDED JUNE 30, 2017

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 27,000	$ 26,811	$ (189)
Other Revenues	10,500	10,147	(353)
Total Revenues	37,500	36,958	(542)
EXPENDITURES			
Current:			
Support Services	334,500	332,324	2,176
Debt Service			
Interest	182,936	182,936	-
Capital Outlay	5,157,674	5,157,674	-
Total Expenditures	5,675,110	5,672,934	2,176
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,637,610)	(5,635,976)	1,634
OTHER FINANCING SOURCES			
Proceeds from Debt Issuance	9,490,000	9,490,000	-
NET CHANGE IN FUND BALANCE	3,852,390	3,854,024	1,634
Fund Balance - Beginning	-	-	-
FUND BALANCE - ENDING	$ 3,852,390	$ 3,854,024	$ 3,854,024

See accompanying Notes to Required Supplementary Information.

WEST RIDGE ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2016	2015	2014	2013
School's proportion (percentage) of the collective net pension liability (asset)	0.0165927247%	0.0152043616%	0.0136498351%	0.0135611489%
School's proportionate share of the collective pension liability (asset)	$ 4,940,296	$ 2,325,400	$ 1,850,011	$ 1,729,721
Covered payroll	$ 744,542	$ 662,603	$ 573,611	$ 545,233
School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	663.53%	350.95%	322.52%	317.24%
Plan fiduciary net position as a percentage of the total pension liability	43.10%	59.20%	62.80%	64.06%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2013 was not available.

WEST RIDGE ACADEMY
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS*

As of June 30,	2017	2016	2015
Statutorily required contributions	$ 144,336	$ 126,388	$ 104,485
Contributions in relation to the statutorily required contribution	$ 144,336	$ 126,388	$ 104,485
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 784,795	$ 712,223	$ 618,511
Contribution as a percentage of covered-employee payroll	18.39%	17.75%	16.89%

* The amounts presented for each fiscal year were determined as of June 30. Information earlier not available.

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The School conducts all necessary budgeting procedures maintaining separate budgets for each fund.

The School adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

a) Budgets for all funds are required by the District. During June, the proposed budget is submitted to the Board for consideration and approval at a public hearing. The budget includes proposed expenditures and the means of financing them.

b) The Public hearings are conducted by the School's Board of Directors to obtain parents and other members of the public comment and recommendations.

c) Prior to June 30, the budget is adopted by formal resolution.

d) The School's contract with the District requires submission of the approval and amended budgets to the District.

e) Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between funds, reallocation of budget line items and revisions that alter the total appropriations of any fund must be approved by the School's Board of Directors. Appropriations are based on total funds expected to be available in each budget year, which may include beginning fund balances and reserves as established by the Board of Directors.

f) Budgets for all fund types are adopted on a basis consistent with GAAP.

g) Budgeted amounts reported in the accompanying supplemental information are as originally adopted and as amended by the Board of Directors throughout the year. Budgeted amounts included in the financial statements are based on the final budget as adopted by the School's Board of Directors on May 8, 2017. The final WRA Building Corporation budget was approved by the Board on September 25, 2017.

h) All appropriations lapse at the end of each fiscal year.

Historical Student Enrollment

Grade	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
K	23	21	28	27	37	55
1st	24	25	26	28	29	46
2nd	25	24	28	28	28	50
3rd	25	20	28	28	28	51
4th	21	26	26	28	29	44
5th	21	21	28	28	28	45
6th	22	16	23	26	27	44
7th	19	17	20	25	28	30
8th	16	11	17	12	24	29
Sub Total						
Home school						
Total	**196**	181	224	230	258	394

Historical Teacher Retention Rates	
Year	**Percentage Retained**
From 2011-12 to 2012-13	50
From 2012-13 to 2013-14	79
From 2013-14 to 2014-15	47
From 2014-15 to 2015-16	69
From 2015-16 to 2016-17	47
From 2016-17 to 2017-18	78

Degree Held	**Percent of Certificated/Licensed Staff 2017-2018**
Bachelors	**37.5 %**
Bachelors plus [1]	**50 %**
Masters	**12.5 %**
Masters plus [1]	__%
Doctorate	__%
Total	100%

[1] Credit hours acquired toward an advanced degree.

Percent of Students Retained by Grade

Grade	From 2011-12 to 2012-13	From 2012-13 to 2013-14	From 2013-14 to 2014-15	From 2014-15 to 2015-16	From 2015-16 to 2016-17	From 2016—17 to 2017-18
K	Unknown	**Unknown**	**NA**	**NA**	**NA**	**NA**
1st			**86%**	**64%**	**83%**	**79%**
2nd			**84%**	**64%**	**72%**	**75%**
3rd			**100%**	**79%**	**72%**	**76%**
4th			**85%**	**83%**	**90%**	**76%**
5th			**81%**	**74%**	**83%**	**74%**
6th			**62%**	**79%**	**61%**	**76%**
7th			**69%**	**61%**	**81%**	
8th	NA	**NA**	**83%**	**50%**	**72%**	
Total			**81%**	**70%**	**77%**	

Historical Wait List (as of 9/1/2016)

Grade	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018
K					78	74
1st					27	46
2nd					73	16
3rd					30	6
4th					34	6
5th					80	5
6th					28	16
7th					21	5
8th					40	5
Total	**Unavailable**	Unavailable	300	310	411	***204

***Please note that we added 160 students off of last year's list.

CMAS PARCC English, Math, Science, and Social Studies

	2017						
	3rd	4th	5th	6th	7th	8th	
ELA							
WRA MEE %	37	83	19	70	64	73	
STATE MEE%	40	44	46	40	44	43	
District MEE%	28	32	30	29	35	34	
MATH							**Alg I**
WRA MEE%	37	48	37	51	32	0	57
STATE MEE%	40	34	37	31	26	21	33
District MEE%	31	23	19	17	18	12	16
Science							
WRA MEE%			41			23	
STATE MEE%			35			30	
District MEE%			19			19	
Social Studies							
WRA MEE%		*N/A			*N/A		
STATE MEE%							
District MEE%							
*Taken every 3 years							

Historical PPR

2016-2017 $7,048.85

2017-2018 $7,279.05

WEST RIDGE ACADEMY

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

WEST RIDGE ACADEMY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
West Ridge Academy
Greeley, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of West Ridge Academy, a component unit of Weld County School District 6, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise West Ridge Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of West Ridge Academy as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

West Ridge Academy adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of GASB Statement No. 75 as described in Note 11 to the financial statements, West Ridge Academy reported a restatement for the change in accounting principle. Our opinions are not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, the budgetary comparison information and the pension and other post-employment benefit schedules on pages 41 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CliftonLarsonAllen LLP

Broomfield, Colorado
September 27, 2018

WEST RIDGE ACADEMY
An Authorized Charter School of Weld County School District 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2018

This section of the report provides readers with a narrative overview and analysis of the financial activities of West Ridge Academy (the School) for the year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the School's financial performance.

FINANCIAL HIGHLIGHTS

- West Ridge Academy experienced a decrease of $1,286,905 in net position for the year ended June 30, 2018.
- West Ridge Academy's General Fund assets exceeded liabilities by $1,339,798 at June 30, 2018.
- The WRA Building Corporation spent $3,075,988 of the remaining bond proceeds on capital outlay relating to the new school building. The new school building was placed in service during the year. $266,592 of the debt issuance remains in cash and investments held by the trustee.
- The WRA Building Corporation paid $522,675 in interest on the outstanding bonds, using $303,897 in lease payments from the General Fund and $218,778 in proceeds from the original bond issue.
- West Ridge Academy recognized $246,275 in revenue from the mill levy override that was approved by voters within Weld County School District 6's boundaries during the year ended June 30, 2018. Revenue from the mill levy override that was not spent as of June 30, 2018 is presented as restricted fund balance.
- Total unrestricted cash was at $1,393,156 June 30, 2018, as compared to $869,861 at June 30, 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report also contains required supplementary information.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the School's financial position is improving or deteriorating.

The *statement of activities* presents the government's changes in net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected fees).

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. West Ridge Academy, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

West Ridge Academy reports two governmental funds: the General Fund and WRA Building Corporation, a special revenue fund, both of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 10-13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-41 of this report.

Budgetary Comparisons. West Ridge Academy adopts annual appropriated budgets for the General Fund and the WRA Building Corporation. A budgetary comparison statement has been provided for the General Fund on page 42 of this report. A budgetary comparison statement has been provided for the Building Corporation on page 43 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

TABLE A-1
COMPARATIVE SUMMARY STATEMENT OF NET POSITION

	2018	2017
Assets		
Current Assets	$ 2,066,494	$ 6,094,857
Capital Assets	8,164,195	5,248,019
Total Assets	10,230,689	11,342,876
Deferred Outflows of Resources		
OPEB	35,212	-
Pension Plan	2,716,990	2,138,609
Total Assets and Deferred Outflows of Resources	12,982,891	13,481,485
Liabilities		
Current Liabilities	110,191	1,509,897
Noncurrent Liabilities	9,490,000	9,490,000
OPEB Liability	155,988	-
Net Pension Liability	6,830,873	4,940,296
Total Liabilities	16,587,052	15,940,193
Deferred Inflows of Resources		
OPEB	2,610	-
Pension Plan	279,323	22,321
Total Liabilities and Deferred Inflows of Resources	16,868,985	15,962,514
Net Position:		
Investment in Capital Assets	(1,059,213)	(1,004,379)
Restricted	492,543	155,853
Unrestricted	(3,319,424)	(1,632,503)
Total Net Position	$ (3,886,094)	$ (2,481,029)

The School has $96,595 of net position that is restricted to comply with the Taxpayer's Bill of Rights (TABOR) requirements. The School reports $39,990 restricted net position related to remaining mill levy override funding. The School reports $355,958 restricted net position related to cash and investments required to be held for debt service reserves.

The School presents a liability of $155,988 relating to the School's participation in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) related to implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As part of implementation of this accounting standard for other post-employment benefits (OPEB), the School also presents deferred outflows of resources of $35,212 and deferred inflows of resources of $2,610.

TABLE A-2
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2018	2017
Program Revenues:		
Operating Grants and Contributions	$ 397,800	$ 312,571
Capital Grants and Contributions	101,019	67,332
General Revenues:		
Per Pupil Funding	2,785,378	1,701,974
Interest Income	17,404	26,811
Other Revenue	177,451	30,782
Total Revenues	3,479,052	2,139,470
Expenses:		
Instruction	3,629,829	2,109,068
Support Services	613,453	922,144
Interest Expense	522,675	224,350
Total Expenses	4,765,957	3,255,562
Change in Net Position	(1,286,905)	(1,116,092)
Net Position - Beginning as Restated*	(2,599,189)	(1,364,937)
Net Position - Ending	$ (3,886,094)	$ (2,481,029)

* Only the 2018 beginning balance represented restated amounts

Governmental-wide activities decreased the School's net position by $1,286,905 in 2017. This is largely due to recording pension expense of $1,569,198 as required by governmental accounting standards.

FINANCIAL ANALYSIS OF THE SCHOOL'S GENERAL FUND

The General Fund ended the year with a fund balance of $1,339,798, an increase of $567,448 from the beginning fund balance. The School was able to increase the ending fund balance by cost control measures, increased enrollment, and increased fundraising efforts.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School's budget is prepared according to Colorado statutes.

West Ridge Academy budgeted for 368 students for the Per Pupil Revenue (PPR). The actual number ended up being 406 which is an increase of 164 students from the previous year.

There was also an increase in fundraising efforts that helped offset expenses.

Other savings were due to tight budgetary management. The administration and the board of directors know that West Ridge Academy needed to improve the net fund balance and therefore closely monitored all expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. West Ridge Academy's investment in capital assets for its governmental activities as of June 30, 2018 totals $8,164,195 (net of accumulated depreciation). This investment includes land, buildings, building improvements, and equipment.

The School utilizes the straight-line depreciation method for its capital assets. Depreciation is recognized when the asset is placed into service.

Additional information on the School's capital assets can be found in note 4 of this report.

Long-Term Debt: The Building Corporation carries total bonded debt outstanding of $9,490,000. Additional information on long-term debt, which can be found in Note 5.

FUTURE OPERATIONS

West Ridge Academy continues to make improvements in the areas of financial management, academic performance, and strategic vision. Once again, the school finished the year in an even stronger financial position than the prior year. Our teachers are being paid at a better average salary than ever before in the school's history.

We renovated the building and added an addition to it, thus doubling the size of our school. This allowed us to double the number of students moving from a one track school to a two track school. Now more students will benefit from the quality academic and character education offered. Once again, our standardized test scores were some of the best in Weld County School District #6. We continue to refine and improve our educational practices to insure all students are having their academic needs met.

As West Ridge Academy continues to strive for excellence, the Administration will continue to look for incorporating best practices, managing strategic vision, and putting the school in a strong financial and academic position.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of West Ridge Academy finances for all those with an interest in the Schools' finances. Questions concerning any of the information provided should be addressed to West Ridge Academy, 6905 8th Street, Greeley, Colorado 80634.

WEST RIDGE ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and Investments	$ 2,057,120
Prepaid Items	9,374
Capital Assets, Net of Accumulated Depreciation	8,164,195
Total Assets	10,230,689
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pension	2,716,990
Deferred Outflows - OPEB	35,212
Total Deferred Outflows of Resources	2,752,202
LIABILITIES	
Accounts Payable	68,315
Accrued Expenses	462
Accrued Interest Payable	41,414
Long-Term Liabilities	
Bonds Payable Due in More than One Year	9,490,000
Net Pension Liability Due in More than One Year	6,830,873
Net OPEB Liability Due in More than One Year	155,988
Total Liabilities	16,587,052
DEFERRED INFLOWS OF RESOURCES	
Related to Pension Plan	279,323
Related to OPEB	2,610
Total Deferred Inflows of Resources	281,933
NET POSITION	
Net Investment in Capital Assets	(1,059,213)
Restricted for TABOR	96,595
Restricted for Education Purposes - Mill Levy	39,990
Restricted for Debt Service	355,958
Unrestricted	(3,319,424)
Total Net Position	$ (3,886,094)

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES					
Instructional	$ 3,629,829	$ -	$ 397,800	$ -	$ (3,232,029)
Support Services	613,453	-	-	101,019	(512,434)
Interest Expense	522,675	-	-	-	(522,675)
Total Governmental Activities	$ 4,765,957	$ -	$ 397,800	$ 101,019	(4,267,138)
	GENERAL REVENUES				
	Per Pupil Revenue				2,785,378
	Interest Income				17,404
	Other				177,451
	Total General Revenues				2,980,233
	CHANGE IN NET POSITION				(1,286,905)
	Net Position - Beginning as Restated				(2,599,189)
	NET POSITION - ENDING				$ (3,886,094)

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Building Corporation	Total
ASSETS			
Cash and Investments	$ 1,329,937	$ 63,219	$ 1,393,156
Restricted Cash and Investments	-	663,964	663,964
Due from Other Funds	66,919	-	66,919
Prepaid Items	9,374	-	9,374
Total Assets	$ 1,406,230	$ 727,183	$ 2,133,413
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	65,970	2,345	68,315
Due to Other Funds	-	66,919	66,919
Accrued Expenditures	462	-	462
Total Liabilities	66,432	69,264	135,696
FUND BALANCES			
Nonspendable	9,374	-	9,374
Restricted:			
Emergencies	96,595	-	96,595
Educational Purposes - Mill Levy	39,990	-	39,990
Debt Service	-	397,372	397,372
Capital Projects	-	260,547	260,547
Technology Grant	-	-	-
Unassigned	1,193,839	-	1,193,839
Total Fund Balances	1,339,798	657,919	1,997,717
Total Liabilities and Fund Balances	$ 1,406,230	$ 727,183	$ 2,133,413

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Fund Balance - Governmental Funds		$ 1,997,717
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $8,325,883 and accumulated depreciation is $161,688.		8,164,195
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds Payable	$ (9,490,000)	
Accrued Interest Payable	(41,414)	
OPEB Liability	(155,988)	
Net Pension Liability	(6,830,873)	(16,518,275)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Pension		2,716,990
OPEB		35,212
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Pension		(279,323)
OPEB		(2,610)
Total Net Position		$ (3,886,094)

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General Fund	Building Corporation	Total
REVENUES			
Per Pupil Funding	$ 2,785,378	$ -	$ 2,785,378
State and Federal Sources	233,249	-	233,249
Local Sources	265,570	-	265,570
Rental Income	-	303,897	303,897
Interest Income	-	17,404	17,404
Other Revenues	83,425	94,026	177,451
Total Revenues	3,367,622	415,327	3,782,949
EXPENDITURES			
Current:			
Instruction	1,920,164	-	1,920,164
Support Services	880,010	12,769	892,779
Debt Service:			
Interest	-	522,675	522,675
Capital Outlay	-	3,075,988	3,075,988
Total Expenditures	2,800,174	3,611,432	6,411,606
NET CHANGE IN FUND BALANCES	567,448	(3,196,105)	(2,628,657)
Fund Balances - Beginning	772,350	3,854,024	4,626,374
FUND BALANCES - ENDING	$ 1,339,798	$ 657,919	$ 1,997,717

See accompanying Notes to Financial Statements.

WEST RIDGE ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net Change In Fund Balance - Governmental Funds		$ (2,628,657)
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities, these costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital Outlay	$ 3,051,417	
Depreciation Expense	(135,241)	2,916,176
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:		
Pension Expense	(1,569,198)	
OPEB Expense	(5,226)	(1,574,424)
Change in Net Position		$ (1,286,905)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of West Ridge Academy (the School) conform to accounting principles generally accepted in the Unites States of America. The following is a summary of the School's significant accounting policies:

Reporting Entity

GASB has specified the criteria to be used in defining a governmental entity for financial reporting purposes:

> The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the exercise of financial accountability over such agencies by the governmental unit's elected officials. Financial accountability is derived from the governmental unit's power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Financial accountability implies that a governmental unit is dependent on another and the dependent unit should be reported as part of the other.

The School is a charter school organized under the Colorado Charter Schools Act (Colorado Revised Statutes §22-30.5-101). This Act permits school districts to contract with individuals and organizations for the operation of schools within Weld County School District 6 (the District). The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the school district's School Finance Act revenues and from revenues generated by the charter school within limits established by the Charter School Act. Charter schools have separate governing boards; however, the school district's board of education must approve all charter school applications and budgets.

The school operates under a charter granted by the District Board of Education. The School is funded based on the level of per pupil operating revenue (PPR) as defined by the State of Colorado Legislature and the number of full-time equivalent (FTE) students. As of the designated count day (October 1, 2017), there were 406 students enrolled. The PPR rate for the fiscal year ended June 30, 2018, was approximately $7,150.

The accompanying financial statements present the School and its component units, an entity for which the School is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the School's operations. The WRA Building Corporation (the Building Corporation) meets the requirements for blending.

The School is a component unit of the District and is included in the District's Comprehensive Annual Financial Report.

The accounting policies of the School conform to accounting principles generally accepted in the United States of America. The following is a summary of the School's significant accounting policies:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expense of a given function segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or individuals who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenue from per pupil operating revenue is recognized in the fiscal year for which the funding is provided. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measureable means that the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

Charges for services are considered revenue once the service is rendered, and as such are considered susceptible to accrual.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The accounts of the School are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

Major Governmental Funds

General Fund - The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required legally or by sound financial management to be accounted for in another fund.

Special Revenue - WRA Building Corporation: Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School reports a special revenue fund for the Building Corporation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

Cash and Investments

Cash and investments may include cash on hand, demand deposits, certificates of deposit, savings accounts and pooled investment funds. Investments are carried at net asset value.

Capital Assets

Capital assets, which include land, buildings and building improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets, except for land, are depreciated. Depreciation on all assets is provided using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Building Improvements	10 Years
Equipment	10 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

The School's governmental activities report a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The School reports deferred outflows of resources relating to its proportionate share of the net pension liability and net OPEB liability. See Note 8 and 9 for additional information.

Long-Term Debt

Long-term debt is reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of debt using the effective interest methods. Bonds payable are reported net of the applicable bond premium or discount.

Net Pension Liability

The School's governmental activities report a net pension liability as of June 30, 2018. The School is required to report its proportionate share of PERA's unfunded pension liability. See Note 8 for additional information.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. See Note 9 for additional information.

Deferred Inflows of Resources

The School's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The School reports deferred inflows of resources relating to its proportionate share of the net pension liability and net OPEB liability. See Note 8 and 9 for additional information.

Net Position/Fund Balance

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets.

In the fund financial statements, fund equity of the School's governmental funds are classified as non-spendable, restricted, committed, assigned, or unassigned.

Non-spendable fund balances indicate amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balance (Continued)

Restricted fund balances in the School's general fund indicate amounts constrained for specific purpose by external parties, constitutional provision, or enabling legislation. Restrictions on the School's general fund balance are described in Note 7.

Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require an ordinance by the School's board to remove or change the constraints placed on the resources. This action must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned fund balances indicate amounts for governmental funds, other than the general fund, any remaining positive amounts not classified in the above categories. For the general fund, amounts constrained for the intent to be used for a specific purpose has been delegated to the Principal.

Unassigned fund balances indicate amounts in the general fund that are not classified as non-spendable, restricted, committed, or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. The School uses restricted funds prior to unrestricted funds. When both unassigned and committed or assigned resources are available for use, it is the School's policy to use committed, then assigned resources first, then unassigned resources as needed.

NOTE 2 CASH AND INVESTMENTS

Colorado statutes govern the School's deposits of cash and investments. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2018, the School's carrying amount of deposits was $1,393,156.

WRA Building Corporation

The bonds require the Building Corporation to maintain certain cash and investment reserve accounts. These accounts are held by a trustee. Bond payments are made from the accounts.

At June 30, 2018, $334,389 is held in reserve accounts required by the bond agreements which is to be used for the payment of principal and interest on the bond in the event that sufficient funds are not available to make such payments when due. $62,983 is held in reserve accounts required by the bond agreements, which are to be used for the current principal and interest payments on the bonds. $266,592 is held in a project fund to be used for future construction.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments: The School does not hold investments. The cash and investment reserve accounts owned by the Building Corporation are in the custody of the trustee, these funds are used primarily to make bond principal and interest payments. These funds are invested by the trustee as directed by the Building Corporation; investments are limited to investments as allowed by the state of Colorado. The statutes define the permissible rating, maturity, custodial and concentration risk criteria in which local governments may invest to include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

At June 30, 2018, the Building Corporation's investments consisted of $663,964 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1.00. ColoTrust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. The Building Corporation's investments are in the ColoTrust Plus+ portfolio. A designated custodial bank serves as custodian for ColoTrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by ColoTrust. ColoTrust is rated AAAm by Standard & Poor's. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk: The extent to which changes in interest rates will adversely affect the fair value of an investment is defined as interest rate risk. The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

As of June 30, 2018 the Building Corporation's investment in ColoTrust of $663,964 has a maturity date of 12 months or less.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk: The School has no policy toward credit risk other than to follow State statutes, which limit certain investments to those with specified ratings provided by nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk: State statutes do not limit the amount the School may invest in one issuer, except for corporate securities.

Fair Value: The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is sued to value securities based on the securities' relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

The Building Corporation's investment of $663,964 in ColoTrust is measured at net asset value.

NOTE 3 INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payables as of the year ended June 30, 2018, consisted of the following.

Due to the General Fund from the Building Corporation	$66,919

The interfund receivable and payable exist to assist the Building Corporation with cash flows as the Building Corporation's cash and investments are held with a trustee.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital Assets, Not Depreciated				
Land	$ 1,006,898	$ -	$ -	$ 1,006,898
Construction in Progress	4,150,776	3,034,656	7,185,432	-
Total Capital Assets Not Being Depreciated	5,157,674	3,034,656	7,185,432	1,006,898
Capital Assets, Being Depreciated:				
Buildings	-	7,185,432	-	7,185,432
Building Improvements	-	16,761	-	16,761
Equipment	116,792	-	-	116,792
Total Capital Assets Being Depreciated	116,792	7,202,193	-	7,318,985
Accumulated Depreciation:				
Buildings	-	(119,757)	-	(119,757)
Building Improvements	-	-	-	-
Equipment	(26,447)	(15,484)	-	(41,931)
Total Accumulated Depreciation	(26,447)	(135,241)	-	(161,688)
Total Capital Assets, Net	$ 5,248,019	$ 10,101,608	$ 7,185,432	$ 8,164,195

Depreciation expense of $135,241 was charged to the instruction function of the School.

NOTE 5 BONDS PAYABLE

On January 1, 2017, the Public Finance Authority (the Authority) issued its Charter School Revenue Bonds as Series 2017A and 2017B, in the amount of $9,490,000. The bonds were issued for the WRA Building Corporation's use in the acquisition of land and construction, improvement, and equipping of educational facilities of the Building Corporation, to fund a debt service reserve fund for the Series 2017A and 2017B bonds, to fund initial interest payments on the Series 2017A and 2017B bonds, and pay the cost of issuance of the Series 2017A and 2017B bonds. The Authority and Building Corporation have entered into a loan agreement wherein the proceeds of the Authority bonds have been loaned to the Building Corporation. The Series 2017A bonds mature in 2021 with a 5.5% interest rate. The Series 2017B bonds mature in 2020 with a 6.0% interest rate.

The Building Corporation has granted the Authority a mortgage lien on the real estate and a security interest in the lease revenues from the School. The Authority's rights under the agreement have been assigned to the trustee.

NOTE 5 BOND PAYABLE (CONTINUED)

The lease revenues, which are the basis of the pledged revenues, are described in Note 6. The lease revenue over the remaining term of the agreement is equal to the expected principal and interest payments to be made over the life of the bonds, $11,295,738.

One hundred percent of lease revenues have been pledged under the agreement. Lease revenue was $303,897 for the year ended June 30, 2018.

For the year ended June 30, 2018, $522,675 in an interest payment was made using $303,897 in lease payments from the General Fund and $218,778 in proceeds from the original bond issue as payment.

The following schedule represents the School's debt service requirements to maturity for outstanding revenue bonds at June 30, 2018:

Year Ending June 30,	Principal	Interest	Total
2019	$ -	$ 522,675	$ 522,675
2020	125,000	518,925	643,925
2021	155,000	510,863	665,863
2022	9,210,000	253,275	9,463,275
Total	$ 9,490,000	$ 1,805,738	$ 11,295,738

Changes in bonds payable for the year ended June 30, 2018 were as follows:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Bonds Payable	$ 9,490,000	$ -	$ -	$ 9,490,000
Total	$ 9,490,000	$ -	$ -	$ 9,490,000

NOTE 6 LEASES

The School leases its building from the Building Corporation. The lease requires payments, which approximate the Building Corporation's required payments on the bonds and may be terminated in any year by non-appropriation of funds. The Building Corporation has pledged the lease payments to pay bond principal and interest.

Lease expense was $303,897 for the year ended June 30, 2018, and is included in support services expenditures in the General Fund.

The lease between the School (lessee) and Building Corporation (lessor) includes certain restrictive covenants related to expenditures and unrestricted cash balances. Management believes the School is in compliance with the covenants.

NOTE 7 RESTRICTION OF NET POSITION/DESIGNATIONS OF FUND BALANCE

On November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the state and local governments such as the School to increase revenues, debt, and spending and restricts property, income and other taxes. In addition, the amendment requires government entities to create an emergency "reserve" of 3% of annual spending excluding bonded debt service. In November 1998, voter approval was given to Weld County School District 6 to remove the restriction on growth in revenue, eliminating the restriction of revenues on the School. The 3% emergency reserve is still required both at the District and the School level. As of June 30, 2018, management believes the School complied with the requirements to include emergency reserves in its budgetary basis fund balance.

The School reports $39,990 restricted fund balance in the General Fund related to remaining mill levy override funding that is restricted for use for approved educational purposes.

The Building Corporation is required to hold funds in accounts related to its bond obligations as identified in Note 2. Net position and fund balance is restricted attributable to the restrictions on its cash and investments.

NOTE 8 DEFINED BENEFIT PENSION PLAN

The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and June 30, 2018.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan

Plan Description

Eligible employees of the School are provided with pensions through the School Division Trust Fund (SCHDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S), administrative rules are set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirements are determined by the amount of service credit earned and/or purchases, highest average salary, the benefit structure under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. §24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees of the School are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate[1]	10.15 %	10.15 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF[1]	9.13 %	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	4.50 %	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.50 %
Total Employer Contribution Rate to the SCHDTF[1]	18.63 %	19.13 %

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF for the School for the year ended June 30, 2018 were $228,675.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the School reported a liability of $6,830,873 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the School's proportion was 0.0211243763%, which was an increase of 0.0045316516% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the School recognized pension expense of $1,617,873. At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 125,591	$ -
Changes of Assumptions or other Inputs	1,744,176	11,068
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	268,255
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	723,248	-
Contributions Subsequent to the Measurement Date	123,975	-
Total	$ 2,716,990	$ 279,323

$123,975 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2019	$ 1,418,433
2020	887,704
2021	108,473
2022	(100,918)

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The December 31, 2016 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.70%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate[1]	5.26%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00%
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

[1] The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 4.78% as described below.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00 %	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 4.78 percent. The basis for the projection of liabilities and the plan fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2016 and the financial status of the SCHDTF as of the prior measurement date, December 31, 2016. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

- Employee contributions were assumed to be made at the member contribution rate as of the measurement date. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the single equivalent interest rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of December published at the end of each week by The Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (3.78%) or one percentage-point higher (5.78%) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate Share of the Net Pension Liability	$ 8,628,554	$ 6,830,873	$ 5,365,968

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2018

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

At June 30, 2018, the School reported a liability of $6,830,873 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the School's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB-18-200 (pro forma)	Estimated Collective Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	3,086,129

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate the collective net pension liability, approximately $3,188,694 of the estimated reduction is attributable to the use of a 7.25% discount rate.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description

Eligible employees of the School are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies.

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from School were $12,341 for the year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the School reported a liability of $155,988 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017, the School's proportion was 0.0120027978%, which was an increase of 0.0025712997% from its proportion measured as of December 31, 2016.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

For the year ended June 30, 2018, the School recognized OPEB expense of $7,713. At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 738	$ -
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	2,610
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	27,864	-
Contributions Subsequent to the Measurement Date	6,610	-
Total	$ 35,212	$ 2,610

$6,610 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2019	$ 4,967
2020	4,967
2021	4,967
2022	4,967
2023	5,619
Thereafter	505

Actuarial Assumptions

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the Aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.00% for 2017, Gradually Rising to 4.25% in 2023

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita heath care costs and their related trends are analyzed and reviewed by PERA Board's actuary, as needed.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.

- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.

- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.

- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.

- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the School's proportionate share of the net OPEB liability, as well as what the School's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	$ 151,697	$ 155,988	$ 161,158

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the School's proportionate share of the net OPEB liability, as well as what the School's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 175,380	$ 155,988	$ 139,437

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The School maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11 RESTATEMENT OF NET POSITION

For the year ended June 30, 2018, the School adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF's net OPEB liability.

For the School, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

Net Position, June 30, 2017, as Previously Reported	$ (2,481,029)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	(118,160)
Net Position, June 30, 2017, as Restated	$ (2,599,189)

WEST RIDGE ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Per Pupil Funding	$ 2,676,832	$ 2,785,738	$ 2,785,378	$ (360)
State and Federal Sources	234,670	205,343	233,249	27,906
Local Sources	-	246,275	265,570	19,295
Other Revenues	21,000	21,000	83,425	62,425
Total Revenues	2,932,502	3,258,356	3,367,622	109,266
EXPENDITURES				
Current:				
Instruction	2,103,783	1,723,898	1,920,164	(196,266)
Support Services	624,860	1,129,228	880,010	249,218
Capital Outlay	118,000	133,176	-	133,176
Total Expenditures	2,846,643	2,986,302	2,800,174	186,128
NET CHANGE IN FUND BALANCE	85,859	272,054	567,448	295,394
Fund Balance - Beginning	524,731	772,350	772,350	-
FUND BALANCE - ENDING	$ 610,590	$ 1,044,404	$ 1,339,798	$ 295,394

See accompanying Notes to Required Supplementary Information.

WEST RIDGE ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – BUILDING CORPORATION
YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Rental Income	$ -	$ 303,900	$ 303,897	$ (3)
Interest Income	-	17,500	17,404	(96)
Other Revenues	-	94,100	94,026	(74)
Total Revenues	-	415,500	415,327	(173)
EXPENDITURES				
Current:				
Support Services	-	13,000	12,769	231
Debt Service				
Interest	-	522,700	522,675	25
Capital Outlay	-	3,076,300	3,075,988	312
Total Expenditures	-	3,612,000	3,611,432	568
NET CHANGE IN FUND BALANCE	-	(3,196,500)	(3,196,105)	395
Fund Balance - Beginning	-	3,854,024	3,854,024	-
FUND BALANCE - ENDING	$ -	$ 657,524	$ 657,919	$ 395

See accompanying Notes to Required Supplementary Information.

WEST RIDGE ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2017	2016	2015	2014	2013
School's Proportion Percentage of the Collective Net Pension Liability	0.0211243763%	0.0165927247%	0.0152043616%	0.0136498351%	0.0135611489%
School's Proportionate Share of the Collective Pension Liability	$ 6,830,873	$ 4,940,296	$ 2,325,400	$ 1,850,011	$ 1,729,721
Covered Payroll	$ 971,906	$ 744,542	$ 662,603	$ 573,611	$ 545,233
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	702.83%	663.53%	350.95%	322.52%	317.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.96%	43.10%	59.20%	62.80%	64.06%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2013 was not available.

WEST RIDGE ACADEMY
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS*

As of June 30,	2018	2017	2016	2015
Statutorily Required Contributions	$ 228,675	$ 144,336	$ 126,388	$ 104,485
Contributions in Relation to the Statutorily Required Contribution	$ 228,675	$ 144,336	$ 126,388	$ 104,485
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,210,054	$ 784,795	$ 712,223	$ 618,511
Contribution as a Percentage of of Covered Payroll	18.90%	18.39%	17.75%	16.89%

* The amounts presented for each fiscal year were determined as of June 30. Information earlier than 2015 was not available.

WEST RIDGE ACADEMY
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

	2017	2016
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.0120027978%	0.0094314981%
School's Proportionate Share of the Collective Net OPEB Liability	$ 155,988	$ 122,283
Covered payroll	$ 971,906	$ 744,542
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	16.05%	16.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17.53% 17.53%	16.72% 16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

WEST RIDGE ACADEMY
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS*

As of June 30,	2018	2017	2016	2015
Statutorily Required Contributions	$ 12,343	$ 8,003	$ 7,265	$ 6,309
Contributions in Relation to the Statutorily Required Contribution	$ 12,343	$ 8,003	$ 7,265	$ 6,309
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,210,054	$ 784,795	$ 712,223	$ 618,511
Contribution as a Percentage of of Covered Payroll	1.02%	1.02%	1.02%	1.02%

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The School conducts all necessary budgeting procedures maintaining separate budgets for each fund.

The School adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

a) Budgets for all funds are required by the District. During June, the proposed budget is submitted to the Board for consideration and approval at a public hearing. The budget includes proposed expenditures and the means of financing them.

b) The Public hearings are conducted by the School's Board of Directors to obtain parents and other members of the public comment and recommendations.

c) Prior to June 30, the budget is adopted by formal resolution.

d) The School's contract with the District requires submission of the approval and amended budgets to the District.

e) Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between funds, reallocation of budget line items and revisions that alter the total appropriations of any fund must be approved by the School's Board of Directors. Appropriations are based on total funds expected to be available in each budget year, which may include beginning fund balances and reserves as established by the Board of Directors.

f) Budgets for all fund types are adopted on a basis consistent with GAAP.

g) Budgeted amounts reported in the accompanying supplemental information are as originally adopted and as amended by the Board of Directors throughout the year. Budgeted amounts included in the financial statements are based on the final budget as adopted by the School's Board of Directors on January 8, 2018. The final WRA Building Corporation budget was approved by the Board on September 10, 2018.

h) All appropriations lapse at the end of each fiscal year.

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APPENDIX C

CHARTER SCHOOL LAW AND FUNDING IN COLORADO

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CHARTER SCHOOL FUNDING

This portion of Appendix C titled "CHARTER SCHOOL FUNDING" provides a brief overview of Colorado's system for funding charter schools. Prospective purchasers of the Series 2019 Bonds should note that the overview contained below and the summary of relevant law noted by cross-reference in the sections that follow are provided for the convenience of prospective purchasers of the Series 2019 Bonds but are not and do not purport to be comprehensive.

Sources of Revenue

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 and the Charter School is required under State law to waive all fees for indigent students. If the Charter School enrolls a nonresident student with "Tier 2" (generally, severe or profound) disabilities, the District can collect from the school district of residence tuition for certain costs incurred in educating the child. The Charter School may provide pre-kindergarten, daycare, before and after school programs.

District Funding

The primary source of funding for the Charter School comes from the District. School districts in Colorado are funded pursuant to the terms of the School Finance Act. The amount of revenue capable of being earned by the District under the School Finance Act is determined by a formula (the "Total Program") which is based upon pupil count, local costs of living, personnel costs, the size of the District, the number of at-risk pupils, and the number of on-line pupils.[1] 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. See "School Finance Act" below.

In addition to property taxes levied to fund a school district's portion of Total Program Funding, school districts may impose certain other levies with the approval of local voters.

In addition to the State equalization payments made pursuant to the School Finance Act described below, school districts may receive State funding to pay for specific programs designed to service particular groups of students or particular student needs, such as transportation, language proficiency, expelled and at-risk students, special education, gifted and talented education, vocational education, small attendance centers and comprehensive health education. Such

[1] While funding mechanisms related to on-line enrollment are described in this APPENDIX C for completeness, prospective purchasers of the Series 2019 Bonds should note that the Charter School does not operate an on-line program, is not approved to operate an on-line program, and has no plans to operate an on-line program.

programs are known as "categorical" programs. The District receives various levels of State funding to pay for such programs.

School Finance Act

General Description

The School Finance Act went into effect in 1994, and was designed to provide for a thorough and uniform system of public schools throughout the State. The School Finance Act requires that all school districts operate under the same finance formula and be subject to the expenditure and maximum levy provisions set forth therein. The School Finance Act has been amended each year since its adoption.

In recent 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 the District provides to the Charter School.

Funding Formula

The School Finance Act established a formula to determine the amount of funding that each of the State's 178 school districts will receive each year. Every school district in the State is allocated the same "base" dollar amount per pupil funding, plus an addition for inflation and an addition required by a constitutional amendment adopted in 2000 (the "School Amendment"). The School Amendment, as implemented by legislation adopted in 2001, requires that the statewide base per-pupil funding amount and the funding for categorical programs: (1) increase by the rate of inflation plus one percentage point for fiscal years 2001-02 through 2010-11, and (2) increase by at least the rate of inflation each year thereafter. The measure is funded from all revenues collected from 1/3 of 1% of the State's existing income tax and exempts such funds from the revenue limitations of Article X, Section 20 of the State Constitution (the "Taxpayers Bill of Rights" or "TABOR"), which is discussed in under the heading "CHARTER SCHOOLS IN COLORADO— STATE CONSTITUTIONAL PROVISIONS— TABOR" below. The legislature may appropriate funds only to increase funding in preschool though twelfth-grade education or for purposes specifically stated in the School Amendment. The funds may not be used to reduce the previous level of General Fund appropriations for Total Program Funding and categorical programs. In addition, through fiscal year 2011, the School Amendment required the State to increase its General Fund appropriation by at least 5% in each year from fiscal year 2001-02 through 2010-11 (except in any year in which State personal income grew less than 4.5% between the previous two calendar years). Due to the severe recession beginning in 2008, these targets were not met, resulting in the "negative factor" discussed below. In budget year 2018-19, this legislation provided for over $7.0 billion of funding to Colorado school districts via State taxes ($4.5 billion), local specific ownership (vehicle registration) taxes ($183.8 million), and local property taxes

($2.36 billion). Moneys provided via the School Finance Act are available to each school district to fund the costs of providing public education.

Total Program

Each school district's base per pupil amount or "Per Pupil Revenue" is adjusted pursuant to a formula set forth in the School Finance Act. Adjustments are provided to account for differences between districts in the cost of living (the "cost of living factor"), school district size (the "size factor") and personnel costs (the "personnel factor"). In addition, upward adjustments are made in the Per Pupil Revenue for each pupil qualifying as "at-risk"; generally defined as those students who qualify for the federal free lunch program (the "at-risk factor"). On-line enrollment is calculated separately and funded at a lower base level without benefit of these adjustments. A downward adjustment (the "negative factor") is made by the State to all K-12 funding in an amount sufficient to balance the State budget. Notwithstanding these adjustments, in past years the General Assembly has established a minimum amount of Per Pupil Revenue each year. Currently, the minimum amount is 95% of the "minimum per pupil funding base" calculated in accordance with State law. In 2010, the General Assembly temporarily suspended the minimum State aid requirement for fiscal years 2010-11 through 2014-15; however, in 2014, the State Legislature reduced the negative factor with the effect of increasing the Per Pupil Revenue amount for each district for the fiscal year 2014-15.

The Per Pupil Revenue amount is multiplied by each school district's "funded pupil count" to arrive at the school district's "Total Program Funding." "Funded pupil count" consists of the sum of a school district's (a) pupil enrollment as calculated in October of the applicable school year (or, if the school district's enrollment is declining, the pupil enrollment may be determined using the average of the last two, three or four prior years' October pupil counts), (b) on-line pupil enrollment, (c) preschool enrollment and kindergarten enrollment as specified by statute, and (d) supplemental kindergarten enrollment as specified by statute.

Each school district counts pupils in membership as of the school day nearest October 1 (the official count day). Districts are given an opportunity to provide documentation that a student re-established membership by October 31 for a student who may be absent on the official count day, but was in attendance prior to October 1. Generally, pupils in grades 1 through 12 are counted either as full-time or part-time depending upon the number of scheduled hours of coursework. Kindergarten, preschool special education, a limited number of at-risk preschool (see Colorado Preschool Program discussion below) pupils, and homeschool students who participate in a part-time public program are counted as part-time. For most school districts, funding is based on the number of pupils counted in the current school year. However, for a district with an enrollment fluctuating from year to year, funding is based on an average of up to four prior years' October pupil counts and the current year's October pupil count. As such, the impact of annual enrollment variances on funding is softened.

The School Finance Act restricts each school district's annual Per Pupil Revenue to no more than 125% of its prior Per Pupil Revenue. TABOR also may restrict overall school district revenues to no more than 100% of the prior year revenue, adjusted for inflation and for pupil growth.

In Fiscal Year 2018-19, the adjusted total Per Pupil Revenue for the Charter School is $8,016. See "CHARTER SCHOOLS IN COLORADO" below.

Budget Stabilization Factor

Starting in Fiscal Year 2010-11, a new factor was introduced in the school finance formula due to the statewide budget balancing challenges facing Colorado. This factor reduces the amount of funding districts would have received prior to this factor's application. In general, the Budget Stabilization Factor (previously known as the "negative factor") is calculated by first determining the Total Program prior to application of the Budget Stabilization Factor. Then the Budget Stabilization Factor reduces this statewide total program funding ($7,761,227,819, a total amount set by the General Assembly for Fiscal Year 2018-19, in House Bill 18-1379). The difference between the Total Program amount prior to application of the Budget Stabilization Factor and the established floor amount of no less than $7,008,776,204 for total program is utilized to calculate a percentage reduction, that is then applied to each district's respective total program funding amount. This calculation is detailed below:

(A) = Statewide Total Program after application of the Budget Stabilization Factor
(B) = Calculated Total Program prior to application of the Budget Stabilization Factor
(C) = Budget Stabilization Factor reduction ((A / B) - 1 = C)

((A) $7,008,830,925/ (B) $7,761,227,819) = 91.34% - 1 = (C) 8.66%

This reduction is applied to nearly all of the school districts in the State, including the District. For those few school districts in the State whose State share comprises less than 11.1% of their aggregate total program funding due to higher assessed values and local property tax collections, the Budget Stabilization Factor reduces their entire available State share and then requires the districts to reimburse the State categorical funding provided by the State equal to an amount not to exceed 11.5% of the districts total program. These districts would have otherwise been subject to the categorical buyout provision prior to changes made to the school finance formula. The formula change only modified the methodology used for categorical buyouts.

Payments to the Charter School

District's Per Pupil Revenue

In conjunction with the budget process the Charter School and the District negotiate funding for the ensuing fiscal year at 100% of the District Per Pupil Revenue minus 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 that the District may choose to retain (except that such amount cannot exceed 5% of the District Per Pupil Revenue). Central administrative costs are administrative items and support services specified by a State Board. Within 90 days after the end of each fiscal year, the District is required to provide the Charter School with an itemized accounting of all its central administrative overhead costs; thereafter, any difference in the amount charged to the Charter School and the actual costs are to be reconciled and paid to the owed party. By law it is also presumed the District will provide all special education services at the Charter School and the Charter School will reimburse the District for its average

per pupil net cost for all special education (typically several hundred dollars for each student enrolled in the Charter School). The parties are permitted to negotiate an alternative to this default provision and have done so in this case. A charter school, at its discretion, may contract with its school district for the direct purchase of district services in addition to those included in the central administrative overhead costs, including but not limited to, food services, custodial services, maintenance, media services and libraries.

Funding of Per Pupil Revenue for each fiscal year of the Charter School begins in the budget planning phase of the year and is adjusted in the fall to reflect actual enrolled student count as compared to the student count used at the beginning of the year. In addition, to the extent the District experiences any increase or reduction in State equalization support by a legislative rescission or other action, proportionate increases or reductions will be made to the Charter School by adjustment or set off in subsequent months. From the Per Pupil Revenue due monthly to the Charter School under the Charter and Charter Schools Act, the Charter School is to request the State Treasurer, pursuant to a State Treasurer Charter Intercept Agreement, to deposit the amounts due under the Lease representing debt service on the Series 2019 Bonds directly with the Trustee. The District's obligation to make such payments under the Charter is subject to annual appropriation.

Capital Funding

Under State law, qualified charter schools are eligible to receive additional funding for capital construction from the State Education Fund. The Charter School will be a qualified charter school for purposes of such capital funding so long as the Charter School has capital construction costs, which are defined under the statute as construction, demolition, remodeling, financing, purchasing or leasing of land, buildings, or facilities used to educate pupils enrolled in or to be enrolled in the Charter School. Pursuant to enacted legislation, the statewide aggregate amount available to all charter schools for the 2018-19 budget year will be $25 million ($20 million from the State Education Fund and $5 million from the State's marijuana excise tax). See "RISK FACTORS — Changes to Charter Schools Act."

Additional Revenues

The governing body of a charter school is authorized to accept gifts, donations, or grants of any kind made to the charter school and to expend or use said gifts, donations or grants in accordance with the conditions prescribed by the donor; however, no gift, donation or grant can be accepted by the 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.

CHARTER SCHOOLS IN COLORADO

INTRODUCTION

This portion of Appendix C 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, which are described further below, derive from Acts which include:

- The Charter Schools Act, C.R.S. §§ 22-30.5-101, *et seq.*, 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 School *Capital Facilities Financing Act*, C.R.S. §§ 22-30.5-401, *et seq.*, 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." These statutory and constitutional provisions are summarized below.

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 on-line 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 22-11-30-7 and section 22-32-10-9(1)(mm). The charter school shall also be subject to annual review by the department pursuant to section 22-11-210.

A charter school shall be 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 no charter school shall be 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 section summarized herein 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. Notwithstanding any provisions of the paragraph summarized herein to the contrary, the State Board shall not include statutes which are listed in 22-30.5-104. 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 22-7-409, 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, or the "Children's Internet Protection Act," article 87 of Title 22.

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 or an institute charter school authorized pursuant to part 5 of article 30.5 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, any 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 on-line program or on-line 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 on-line 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 on-line 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 no formulaic, 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 22-30.5-50-3(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 22-30.5-50-3(3.5).

A charter school that applies for a grant pursuant to the section 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 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 22-30.5-40-5;
- 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. Any term included in a charter contract that would require a charter school to waive or otherwise forgo receipt of any amount of operational or capital construction funds 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.

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 22-2-10-6(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 22-2-10-6(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 22-33-10-6, 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:
    - 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;
    - An explanation of and evidence demonstrating the education management provider's capacity for successful expansion while maintaining quality in the schools it is managing;
    - 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
    - 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 on-line 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 grant 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 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 paragraph summarized herein, 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 time lines 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: (a) 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; (b) 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 (d) 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 - Financing Guidelines (C.R.S. 22-30.5-112)

For purposes of the "Public School Finance Act of 1994," article 54 of Title 22, pupils enrolled in a charter school shall be included in the pupil enrollment, the on-line pupil enrollment, or the preschool program enrollment, whichever is applicable, of the school district that granted its charter. The school district that granted its charter shall report to the department the number of pupils included in the school district's pupil enrollment, the school district's on-line pupil enrollment, and the school district's preschool program enrollment that are actually enrolled in each charter school. The school district shall also identify each charter school that is a qualified charter school as defined in section 22-54-124(1)(f.6), identify each qualified charter school that will be operating in a school district facility and that does not have ongoing financial obligations incurred to repay the outstanding costs of new construction undertaken for the charter school's benefit, and provide an estimate of the number of pupils expected to be enrolled in each qualified charter school during the budget year following the budget year in which the district makes a report.

As part of the charter school contract, the charter school and the school district shall agree on funding and any services to be provided by the school district to the charter school. For budget year 2000-01 and budget years thereafter, except as otherwise provided in the subsection summarized herein, each charter school and the chartering school district shall negotiate funding under the contract. The charter school shall receive one hundred percent of the district per pupil revenues for each pupil enrolled in the charter school who is not an on-line pupil and one hundred percent of the district per pupil on-line funding for each on-line pupil enrolled in the charter school; except that the chartering school district may choose to retain the actual amount of the charter school's per pupil share of the central administrative overhead costs for services actually provided to the charter school, up to five percent of the district per pupil revenues for each pupil who is not an on-line pupil enrolled in the charter school and up to five percent of the district per pupil on-line funding for each on-line pupil enrolled in the charter school.

If the authorizing school district enrolls five hundred or fewer students, the charter school shall receive funding in the amount of the greater of one hundred percent of the district per pupil on-line funding for each on-line pupil enrolled in the charter school plus one hundred percent of

the district per pupil revenues for each pupil who is not an on-line pupil enrolled in the charter school, minus the actual amount of the charter school's per pupil share of the central administrative overhead costs incurred by the school district, based on audited figures, or eighty-five percent of the district per pupil revenues for each pupil enrolled in the charter school who is not an on-line pupil plus eighty-five percent of the district per pupil on-line funding for each on-line pupil enrolled in the charter school.

Within ninety days after the end of each fiscal year, each school district shall provide to each charter school within its district an itemized accounting of all its central administrative overhead costs. If the itemized accounting includes services provided to the charter school by school district personnel, the itemized accounting, at the charter school's request, must include a list of the personnel positions and services provided by persons in each position. The actual central administrative overhead costs are the amount charged to the charter school. Any difference, within the limitations of the subsection summarized herein, between the amount initially charged to the charter school and the actual cost must be reconciled and paid to the owed party. Within ninety days after the end of each fiscal year, each school district shall provide to each charter school within its district an itemized accounting of all the actual costs of district services the charter school chose at its discretion to purchase from the district calculated in accordance with the subsection summarized herein. If the itemized accounting includes services purchased by the charter school that were provided by school district personnel, the itemized accounting, at the charter school's request, must include a list of the personnel positions and services provided by persons in each position. Any difference between the amount initially charged to the charter school and the actual cost shall be reconciled and paid to the owed party. If either party disputes an itemized accounting provided pursuant to the paragraph summarized herein, any charges included in an accounting, or charges to either party, that party is entitled to request a third-party review at the requesting party's expense. The review shall be conducted by the department, and the department's determination shall be final.

As used in the subsection summarized herein:

- "**Central administrative overhead costs**" means indirect costs incurred in providing:
    - Services listed under the heading of support services - general administration in the school district chart of accounts as specified by rule of the State Board; and
    - Salaries and benefits for administrative job classifications listed under the headings of support services - business and support services - central in the school district chart of accounts as specified by rule of the State Board.
- "**District per pupil revenues**" means the district's total program as defined in section 22-54-103(6) for any budget year divided by the district's funded pupil count as defined in section 22-54-103(7) for said budget year.
- "**District per pupil on-line funding**" means a school district's on-line funding, as specified in section 22-54-104(4.5), divided by the district's on-line pupil enrollment for any budget year.

For the 2000-01 budget year through the 2008-09 budget year, each charter school shall annually allocate the minimum per pupil dollar amount specified in section 22-54-105(2)(b),

multiplied by the number of students enrolled in the charter school who are not students enrolled in an on-line program or an on-line school, as defined in sections 22-30.7-102(9) and 22-30.7-102(9.5), to a fund created by the charter school for capital reserve purposes, as set forth in section 22-45-103(1)(c) and (l)(e), or solely for the management of risk-related activities, as identified in section 24-10-115, C.R.S., and article 13 of title 29, C.R.S., or among such allowable funds. Said moneys shall be used for the purposes set forth in section 22-45-103(1)(c) and (1)(e) and may not be expended by the charter school for any other purpose. Any moneys remaining in the fund that have not been expended prior to the 2009-10 budget year shall be budgeted for the purposes set forth in section 22-45-103(1)(c) and (l)(e) in the 2009-10 budget year or any budget year thereafter.

For the 2000-01 budget year and budget years thereafter, the school district shall provide federally required educational services to students enrolled in charter schools on the same basis as such services are provided to students enrolled in other public schools of the school district. Each charter school shall pay an amount equal to the per pupil cost incurred by the school district in providing federally required educational services, multiplied by the number of students enrolled in the charter school. At either party's request, however, the charter school and the school district may negotiate and include in the charter contract alternate arrangements for the provision of and payment for federally required educational services. Notwithstanding any provision of the paragraph summarized herein to the contrary, the school district shall calculate the per pupil cost of providing federally required educational services after subtracting the amount received in federal and State moneys for providing said services.

For budget year 2002-03 and budget years thereafter, and in accordance with section 22-30.5-406, the funding provided by a chartering school district to a charter school pursuant to the subsection summarized herein shall be reduced by the amount of any direct payments of principal and interest due on bonds issued on behalf of a charter school by a governmental entity other than a school district for the purpose of financing charter school capital construction that were made by the State treasurer or the chartering school district on behalf of the charter school.

The charter school, at its discretion, may contract with the school district for the direct purchase of district services in addition to those included in central administrative overhead costs, including but not limited to food services, custodial services, maintenance, curriculum, media services, and libraries. The amount to be paid by a charter school in purchasing any district service pursuant to the paragraph summarized herein shall be determined by dividing the cost of providing the service for the entire school district, as specified in the school district's budget, by the number of students enrolled in the school district and multiplying said amount by the number of students enrolled in the charter school.

The charter school and the school district shall negotiate prior to the beginning of each fiscal year for the payment to the school district of any direct costs incurred by the school district. If the charter school and the school district do not reach agreement regarding the payment of direct costs, the school district shall be barred from withholding from the charter school any moneys as reimbursement for direct costs. The school district shall provide an itemized accounting to each charter school for the direct costs incurred by the school district with the itemized accounting provided pursuant to the subsection summarized herein. For purposes of the paragraph summarized herein, "direct costs" means the direct costs incurred by a school district solely for the purpose of reviewing charter applications, negotiating the charter contract, and providing direct oversight to

charter schools. "Direct costs" shall not include the school district's legal or other costs attributable to litigation or the resolution of a dispute with a charter school.

For budget year 2000-01 and budget years thereafter, the amount of funding received by a charter school pursuant to the subsection summarized herein shall not be less than one hundred percent of the chartering school district's district per pupil revenues, minus up to five percent as provided in the subsection summarized herein, multiplied by the number of pupils enrolled in the charter school or as otherwise provided in the subsection summarized herein for any charter school chartered by a school district that enrolls five hundred or fewer students. If a charter school operates a full-day kindergarten program, for purposes of calculating the charter school's funding pursuant to the subsection summarized herein, the number of pupils enrolled in the charter school shall include the supplemental kindergarten enrollment as defined in section 22-54-103(15). Fees collected from students enrolled at a charter school shall be retained by such charter school.

For budget year 2000-01 and budget years thereafter, if the charter school and the school district have negotiated to allow the charter school to provide federally required educational services pursuant to the section summarized herein, the proportionate share of State and federal resources generated by students receiving such federally required educational services or staff serving them shall be directed by the school district or administrative unit to the charter school enrolling such students. For budget year 2000-01 and budget years thereafter, the proportionate share of moneys generated under federal or State categorical aid programs, other than federally required educational services, shall be directed to charter schools serving students eligible for such aid; except that a school district that receives small attendance center aid pursuant to section 22-54-122 for a small attendance center that is a charter school shall forward the entire amount of such aid to the charter school for which it was received. Each charter school that serves students who may be eligible to receive services provided through federal aid programs shall comply with all federal reporting requirements to receive the federal aid.

If a student with a disability attends a charter school, the school district of residence shall be responsible for paying any tuition charge for the excess costs incurred in educating the child in accordance with the provisions of section 22-20-109(5). By operation of section 22-20-109(5)(c), only certain special education students ("Tier 2" students) trigger the obligation of one district to pay tuition to another.

The governing body of a charter school is authorized to accept gifts, donations, or grants of any kind made to the charter school and to expend or use said gifts, donations, or grants in accordance with the conditions prescribed by the donor; however, no gift, donation, or grant shall be accepted by the governing body if subject to any condition contrary to law or contrary to the terms of the contract between the charter school and the local board of education. Except as provided in section 22-30.5-112.3(2)(b), any moneys received by a charter school from any source and remaining in the charter school's accounts at the end of any budget year shall remain in the charter school's accounts for use by the charter school during subsequent budget years and shall not revert to the school district or to the State.

A charter school shall comply with all of the State financial and budget rules, regulations, and financial reporting requirements with which the chartering school district is required to comply, including but not limited to annual completion of a governmental audit that complies with

the requirements of the department. Notwithstanding any provision of the section summarized herein to the contrary, a chartering school district, under the circumstances specified in the contract between the school district and the charter school pursuant to section 22-30.5-105(2)(c)(IV), may withhold a portion of a charter school's monthly payment due pursuant to the section summarized herein. The chartering school district may withhold a portion of the payment due to the charter school only until such time as the charter school complies with the financial reporting requirements.

If a charter school determines that its chartering school district has not forwarded to the charter school the amount due to the charter school in accordance with the terms of the charter contract and the provisions of the section summarized here, the charter school may seek a determination from the State Board regarding whether the chartering school district improperly withheld any portion of the amount due to the charter school. A charter school that chooses to request a determination pursuant to the subsection summarized herein of issues arising on or after July 1, 2004, shall submit the request within the next fiscal year following the fiscal year in which the chartering school district may have improperly withheld funding; except that, if the charter contract requires the charter school to complete any requirements prior to seeking a determination from the department pursuant to the subsection summarized herein, the charter school shall submit the request no later than the end of the next fiscal year following the fiscal year in which the charter school completes said requirements.

Upon receipt from a charter school of a request for a determination of whether the chartering school district has improperly withheld any portion of the amount due to the charter school, the State Board shall direct the department to review the terms of the charter contract and the financial information of the charter school and the chartering school district and make a recommendation to the State Board regarding whether the chartering school district improperly withheld any portion of the amount due to the charter school. The department shall request from the chartering school district and the charter school all information necessary to make the recommendation, including but not limited to audited financial data. The chartering school district and the charter school shall provide the requested information as soon as possible following the request, but in no event later than thirty days after completion of the annual financial audit. The department shall forward its recommendation to the State Board within sixty days after receiving all of the requested information from the chartering school district and the charter school.

At the next State Board meeting following receipt of the recommendation of the department pursuant to the subsection summarized here, the State Board shall issue its decision regarding whether the chartering school district improperly withheld any portion of the amount due to the charter school. If the State Board finds that the chartering school district improperly withheld any portion of the amount due to the charter school, the chartering school district shall pay to the charter school, within thirty days after issuance of the decision, the amount improperly withheld. In addition, the chartering school district shall pay the costs incurred by the department in reviewing the necessary information to make its recommendation. If the State Board finds that the chartering school district did not improperly withhold any portion of the amount due to the charter school, the charter school shall pay the costs incurred by the department in reviewing the necessary information to make its recommendation.

If the chartering school district fails within the thirty-day period to pay the full amount that was improperly withheld, the charter school may notify the department, and the department shall withhold from the chartering school district's State equalization payment the unpaid portion of the amount improperly withheld by the chartering school district from the charter school and pay the unpaid portion directly to the charter school.

If a charter school determines that a school district has not paid the tuition charge for the excess costs incurred in educating a child with a disability as required in section 22-20-10-9(5), the charter school may seek a determination from the State Board in accordance with the provisions of the section summarized herein. If the State Board determines that the school district has improperly withheld moneys due to the charter school, the school district, within thirty days after the State Board's determination, shall pay to the charter school the amount improperly withheld. In addition, the school district shall pay the costs incurred by the department in reviewing the necessary information to make its recommendation. If the school district fails, within the thirty-day period, to pay the full amount that was improperly withheld, the charter school shall notify the department, and the department shall withhold from the school district's State equalization payment the unpaid portion of the amount improperly withheld by the district and pay the unpaid portion directly to the charter school. If the State Board finds that the school district did not improperly withhold any portion of the amount due to the charter school, the charter school shall pay the costs incurred by the department in reviewing the necessary information to make its recommendation.

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 on-line program or on-line 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 paragraph (a), (a.5), or (a.7) of the subsection summarized herein 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).

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 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 *ET SEQ.*)

The Public School Finance Act of 1994, C.R.S. §§22-54-l0 l *et seq.,* (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.

Total Program and Per Pupil Revenue (C.R.S. 22-54-103, 22-54-104)

Under the School Finance Act, an amount representing the base financial support, referred to as the district's total program is calculated for each school district for every budget year. The School Finance Act also sets forth the funding formulas, on a budget year by budget year basis, pursuant to which each school district's total program is calculated. A district's total program is available to the district to fund the costs of providing public education and, except as otherwise provided in section 22-54-105 (regarding instructional supplies and materials, capital reserve and insurance reserve, at-risk funding and pre-school funding), the amounts and purposes for which such money is budgeted and expended is within the discretion of the district.

Under the School Finance Act, a district's "per pupil revenue" is a function of its district's total program. Specifically, per pupil revenue is defined as a district's total program for any budget year divided by the district's "funded pupil count" for said budget year. A school district's total program for the 2009-10 budget year and budget years thereafter is generally the greater of:

(a) the sum of the school district per pupil funding **multiplied** by the school district funded pupil count (not including the school district's on-line pupil enrollment or district

extended high school pupil enrollment), **plus** the school district's at-risk funding, the district's on-line funding and the district extended high school funding, or

(b) the sum of the minimum per pupil funding **multiplied** by the school district's funded pupil count (not including on-line pupil enrollment or district extended high school pupil enrollment), **plus** the school district's on-line funding and district extended high school program funding.

Each of the terms "extended high school program," "on-line pupil enrollment," "preschool enrollment," and "pupil enrollment" are further defined under the School Finance Act, and reference should be made to the School Finance Act for more detailed information with respect thereto.

For the 2018-19 budget year, the sum of the total program funding for all districts, including the funding for institute charter schools, after application of the Budget Stabilization Factor is not less than $7,761,227,819; except that the department of education and the staff of the legislative council shall make mid-year revisions to replace projections with actual figures including, but not limited to, actual pupil enrollment, assessed valuations, and specific ownership tax revenue from the prior year, to determine any necessary changes in the amount of the reduction to maintain a total program funding amount for the applicable budget year that is consistent with the paragraph summarized herein. For the 2019-20 budget year, the difference between calculated statewide total program funding and actual statewide total program funding must not exceed the difference between calculated statewide total program funding and actual statewide total program funding for the 2018-19 budget year.

State Aid/or Charter Schools - Use of State Education Fund Money (C.R.S. 22-54-124)

For the 2001-02 budget year and budget years thereafter, a district shall be eligible to receive State education fund moneys for district charter school capital construction pursuant to the section summarized herein if at least one qualified district charter school will be receiving funding from the district pursuant to section 22-30.5-112 during the budget year for which State education fund moneys are to be distributed. For the 2004-05 budget year and budget years thereafter, an institute charter school shall be eligible to receive State education fund moneys for institute charter school capital construction if the institute charter school will be receiving funding from the State charter school institute pursuant to section 22-30.5-513 during the budget year for which State education fund moneys are to be distributed.

The total amount of State education fund moneys to be appropriated for all eligible districts and for all eligible institute charter schools for the 2003-04 through 2011-12 budget years shall be an amount equal to five million dollars; except that, for the 2006-07 budget year, an additional two million eight hundred thousand dollars shall be appropriated from the State education fund and shall be used for the purposes of the section summarized herein, and for the 2008-09 budget year, an additional one hundred thirty-five thousand dollars shall be appropriated from the State education fund and shall be distributed pursuant to section 22-54-133, as said section existed prior to its repeal in 2010. The total amount of State education fund moneys to be appropriated for all eligible districts and for all eligible institute charter schools for the 2012-13 budget year is six million dollars. The total amount of State education fund moneys appropriated for all eligible

districts and for all eligible institute charter schools for the 2013-14 budget year was seven million dollars.

The total amount of State education fund moneys to be appropriated for all eligible districts and all eligible institute charter schools for the 2015-16 budget year and each budget year thereafter is twenty million dollars.

For the 2004-05 budget year, and each budget year thereafter, the amount of State education fund moneys to be distributed to any eligible district and any eligible institute charter school shall be an amount equal to the percentage of the sum of the district's certified charter school pupil enrollment and the institute charter school's certified pupil enrollment for all eligible districts and eligible institute charter schools in the State that is attributable to the eligible district or eligible institute charter school multiplied by the total amount of State education fund moneys distributed to all eligible districts and eligible institute charter schools for the same budget year pursuant to the paragraph summarized herein. No later than February 1 of each budget year, the department of education shall certify to the education committees of the senate and the house of representatives and the joint budget committee of the general assembly the total number of pupils expected to be enrolled in all qualified charter schools in the State during the next budget year, as derived from reports provided to the department by districts pursuant to section 22-30.5-112(1) and by institute charter schools pursuant to section 22-30.5-513(3)(a). For the purposes of any certification made during the 2003-04 budget year and budget years thereafter, a pupil expected to be enrolled in a qualified charter school as defined in the section summarized herein shall be counted as one-half of one pupil.

For the 2003-04 budget year, and each budget year thereafter, the general assembly shall annually appropriate from the State education fund created in section 17(4) of article IX of the State constitution, to the department of education for distribution to eligible school districts and eligible institute charter schools in accordance with the formula set forth in the section summarized herein, an amount equal to the total amount of moneys to be distributed to all districts and institute charter schools as determined pursuant to said formula. Prior to the 2009-10 budget year, from the moneys appropriated for a given budget year pursuant to the section summarized herein, the department of education shall make lump sum payments of all moneys to be distributed to each eligible school district and eligible institute charter school during the budget year as soon as possible. For the 2009-10 budget year and each budget year thereafter, the department of education shall distribute the total amount to be distributed pursuant to the section summarized herein to each eligible school district and eligible institute charter school in twelve approximately equal monthly payments during the applicable budget year in conjunction with the distribution of the state's share of district total program pursuant to section 22-54-115.

A district that receives State education fund moneys pursuant to the section summarized herein shall distribute all moneys received to qualified charter schools as required by section 22-30.5-112.3 and may not retain any of such moneys to defray administrative expenses or for any other purpose. Pursuant to section 17(3) of article IX of the State constitution, any moneys appropriated by the general assembly out of the State education fund, received by any eligible district or eligible institute charter school pursuant to the section summarized herein, and distributed to a qualified charter school by any district pursuant to the section summarized herein and section 22-30.5-112.3 shall be exempt from:

- The limitation on State fiscal year spending set forth in section 20(7)(a) of article X of the State constitution and section 24-77-10-3, C.R.S.; and
- The limitation on local government fiscal year spending set forth in section 20(7)(b) of article X of the State constitution.

The general assembly found that, for purposes of section 17 of article IX of the State constitution, providing funding for charter school capital construction from moneys in the State education fund created in section 17(4) of article IX of the State constitution is a permissible use of the moneys in the State education fund since the moneys are being used for public school building capital construction as authorized by section 17(4)(b) of article IX of the State constitution. The general assembly also finds that with the adoption of the new definition of "qualified charter" school, enacted in House Bill 02-1349 during the second regular session of the sixty-third general assembly, the program created in the section summarized herein is a new program as of June 7, 2002, and that the general assembly enacted such new program in order to meet the eligibility requirements of the incentive grant program included in the federal "No Child Left Behind Act of 2001," P.L. No. 10 7-110.

For purposes of the section summarized herein, "capital construction" means construction, demolition, remodeling, maintaining financing, purchasing, or leasing of land, buildings, or facilities used to educate pupils enrolled in or to be enrolled in a charter school. For the budget years commencing on or after July 1 2003, "qualified charter school" means:

- A charter school that is not operating in a school district facility and that has capital construction costs;
- A charter school that is operating in a school district facility and that has capital construction costs; or
- A charter school that is operating or will operate in the next budget year in a facility that is listed on the State inventory of real property and improvements and other capital assets maintained by the department of personnel pursuant to section 24-30-130-3.5, C.R.S., and that is obligated to make lease payments for use of the facility.

For budget years commencing on or after July 1, 2003, "qualified charter school" does not include:

- A charter school that is operating in a school district facility and that does not have capital construction costs;
- A charter school that does not have capital construction costs; or
- A charter school that is operating or will operate in the next budget year in a facility that is listed on the State inventory of real property and improvements and other capital assets maintained by the department of personnel pursuant to section 24-30-130-3.5, C.R.S., and that is not obligated to make lease payments for use of the facility.

CHARTER SCHOOL CAPITAL FACILITIES FINANCING ACT (C.R.S. §§ 22-30.5-401, ET SEQ.)

Direct Payment of Charter School Bonds by State Treasurer and School Districts (C.R.S. § 22-30.5-406)

For the purpose of enhancing the ability of a charter school or an institute charter school to obtain favorable financing terms on bonds issued on behalf of the charter school or institute charter school by a governmental entity other than a school district for the purpose of financing charter school capital construction, a charter school that is entitled to receive moneys from the State public school fund pursuant to part 1 of article 30.5, or an institute charter school that is entitled to receive moneys from the State public school fund pursuant to part 5 of article 30.5, may request that the State treasurer make direct payments of principal and interest on the bonds on behalf of the charter school or institute charter school. The charter school or institute charter school shall specify the amount of each payment to be made.

Notwithstanding the provisions of the subsection summarized herein, if the State treasurer concludes that the amount of moneys from the State public school fund that a charter school or an institute charter school will receive pursuant to part 1 or part 5 of article 30.5 for any given budget year will be less than the amount of the payments specified by the charter school or institute charter school pursuant to the subsection summarized herein that will be due during the budget year, the State treasurer shall not agree to make direct payments on behalf of the charter school or institute charter school.

In the case of a charter school authorized by a school district board of education, the State treasurer shall withhold the amount of any direct payments made on behalf of a charter school plus administrative costs associated with the making of direct payments in an amount agreed upon by the State treasurer and the charter school from the payments to the chartering district of the State share of the district's total program made pursuant to article 54 of Title 22. The State treasurer shall notify the chief financial officers of the chartering district and the charter school of any amount of moneys withheld and the chartering district shall reduce the amount of funding it provides to the charter school by said amount. Any administrative costs withheld by the State treasurer pursuant to this subparagraph shall be credited to the charter school financing administrative cash fund, which fund is created by the statute summarized herein. Moneys in the fund shall be continuously appropriated to the State treasurer for the direct and indirect costs of the administration of the section summarized herein. Moneys in the charter school financing administrative cash fund shall remain in the fund and shall not revert to the general fund at the end of any fiscal year.

Any administrative costs withheld by the State treasurer pursuant to this subparagraph shall be credited to the charter school financing administrative cash fund created pursuant to the paragraph summarized herein. The State treasurer shall establish the procedures necessary to implement the subsection summarized herein and may promulgate rules for that purpose. Any rules shall be promulgated in accordance with article 4 of title 24, C.R.S. This subsection summarized herein shall not be construed to require the State to continue the payment of State assistance to any school district or to the State charter school institute 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 State charter school institute or the manner or timing of the payment of such assistance. This subsection

summarized herein shall not be construed to create a debt of the State or any State financial obligation whatsoever with respect to any bonds issued on behalf of a charter school or an institute charter school by a governmental entity other than a school district for the purpose of financing charter school capital construction within the meaning of any State constitutional provision or to create any liability except to the extent provided in the subsection summarized herein.

If the State treasurer does not agree to make direct payments of principal and interest on bonds on behalf of a charter school or an institute charter school pursuant to subsection of the section summarized herein because the charter school or institute charter school is not entitled to receive moneys from the State public school fund pursuant to part 1 or part 5 of article 30.5 or because the State treasurer has concluded that the amount of moneys from the State public school fund that the charter school or institute charter school will receive pursuant to part 1 or part 5 of article 30.5 for any given budget year will be less than the amount of the direct payment specified by the charter school or institute charter school that will be due during the budget year, the charter school may request that its chartering district, or the institute charter school may request that the State charter school institute, make direct payments of principal and interest on the bonds on behalf of the charter school or the institute charter school. The charter school or the institute charter school shall specify the amount of each payment to be made.

Notwithstanding the provisions of the subsection summarized herein, if the board of education of a chartering district concludes that the total amount of moneys that a charter school will receive for any given budget year from the district pursuant to the operating contract between the district and the charter school will be less than the amount of the payments specified by the charter school pursuant to the subsection summarized herein that will be due during the budget year, the chartering district shall not agree to make direct payments on behalf of the charter school. Notwithstanding the provisions of the subsection summarized herein , if the governing board of the State charter school institute concludes that the total amount of moneys that an institute charter school will receive for any given budget year from the State charter school institute pursuant to the charter contract between the State charter school institute and the institute charter school will be less than the amount of the payments specified by the institute charter school pursuant to the subsection summarized herein that will be due during the budget year, the governing board shall not agree to make direct payments on behalf of the institute charter school.

A chartering district shall withhold the amount of any direct payments made on behalf of a charter school plus administrative costs associated with the making of direct payments in an amount agreed upon by the chartering district and the charter school from the funding provided by the district to the charter school pursuant to part 1 of article 30.5. The State charter school institute shall withhold the amount of any direct payments made on behalf of an institute charter school plus administrative costs associated with the making of direct payments in an amount agreed upon by the State charter school institute and the institute charter school from the funding provided by the institute to the institute charter school pursuant to part 5 of article 30.5. This subsection summarized herein shall not be construed to create a debt of any chartering district or the State charter school institute or any district or institute obligation whatsoever with respect to any lease agreement or installment purchase agreement entered into by a charter school or institute charter school within the meaning of any State constitutional provision or to create any liability except to the extent provided in the subsection summarized herein.

In accordance with section 11 of article II of the State constitution, the State covenants with the purchasers of any outstanding bonds issued on behalf of a charter school or an institute charter school by a governmental entity in reliance upon the section summarized herein that it will not repeal, revoke, or rescind the provisions of the section summarized herein or modify or amend the same so as to limit or impair the rights and remedies granted by the section summarized herein. However, nothing in the subsection summarized herein shall be deemed or construed to require the State to continue the payment of State assistance received by charter schools or institute charter schools or to limit or prohibit the State from repealing, amending, or modifying any law relating to the amount of State assistance received by charter schools or institute charter schools or the manner of payment or timing thereof. Nothing in the section summarized herein shall be deemed or construed to create a debt of the State with respect to such bonds or other obligations within the meaning of any State constitutional provision or to create any liability except to the extent provided in the section summarized herein.

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.

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 requires that, in the fiscal years 2001-02 through 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 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 requires that for fiscal years 2001-02 through 2010-11, the general assembly at a minimum, annually increase 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 shall not 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 also creates in the Colorado Department of Treasury a 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 of Section 1 of Amendment 23, described above, and for other specified purposes. Section 5 of Amendment 23 State 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 D

SUBSTANTIALLY FINAL FORMS OF THE PRINCIPAL FINANCING DOCUMENTS

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FORM OF INDENTURE OF TRUST

By and Between

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY,
as Issuer

and

UMB BANK, N.A.,
As Trustee

$[A-PRINCIPAL]
Colorado Educational and Cultural Facilities Authority
Charter School Refunding and Improvement Revenue Bonds
(West Ridge Academy Charter School Project)
Series 2019A

and

$[B-PRINCIPAL]
Colorado Educational and Cultural Facilities Authority
Charter School Refunding and Improvement Revenue Bonds
(West Ridge Academy Charter School Project)
Federally Taxable Series 2019B

Dated as of June 1, 2019

D-1

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EXHIBIT A – Form of Series 2019 Bonds

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of June 1, 2019 (this "Indenture"), is by and between the **COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY**, an independent public body politic and corporate constituting a public instrumentality (the "Authority"), and **UMB BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee"), being authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America.

W I T N E S S E T H:

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Indenture; and

WHEREAS, WRA Building Corporation (the "Corporation"), a duly organized and validly existing Colorado nonprofit corporation, has requested the Authority issue its bonds and loan the proceeds therefrom to the Corporation pursuant to that certain Loan and Security Agreement dated as of June 1, 2019 (the "Agreement"), by and between the Authority and the Corporation, in order to finance the costs of: (a) refunding the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A (the "Series 2017A Bonds") issued in the original aggregate principal amount of $9,345,000 and the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") issued in the original aggregate principal amount of $145,000; (b) financing improvements to existing educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"); (c) funding capitalized interest; (d) funding a bond reserve fund; and (e) paying the costs of issuance of the Series 2019 Bonds (collectively, the "Series 2019 Project"); and

WHEREAS, the Facilities are expected to be leased to the Charter School pursuant to the terms and provisions of a Lease Agreement, dated as of June 1, 2019 (the "Lease"), by and between the Corporation and the Charter School; and

WHEREAS, the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23, of Colorado Revised Statutes, authorizes the Authority to finance the Series 2019 Project; and

WHEREAS, in order to finance the cost of the Series 2019 Project, the Authority shall issue its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Series 2019A (the "Series 2019A Bonds") in the original aggregate principal amount of $[A-PRINCIPAL] and its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Federally Taxable Series 2019B (the "Series 2019B Bonds" and together with the Series 2019A Bonds, the "Series 2019 Bonds") in the original aggregate principal amount of $[B-PRINCIPAL]; and

WHEREAS, the Series 2019 Bonds and the authentication certificates are to be substantially in the form set forth in **Exhibit A** to this Indenture, with such necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Series 2019 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Authority and to constitute this Indenture a valid, binding and legal instrument for the security of the Series 2019 Bonds in accordance with its terms, have been done and performed.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained and of the purchase and acceptance of the Bonds by the Registered Owners thereof and of the sum of One Dollar to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding under this Indenture, according to their tenor and effect, to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, alienated, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, alien, assign, pledge, set over and confirm unto UMB Bank, n.a., as Trustee, for the benefit of the Registered Owners from time to time of the Bonds, and to its successors and assigns forever, all and singular the following described property, franchises and income (hereinafter referred to as the "Trust Estate"):

(a) The rights and interests of the Authority under the Loan and Security Agreement, dated as of June 1, 2019, as amended from time to time (the "Agreement"), by and between the Authority and the Corporation, except all rights of the Authority pursuant to Sections 5.02(f), 8.06, 10.04, 12.10 and 12.11 of the Agreement and all of its rights, without limiting the Trustee's right to exercise its rights and remedies under Sections 5.02(f), 8.06, 10.04, 12.10 and 12.11 of the Agreement, and its right to receive certain reports and perform certain discretionary acts pursuant to the Agreement.

(b) The rights and interests of the Trustee under the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019, from the Corporation to the Public Trustee of Weld County, Colorado, for the benefit of the Trustee (the "Deed of Trust"), encumbering the Facilities, subject to Permitted Encumbrances.

(c) All rights and interests of the Trustee and Authority in the Facilities, subject to Permitted Encumbrances, except as to all rights of the Authority under Sections 5.02(f), 8.06, 10.04, 12.10 and 12.11 of the Agreement.

(d) The Pledged Revenues (as defined in the Agreement) and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except as to all rights of the Authority to such Pledged Revenues under Sections 5.02(f), 8.06, 10.04, 12.10 and 12.11 of the Agreement.

(e) The rights and interests of the Authority and the Corporation under the Lease (except the rights of the Authority and the Corporation under Sections 10.06 and 13.01 of the Lease).

(f) All Funds created in this Indenture (other than the Rebate Fund), except for moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Bonds that are no longer deemed to be Outstanding hereunder, and all trust accounts containing all insurance and condemnation proceeds and all Revenues payable to the Trustee by or for the account of the Authority pursuant to the Agreement and this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture.

(g) Any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security hereunder in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same, subject to the terms hereof.

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever.

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds except as otherwise provided in Article VII hereof or with respect to moneys otherwise held to redeem or pay particular Bonds hereunder.

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of the Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Principal Fund and the Bond Interest Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, or certain securities as herein permitted and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Authority and the United States of America all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture to be and remain in full force and effect.

IT IS HEREBY EXPRESSLY ACKNOWLEDGED that the Authority has entered into this Indenture and issued the Bonds to fulfill the public purposes of the Act (as defined in the Agreement), and the Trustee hereby accepts such trust and covenants to enforce the provisions of this Indenture, the Agreement and the Deed of Trust, so as to effect the public purposes of the Act.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights, interests, and revenues and funds hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations,

covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant with the Trustee for the benefit of the Registered Owners from time to time of the Bonds as follows:

ARTICLE I
DEFINITIONS; INDENTURE TO CONSTITUTE CONTRACT

Section 1.01. Definitions. All words and phrases defined in Article I of the Agreement shall have the same meaning in this Indenture. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

"*Additional Bonds*" means any additional bonds, notes or other obligations issued for the benefit of the Corporation which are payable in whole or in part from or have a parity lien or encumbrance on the Trust Estate and permitted to be issued pursuant to Section 2.11 hereof.

"*Authorized Denomination*" means, (a) with respect to the Series 2019 Bonds, $5,000 denominations and any integral multiple in excess thereof and (b) with respect to any Additional Bonds such denominations as are authorized therefor and set forth in a supplement to this Indenture.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Bond Purchase Agreement*" means (a) with respect to the Series 2019 Bonds, the Bond Purchase Agreement, dated June __, 2019, by and among the Authority, the Corporation, the Charter School and the Underwriter; and (b) with respect to any Additional Bonds any bond purchase agreement or placement agent agreement regarding the sale of such Additional Bonds.

"*Business Day*" means any day other than a Saturday or Sunday or a day on which banking institutions in the State are authorized to close or the financial markets are closed for trading.

"*Cede*" means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

"*Colorado Charter School Debt Reserve Fund Program*" means that certain debt reserve fund program described in Section 22-30.5-407, Colorado Revised Statutes, as amended, or any successor statute thereto.

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

"*Colorado Charter School Moral Obligation Program*" means that certain moral obligation program described in Section 22-30.5-408, Colorado Revised Statutes, as amended, or any successor statute thereto.

"*DTC*" means The Depository Trust Company, New York, New York, and its successors and assigns.

"*DTC Participants*" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds bonds as securities depository.

"*Electronic Means*" or "*electronic means*" means telecopy, facsimile transmission, e mail transmission or other similar electronic means of communication providing evidence of transmission.

"*Facilities*" means, collectively, the Land and the Building and equipment therein, if any, located at 6905 West 8th Street, Greeley, Colorado, including the Improvements financed or refinanced with proceeds of the Bonds.

"*Fitch*" means Fitch Ratings.

"*Government Obligations*" means (a) State and Local Government Series issued by the United States Treasury ("SLGS"); (b) United States Treasury bills, notes and bonds, as traded on the open market; and (c) Zero Coupon United States Treasury Bonds.

"*Investment Obligations*" means any security or other obligation that is a legal investment for the Authority in the State and not otherwise restricted by the Tax Compliance Certificate.

"*Management Consultant*" means an independent management company specializing in finance.

"*Moody's*" means Moody's Investors Service.

"*Nominee*" means Cede & Co., as nominee of DTC, the initial securities depository for the Bonds, and any successor nominee of DTC and, if another securities depository replaces DTC as securities depository hereunder, any nominee of such substitute securities depository.

"*Outstanding*" means when used with respect to the Bonds, as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds (or securities to the extent permitted in Section 7.01 hereof) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee;

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.05 or 2.06 hereof; and

(d) Bonds for which the conditions enumerated in Section 5.06 hereof have been met.

"*Participants*" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as a securities depository.

"*Rating Agency*" means any of Moody's, Standard & Poor's or Fitch or any other nationally recognized rating agency.

"*Registered Owner*" means the registered owner of any Bond.

"*Regular Record Date*" means the close of business on the fifteenth day of the month immediately preceding the month in which an interest payment date occurs.

"*Representation Letter*" means the representation letter from the Authority to DTC, dated January 25, 1999.

"*Revenues*" means all payments received by the Trustee for the account of the Authority pursuant to the Agreement, the Deed of Trust and this Indenture.

"*Special Record Date*" means a special record date, which shall be a Business Day, fixed to determine the names and addresses of Registered Owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.03 hereof.

"*Standard & Poor's*" means S&P Global Ratings.

"*State*" means the State of Colorado.

"*Title Company*" means Land Title Guarantee Company.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2019 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), that has become publicly available two (2) business days prior to the notice of redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data as determined by the Management Consultant along with an opinion of nationally recognized bond counsel delivered to the Authority and the Trustee that the use of such alternate source of market data does not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Series 2019 Bonds) most nearly equal to the period from the redemption date to the maturity date of the Series 2019 Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

"*Trust Estate*" means the property pledged, assigned and mortgaged to the Trustee pursuant to the granting clauses hereof.

"*Underwriter*" means George K. Baum & Company, or any successor thereto, as the underwriter for the Series 2019 Bonds.

Section 1.02. Indenture to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time, the provisions of this Indenture shall be part of the contract of the Authority with the Registered Owners of the Bonds, and shall be deemed to be and shall constitute contracts among the Authority, the Trustee and the Registered Owners from time to time of the Bonds. The pledge made in this Indenture and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds except as otherwise provided in Article VII hereof or with respect to moneys otherwise held to redeem or pay particular Bonds hereunder. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or pursuant to this Indenture.

Section 1.03. Pledge and Agreement of the State of Colorado. By the enactment of Section 23-15-124 of the Act, the State has pledged to and agreed with the Registered Owners of any bonds, notes, and other obligations issued under the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter, restrict or impair the rights vested in the Authority to acquire, construct, reconstruct, maintain and operate any facility as defined in the Act or to establish, revise, charge and collect rates, rents, fees and other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the Registered Owners of bonds, notes or other obligations authorized and issued pursuant to the Act, and with the parties who may enter into contracts with the Authority pursuant to the Act, and will not in any way impair the rights or remedies of the Registered Owners of such bonds, notes or other obligations of such parties until such bonds, notes or other obligations, together with interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding by or on behalf of such Registered Owners, are fully met and discharged and such contracts are fully performed on the part of the Authority. Nothing in the Act precludes such limitation or alteration if and when adequate provision is made by law for the protection of the Registered Owners of such bonds, notes or other obligations of the Authority or those entering into such contracts with the Authority.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 2.01. Authorized Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder is hereby expressly limited to $[PRINCIPAL], except as provided in Sections 2.05, 2.06 and 2.11 hereof.

Section 2.02. All Bonds Equally and Ratably Secured by Trust Estate; Limited Obligation of Bonds and Pledges Securing the Same. Except as provided herein, all Bonds issued under this Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority or distinction on account of the date or dates or the actual time or times of the issue or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture, and shall all be equally and ratably secured hereby.

The Bonds shall be limited obligations of the Authority payable solely out of the security specified in this Indenture. The Bonds shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or of any county, city, city and county, town, school district or other subdivision of the State, or of any other political subdivision or body corporate and politic within the State other than the Authority (but only to the extent provided in this Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Authority to the extent provided above shall be liable thereon; nor shall the Bonds constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds herein provided therefor. The issuance of the Bonds shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Authority to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for their payment, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Authority to create a debt of the State within the meaning of the Constitution or statutes of the State or authorize the Authority to levy or collect taxes or assessments. Neither the members of the Authority nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Authority. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power.

Section 2.03. Authorization of Series 2019 Bonds. There is hereby authorized to be issued hereunder and secured hereby an issue of bonds designated as the "Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Series 2019A" in the original aggregate principal amount of $[A-PRINCIPAL] and the "Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Federally Taxable Series 2019B" in the original aggregate principal amount of $[B-PRINCIPAL]. The Series 2019 Bonds shall be issuable as fully registered bonds in the Authorized Denominations. The Series 2019 Bonds shall be numbered separately and lettered, if at all, in such manner as the Trustee shall determine.

The Series 2019 Bonds shall be dated their date of delivery. The Series 2019 Bonds shall bear interest on the basis of a 360-day year, consisting of twelve 30-day months, from their date of delivery until payment of principal has been made or provided for, payable on each December 1 and June 1 of each year, commencing [December 1, 2019], except that Series 2019 Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Series 2019 Bonds.

The Series 2019A Bonds shall mature on June 1 in the years and shall bear interest at the per annum interest rates set forth below:

June 1 Year	**Amount**	**Interest Rate**
	$	%

The Series 2019B Bonds shall mature on June 1 in the years and shall bear interest at the per annum interest rates set forth below:

June 1 Year	**Amount**	**Interest Rate**
	$	%

The principal of and premium, if any, on the Series 2019 Bonds shall be payable in lawful money of the United States of America at the principal operations office of the Trustee in Kansas City, Missouri, or at such other location as it shall designate, or at the principal office of its successor in trust, upon presentation and surrender of the Series 2019 Bonds. Payment of interest on any Series 2019 Bond shall be made to the Registered Owner thereof by check or draft mailed on each interest payment date by the Trustee to the Registered Owner at his or her address as it last appears on the registration records kept by the Trustee at the close of business on the Regular Record Date for such interest payment date (except that the Registered Owners of at least $500,000 in aggregate principal amount of Series 2019 Bonds Outstanding may, by written request received at least ten (10) Business Days prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States of America), but any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner thereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of such Special Record Date shall be given to the Registered Owners of the Series 2019 Bonds not less than ten (10) days prior thereto by electronic means or by first class mail to each such Registered Owners as shown on the registration records on the date selected by the Trustee stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. All such payments shall be made in lawful money of the United States of America.

The Series 2019 Bonds are subject to sinking fund redemption provisions of Section 5.03 hereof. The Series 2019 Bonds are otherwise subject to prior redemption as herein set forth. The Series 2019 Bonds shall be substantially in the form and tenor hereinabove recited with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Section 2.04. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of the Chair, Vice-Chair or any Assistant Vice-Chair of the Authority and its corporate seal or a facsimile thereof shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Executive Director, the Vice-Chair or any Assistant Vice-Chair of the Authority. Any Bond may be signed (manually or by facsimile), sealed or attested on behalf of the Authority by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office.

Section 2.05. Registration, Transfer and Exchange of Bonds; Persons Treated as Registered Owners. The Authority shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee. Upon surrender for transfer of any Bond at the principal office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds for a like series and aggregate principal amount of the same maturity.

The Bonds may be exchanged at the principal office, or at such other location as it shall designate of the Trustee, for a like series and aggregate principal amount of Bonds of the same maturity and interest rate in Authorized Denominations. The Authority shall execute and the Trustee shall authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding. The execution by the Authority of any Bond of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required to transfer or exchange any Bond subject to redemption during the period of five days next preceding the mailing of notice of redemption as herein provided. After the giving of such notice, in the event that the Bonds are redeemed in whole the Trustee shall not be required to transfer or exchange the Bonds and, in the event that the Bonds are redeemed in part, the Trustee shall not be required to transfer or exchange the Bonds until the date on which a portion of the Bonds have been called for redemption.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, except to the extent otherwise provided herein with respect to Regular Record Dates and Special Record Dates for the payment of interest, and payment of either principal or interest on any Bond shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Trustee and the Authority shall require the Registered Owner requesting exchange or transfer to pay the reasonable expenses of the Authority, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06. Lost, Stolen, Destroyed and Mutilated Bonds. Upon receipt by the Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to the Trustee and the Authority, and upon surrender and cancellation of the Bond in accordance with the customary practices of the Trustee, if mutilated, (a) the Authority shall execute, and the Trustee shall authenticate and deliver, a new Bond of the same series, date, maturity, interest rate and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond; or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the Authority and of the Trustee in connection with the issuance of such Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 2.07. Delivery of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the initial purchaser thereof as directed by the Authority and as hereinafter in this Section provided. The Trustee shall be entitled to conclusively rely upon such direction and authorization from the Authority as to the names of the purchasers and the amount of such purchase price.

Prior to the delivery by the Trustee of any of the Bonds, there shall have been filed with or delivered to the Trustee the following:

(a) A resolution duly adopted by the Authority, certified by the Executive Director thereof, authorizing the execution and delivery of the Agreement, the Tax Compliance Certificate, and this Indenture, including any supplements or amendments thereto, and the issuance of any of the Bonds.

(b) A duly executed copy of this Indenture, the Tax Compliance Certificate, the Agreement, the Deed of Trust and the Lease, including any supplements or amendments thereto.

(c) The written order of the Authority as to the delivery of the Bonds, signed by an Authorized Representative of the Authority.

(d) An opinion of nationally recognized municipal bond counsel substantially to the effect that the Bonds constitute legal, valid and binding obligations and the interest on the Series 2019A Bonds is excludable from gross income for federal income tax purposes.

(e) A commitment for title insurance naming the Trustee as an insured party.

Section 2.08. Authentication Certificate. The authentication certificate upon the Bonds shall be substantially in the form and tenor set forth in **Exhibit A** hereto. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the

certificate of authentication, substantially in such form, has been duly executed by the Trustee; and such certificate of the Trustee upon any Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized signatory of the Trustee, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09. Cancellation and Destruction of Bonds. Whenever any Outstanding Bonds shall be delivered to the Trustee for the cancellation thereof pursuant to this Indenture, upon payment of the principal amount thereof or for replacement pursuant to Section 2.06 hereof, such Bonds shall be promptly cancelled and destroyed by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

Section 2.10. Reserved.

Section 2.11. Additional Bonds. Additional Bonds secured by and payable from the Trust Estate may be issued in the Authority's sole discretion in one or more additional series, provided the following terms and conditions have been met:

(a) the Trustee has received a written certificate of an Authorized Representative of the Corporation to the effect that (i) the Corporation is not in default under the Agreement, the Lease, the Deed of Trust or this Indenture; (ii) the Corporation is not aware of any Events of Default under the Agreement, the Lease, the Deed of Trust or this Indenture; and (iii) that the requirements for additional Indebtedness of the Corporation as set forth in Section 8.13 of the Agreement have been met;

(b) the Authority has consented to the issuance of Additional Bonds pursuant to this Section 2.11;

(c) the Trustee has received a copy, duly certified by the Executive Director of the Authority, of the resolution adopted by the Authority authorizing the issuance of such Additional Bonds and the execution and delivery of a supplemental indenture, supplementing and amending this Indenture, providing the date, interest rates and maturities of such Additional Bonds, options and requirements for redemption prior to maturity with respect to such Additional Bonds, deposit of proceeds to the various funds and accounts, and such other terms as may be required by reason of the foregoing and which adopts the applicable provisions of this Indenture, and of an agreement supplementing and amending the Lease, the Deed of Trust, the Agreement or other instrument evidencing the Additional Bonds;

(d) the Authority and the Trustee have received an opinion of nationally recognized municipal bond counsel to the effect that the issuance of such Additional Bonds will not affect adversely the exclusion from gross income for federal income tax purposes of interest on any Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes;

(e) the Trustee has received original executed counterparts of the agreements supplementing and amending the Lease, the Deed of Trust, the Agreement or other

instrument evidencing other Additional Indebtedness, and the supplemental indenture supplementing and amending this Indenture;

(f) the Trustee has received a written request and authorization to the Trustee on behalf of the Authority and signed by its Executive Director or any other Authorized Representative of the Authority to authenticate and deliver such Additional Bonds to the purchasers therein identified, upon payment to the Trustee, but for the account of the Authority, of a sum specified in such request and authorization, plus accrued interest thereon, if any, to the date of delivery;

(g) the Trustee has received from the proceeds of the Additional Bonds or otherwise on the date of delivery of the Additional Bonds an amount equal to any additional reserve requirement for deposit into the bond reserve fund designated for such Additional Bonds;

(h) the Authority and the Trustee have received an executed opinion of nationally recognized municipal bond counsel to the effect that (i) the Additional Bonds have been duly authorized, executed and delivered and constitute the binding limited obligations of the Authority, enforceable in accordance with their terms, subject to normal bankruptcy exceptions; and (ii) the interest on such Additional Bonds is excluded from gross income for federal income tax purposes (unless it is intended that such interest be taxable); and

(i) the Base Rents, as recalculated by the Corporation pursuant to Section 6.02(a) of the Lease or similar payments on other instruments, shall be equal to the amounts necessary to make the principal, premium, if any, and interest payments on the Outstanding Bonds, the Additional Bonds or other additional Indebtedness when due.

The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority and in the Agreement and Deed of Trust to be performed by the Corporation shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds and Additional Bonds or other additional Indebtedness, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds and Additional Bonds or other additional Indebtedness over any other thereof except as expressly provided in this Indenture.

Section 2.12. Book-Entry System; Limited Obligation of Authority.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each series and maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a depository, neither the Authority nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the depository or any Participant concerning any ownership interest in the Series 2019 Bonds; (ii) the delivery to

any Participant, Beneficial Owner, or person other than the Registered Owner, of any notice concerning the Bonds, including notice of redemption; (iii) the payment to any Participant, Beneficial Owner, or person other than the Registered Owner, of the principal of, premium if any, and interest on the Bonds. The Authority and the Trustee may treat the Registered Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Registered Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the payment of the same. No person, other than a Registered Owner, shall receive a certificated Bond evidencing the obligations of the Authority pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as depository with respect to the Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the Authority or, if the Authority determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the Authority that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

(d) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Authority determines that:

(i) DTC is unable to discharge its responsibilities with respect to the Bonds; or

(ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration records kept by the Trustee in the name of Cede or any other nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds.

(e) Upon the termination of the services of DTC with respect to the Bonds pursuant to Section 2.12(c) or (d) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Trustee is obligated at the written direction of the Authority to deliver Bond certificates at the expense of the Corporation and the Bonds shall no longer be restricted to being registered in the registration records kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names Registered

Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

ARTICLE III
REVENUES AND FUNDS

Section 3.01. Pledge of Trust Estate. Subject only to the rights of the Authority to apply amounts under the provisions of this Article; the Authority hereby pledges to the Trustee the Trust Estate to the extent provided herein to secure the payment of the principal of, premium, if any, and interest on the Bonds. The pledge herein shall be valid and binding from and after the time of the delivery by the Trustee of the first Bond authenticated and delivered under this Indenture. The security so pledged and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Authority with respect to the Trust Estate and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

Section 3.02. Establishment of Funds. The Authority hereby establishes and creates the following funds, which shall be special trust funds held by the Trustee:

(a) Bond Principal Fund;

(b) Bond Interest Fund;

(c) Bond Reserve Fund;

(d) Project Fund;

(e) Issuance Expense Fund;

(f) Repair and Replacement Fund; and

(g) Rebate Fund.

The Trustee shall apply the proceeds of the Bonds in the manner set forth in Section 4.01 of the Agreement.

Section 3.03. Payments into the Bond Principal Fund and the Bond Interest Fund. There shall be deposited into the Bond Principal Fund or the Bond Interest Fund, as appropriate, in a Pro Rata Portion as appropriate, and as and when received (a) all payments by the Corporation pursuant to Sections 5.02(a) and 5.06 of the Agreement; (b) all moneys transferred to the Bond Principal Fund or Bond Interest Fund pursuant to Sections 3.07, 3.13, 3.15, 3.18 or 6.03 hereof; (c) all other moneys deposited into the Bond Principal Fund or Bond Interest Fund pursuant to the Agreement, the Deed of Trust, the Lease or this Indenture (including without limitation State Education Fund Capital Construction Funds); and (d) all other moneys received by the Trustee when accompanied by written directions signed by the Authorized Representative of the Corporation directing that such moneys are to be paid into the Bond Principal Fund or Bond

Interest Fund. There shall also be retained within the accounts of the Bond Principal Fund and Bond Interest Fund, respectively, interest and other income received on investment of moneys in the accounts of the Bond Principal Fund and Bond Interest Fund to the extent provided in Section 6.03 hereof.

If the Trustee does not receive payments into the Bond Principal Fund and the Bond Interest Fund pursuant to Section 5.02(a) of the Agreement by the fifth (5^{th}) day after any required payment date pursuant to Section 5.02(a) of the Agreement, the Trustee will immediately notify the Authority and the Corporation of such nonpayment; and if such payments are not received within five (5) Business Days thereafter, the Trustee shall notify the Registered Owners of the Bonds.

Section 3.04. Use of Moneys in the Bond Principal Fund and the Bond Interest Fund. Any accrued or capitalized interest deposited into an account of the Bond Interest Fund pursuant to Section 3.03 hereof shall be used (prior to any other moneys deposited therein) to pay interest on the Bonds. Except as provided in this Section and in Sections 3.18, 3.23, 6.03 and 8.05 hereof, moneys in the Bond Principal Fund shall be used, subject to the provisions of this section, solely for the payment of the principal of and premium, if any, on the Bonds, and moneys in the Bond Interest Fund shall be used, subject to the provisions of this section, solely for the payment of the interest on the Bonds. Whenever the total amount in the Bond Principal Fund, the Bond Interest Fund and the Bond Reserve Fund is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption, and redemption premium, if any, and to pay all outstanding fees and expenses of the Trustee, on the date of redemption of the Bonds, the Trustee, subject to the requirements of the Agreement and written direction from the Corporation, covenants to take and cause to be taken the necessary steps to redeem all of the Bonds on the redemption date for which the required redemption notice has been given.

Subject to the provisions of Section 6.03 hereof, the Trustee shall calculate on June 30 of each year, or upon the written request of the Corporation, the amount held in the Bond Principal Fund and Bond Interest Fund, and shall transfer to the Charter School as soon as reasonably possible following the Trustee's calculation that any such moneys exist, all or such portion of any moneys deposited with the Trustee by or on behalf of the Charter School pursuant to Section 6.02 of the Lease, which are not necessary to meet the monthly Loan Payments required pursuant to Sections 5.02(a) and 5.06 of the Agreement because moneys from the State Education Fund have been deposited with the Trustee by the Charter School pursuant to Section 6.02(a) of the Lease. Further, so long as (a) there has been no Event of Default hereunder; (b) the Lease Term has not expired, ended or been terminated; (c) none of the moneys in the Bond Principal Fund or Bond Interest Fund are necessary or required for payment of all or any portion of the Bonds for a redemption pursuant to Article V hereof; and (d) the Trustee is not in possession of any Net Proceeds, the Trustee shall, within five Business Days following the date of maturity or sinking fund redemption of any of the Bonds, transfer to the Charter School the balance of any moneys on deposit in the Bond Principal Fund and the Bond Interest Fund which is not required to be held pursuant to Section 3.20 hereof or pay fees and expenses of the Trustee.

The Trustee shall, during the Lease Term (as defined in the Lease), take or cause to be taken such actions, in accordance with the terms of the Agreement and this Indenture, as necessary and appropriate, pursuant to the written direction of the Charter School, the Charter Authorizer or the State Treasurer, to cause direct payment of Base Rents to be made to the Trustee by the State

Treasurer or, if the State Treasurer does not so agree, by the Charter Authorizer, pursuant to and in accordance with the Colorado Charter School Intercept Program.

Section 3.05. Custody of the Bond Principal Fund and the Bond Interest Fund. The Bond Principal Fund and the Bond Interest Fund shall be in the custody of the Trustee, but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Bond Principal Fund to pay the principal of and premium, if any, on the Bonds as the same become due and payable, to withdraw sufficient funds from the Bond Interest Fund to pay the interest on the Bonds as the same becomes due and payable and to withdraw sufficient excess funds from the Bond Interest Fund or the Bond Principal Fund to make permissible transfers to the Charter School authorized in Section 3.04 hereof.

Section 3.06. Payments into the Bond Reserve Fund. There shall be deposited into the Bond Reserve Fund pursuant to Section 4.01 of the Agreement, proceeds from the sale of the Bonds an amount equal to the Bond Reserve Requirement. There shall be deposited into the Bond Reserve Fund all moneys required to be paid by the Corporation to the Trustee pursuant to Section 5.02(b) of the Agreement. In addition, there shall also be deposited into the Bond Reserve Fund (a) all moneys transferred to the Bond Reserve Fund from the Bond Principal Fund or the Bond Interest Fund, pursuant to Section 6.03 hereof; (b) all other moneys required to be deposited therein pursuant to the Agreement or this Indenture; and (c) all other moneys received by the Trustee when accompanied by written directions signed by the Authorized Representative of the Corporation directing that such moneys are to be paid into Bond Reserve Fund. There also shall be retained in the Bond Reserve Fund interest and other income received on investments of Bond Reserve Fund moneys to the extent provided in Section 6.03 hereof.

In the event the Corporation shall deliver a Reserve Fund Insurance Policy in substitution for the cash or Investment Obligations then on deposit in the Bond Reserve Fund pursuant to Section 5.05 of the Agreement (together with the opinion required thereby), the Trustee is hereby authorized to release to the Corporation or its designee cash and Investment Obligations in an amount (including accrued but unpaid interest on such Investment Obligations, if any) equal to the face amount of such Reserve Fund Insurance Policy. In addition, the Trustee is hereby authorized to release any Reserve Fund Insurance Policy from the Trust Estate in the event the Corporation shall deliver to the Trustee for deposit to the Bond Reserve Fund cash and Investment Obligations (exclusive of accrued but unpaid interest thereon) in an amount equal to the amount then available to be drawn under such released Reserve Fund Insurance Policy.

The Series 2019 Bonds are secured by the Colorado Charter School Moral Obligation Program, and the Bond Reserve Fund may be replenished under the Colorado Charter School Debt Reserve Fund Program. Pursuant to the provisions of the Colorado Charter School Debt Reserve Fund Program, if on the tenth Business Day immediately prior to each December 1 and June 1 payment date, the moneys available in the Bond Reserve Fund are less than the Bond Reserve Requirement and such amount is not immediately restored, the Trustee shall notify the Authority, the State Treasurer and the Charter School of such deficiency. Following such notification, the Trustee agrees to cooperate with the Authority to utilize the provisions of the Colorado Charter School Debt Reserve Fund Program and the Colorado Moral Obligation Program.

Section 3.07. Use of Moneys in the Bond Reserve Fund. Except as provided in Sections 3.18 and 3.23 hereof, moneys in the Bond Reserve Fund shall be used by the Trustee promptly and solely for the payment of the principal of, premium, if any, and interest on the Bonds in the event moneys in the Bond Principal Fund and Bond Interest Fund are insufficient to make such payments when due, whether on an interest payment date, sinking fund redemption date, maturity date or otherwise in an amount necessary to cure such Event of Default and notwithstanding any other provision of this Indenture. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 10.02(a) of the Agreement or under the Deed of Trust and under Section 8.02(a) hereof, any moneys in the Bond Reserve Fund shall be transferred by the Trustee to the Bond Interest Fund, and with respect to any moneys in excess of the amount required to be transferred to the Bond Interest Fund, to the Bond Principal Fund and applied in accordance with Section 8.05 hereof. On the final maturity date of the Bonds any moneys in the Bond Reserve Fund may be used to pay the principal of and interest on the Bonds on such final maturity date. In the event of the redemption of the Bonds in whole, any moneys in the Bond Reserve Fund shall be transferred to the Bond Principal Fund and applied to the payment of the principal of and premium, if any, on the Bonds. The Trustee shall value the Investment Obligations in the Bond Reserve Fund semiannually on December 1 and June 1 of each year at their market value. If on any valuation date the amount in the Bond Reserve Fund (determined pursuant to this Section) is greater than the Bond Reserve Requirement, such excess shall be transferred by the Trustee to the Bond Interest Fund and applied to the payment of the interest on the Bonds; provided, however, that the amount remaining in the Bond Reserve Fund (determined pursuant to this Section) immediately after such transfer shall not be less than the Bond Reserve Requirement on that date. If on any valuation date the amount in the Bond Reserve Fund (determined pursuant to this Section) is less than the Bond Reserve Requirement, the Trustee shall notify the Corporation of its obligation pursuant to Section 5.02(b) of the Agreement.

At such times as moneys are to be transferred out of the Bond Reserve Fund for deposit into the Bond Principal Fund or the Bond Interest Fund pursuant to this Section or to the Rebate Fund pursuant to Section 3.18 hereof, the Trustee shall use cash, Investment Obligations or amounts derived from or drawn on a Reserve Fund Insurance Policy in such order of priority as the Corporation shall direct in writing. If no Corporation direction has been received, the Trustee shall first use cash or Investment Obligations, if any, before making any demand on a Reserve Fund Insurance Policy. Any Reserve Fund Insurance Policy shall be valued for all purposes of this Indenture at the amount available to be drawn under such policy.

Within five (5) Business Days of any transfer of funds from the Bond Reserve Fund to the Bond Principal Fund or the Bond Interest Fund, the Trustee shall notify the Corporation in writing of such transfer and of the amount of the deficiency, if any, of amounts then on deposit in the Bond Reserve Fund as of such date.

Section 3.08. Custody of the Bond Reserve Fund. The Bond Reserve Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Reserve Fund to pay the principal of, premium, if any, and interest on the Bonds and for the purpose described in Section 3.18 hereof, which authorization and direction the Trustee hereby accepts. In the event there shall be a deficiency in the Bond Principal Fund or the Bond Interest Fund on any payment date for the

Bonds, the Trustee shall promptly make up such deficiency from the Bond Reserve Fund so that the amount therein is equal to such deficiency.

Section 3.09. Reserved.

Section 3.10. Reserved.

Section 3.11. Payments into and Use of Moneys in the Project Fund. There shall be deposited into the Project Fund from the Bond proceeds, pursuant to Section 4.01 of the Agreement, an amount equal to the Project Fund Initial Deposit.

The Project Fund shall be in the custody of the Trustee but in the name of the Authority, and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Project Fund for the purposes set forth in Section 4.03 of the Agreement, which authorization and direction the Trustee hereby accepts.

Section 3.12. Payments into and Use of Moneys in the Issuance Expense Fund. There shall be deposited into the Issuance Expense Fund from the Bond proceeds, pursuant to Section 4.01 of the Agreement, an amount which shall not be less than the Issuance Expense Fund Initial Deposit (provided that such amount may be reduced by amounts allocated to issuance expenses but paid directly by the Underwriter). There shall also be retained in the Issuance Expense Fund interest and other income received on investments of Issuance Expense Fund moneys as provided in Section 6.03 hereof. Except as provided in Sections 3.13 and 3.18 hereof, such moneys shall be expended to pay issuance expenses in accordance with the provisions of Section 4.04 of the Agreement; provided however, amounts necessary to pay for invoiced fees of nationally recognized municipal bond counsel, the Authority and the Trustee may be paid by the Trustee without additional documentation. The Trustee is hereby authorized and directed to issue its checks on or make wire payments from the Issuance Expense Fund for each payment in accordance with Section 4.04 of the Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Issuance Expense Fund and all payments therefrom, which shall be open to inspection by the Corporation or their duly authorized agents during normal business hours of the Trustee. After all expenses incurred in connection with the issuance of the Bonds have been paid and a certificate of payment of all costs filed as provided in Section 3.13 hereof, the Trustee shall file a statement of income in the form of its customary trust statement and disbursements with respect thereto with the Corporation and the Authority.

Section 3.13. Termination of Issuance Expense Fund. Upon the earlier of: (a) receipt by the Trustee of a certificate signed by an Authorized Representative of the Corporation stating that all expenses incurred in connection with the issuance of the Bonds have been paid; or (b) thirty (30) days following the issue date of any Bonds, any moneys remaining in the Issuance Expense Fund shall be transferred to the Project Fund.

Section 3.14. Custody of the Issuance Expense Fund. The Issuance Expense Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Issuance Expense Fund for the purposes

set forth in Section 4.04 of the Agreement and Section 3.12 hereof, which authorization and direction the Trustee hereby accepts.

Section 3.15. Payments into the Repair and Replacement Fund. There shall be deposited into the Repair and Replacement Fund as and when received (a) all payments by the Corporation pursuant to Section 5.02(g) of the Agreement, (b) all other moneys deposited into the Repair and Replacement Fund pursuant to the Agreement or this Indenture, and (c) all other moneys received by the Trustee when accompanied by written directions signed by the Authorized Representative of the Corporation directing that such moneys are to be paid into the Repair and Replacement Fund. There shall also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund to the extent provided in Section 6.03 hereof. If the Trustee does not receive payments into the Repair and Replacement Fund pursuant to Section 5.02(g) of the Agreement by the fifth (5^{th}) day after any required payment date pursuant to Section 5.02(g) of the Agreement, the Trustee will immediately notify the Authority and the Corporation of such nonpayment, and if such payments are not received within five (5) Business Days thereafter, the Trustee shall notify the Registered Owners of the Bonds. Any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement on any June 1 shall be transferred by the Trustee to the Bond Interest Fund and applied to the payment of the interest on the Bonds; provided, however, that the amount remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement.

Section 3.16. Use of Moneys in the Repair and Replacement Fund. Absent an Event of Default hereunder or under the Agreement, the Trustee is hereby authorized and directed to make each disbursement from the Repair and Replacement Fund required by the provisions of Section 4.05 of the Agreement and to issue its checks therefor. The Trustee shall keep and maintain adequate records pertaining to the Repair and Replacement Fund and all disbursements therefrom and shall annually provide an account statement thereof with the Corporation.

Section 3.17. Custody of the Repair and Replacement Fund. The Repair and Replacement Fund shall be in the custody of the Trustee, but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Repair and Replacement Fund for the purposes authorized in Section 3.16 hereof.

Section 3.18. Rebate Fund. There shall be deposited into the Rebate Fund investment income on moneys in the Funds to the extent provided in the written direction of the Corporation pursuant to Section 4.08 of the Agreement and subject to the limitations in Section 6.03 hereof, moneys received from the Corporation pursuant to Section 5.02(e) of the Agreement, moneys transferred to the Rebate Fund from the Issuance Expense Fund, the Bond Reserve Fund, the Project Fund, the Bond Principal Fund or the Bond Interest Fund pursuant to the provisions of this Section, and all other moneys received by the Trustee when accompanied by written directions not inconsistent with the Agreement or this Indenture that such moneys are to be paid into the Rebate Fund. The Trustee shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Corporation's written direction pursuant to Section 4.07 of the Agreement.

If, upon receipt of the certification pursuant to Section 4.07 of the Agreement, the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, notwithstanding Section 6.03 hereof, the Trustee shall transfer moneys to the Rebate Fund from the following Funds in the following order of priority: the Issuance Expense Fund, the Project Fund, the Bond Principal Fund, the Bond Interest Fund, and the Bond Reserve Fund. The Trustee shall provide notice to the Authority if the certificate referred to in Section 4.07 of the Agreement is not received by the Trustee as provided in Section 4.07 of the Agreement. Upon receipt by the Trustee and the Authority of an opinion of a nationally recognized rebate analyst acceptable to the Authority and the Corporation to the effect that the amount in the Rebate Fund is in excess of the amount required to be therein, such excess shall be transferred to the Bond Interest Fund.

Section 3.19. Custody of the Rebate Fund. The Rebate Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw funds from the Rebate Fund for the purposes set forth in Section 3.18 hereof, which authorization and direction the Trustee hereby accepts.

Section 3.20. Nonpresentment of Bonds. In the event any Bonds, or portions thereof, shall not be presented for payment when the principal thereof becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof, including accrued interest thereon, shall have been deposited into the Bond Principal Fund and Bond Interest Fund or otherwise made available to the Trustee for deposit therein, then on and after the date said principal becomes due, all interest thereon shall cease to accrue and all liability of the Authority to the Registered Owner or Registered Owners thereof for the payment of such Bonds, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds in a separate trust account for the benefit of the Registered Owner or Registered Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her or their part under this Indenture with respect to said Bond or on, or with respect to, said Bond and the Trustee will hold such fund or funds without liability for interest thereon. Such moneys shall not be required to be invested during such period by the Trustee. If any Bond shall not be presented for payment within the period of three (3) years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall return to the Corporation the funds theretofore held by it for payment of such Bond and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Corporation. The obligations of the Trustee under this Section shall be subject, however, to any law applicable to the unclaimed funds or the Trustee providing other requirements for the disposition of unclaimed property.

Section 3.21. Moneys to Be Held in Trust. All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and, except for moneys deposited with or paid to the Trustee for the payment or redemption of specific Bonds and moneys held by the Trustee in the Rebate Fund and in the separate trust accounts pursuant to Section 3.20, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien hereof. Moneys held in the Rebate Fund shall be held in trust by the Trustee and shall be applied as provided in Section 3.18 hereof.

Section 3.22. Insurance and Condemnation Proceeds. Reference is hereby made to the provisions of the Agreement wherein it is provided that under certain circumstances the Net

Proceeds of insurance payments and condemnation awards are to be paid to the Trustee and to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform such duties and obligations of the Trustee specified in the Agreement with respect to insurance payments and condemnation awards. The Trustee shall fully cooperate with the Corporation in the handling and conduct of any prospective or pending insurable event or condemnation proceeding with respect to the Facilities or any part thereof.

Section 3.23. Repayment to the Corporation from the Funds. Any amounts remaining in the Funds after payment in full of the Bonds (or making provision for such payment), the fees and expenses of the Trustee, the Annual Fees and all other amounts required to be paid hereunder and under the Agreement to the Authority (including payments into the Rebate Fund and to the United States of America) shall be paid to the Corporation upon the expiration of the term of the Agreement.

ARTICLE IV
COVENANTS OF THE AUTHORITY

Section 4.01. Performance of Covenants. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond and in all proceedings of the Authority pertaining thereto. The Authority covenants, represents, warrants and agrees that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds and to execute this Indenture, to pledge the Trust Estate in the manner and to the extent herein set forth, that all actions on its part required for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken or will be duly taken as provided herein, and that this Indenture is a valid and enforceable instrument of the Authority and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Authority according to the terms thereof, except as the enforceability thereof may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally or against public corporations such as the Authority and by the application of general principles of equity.

Section 4.02. Instruments of Further Assurance. The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging and hypothecating unto the Trustee all and singular the Trust Estate to the payment of the principal of, premium, if any, and interest on the Bonds.

Section 4.03. Payment of Principal, Premium, if any, and Interest. The Authority will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from the Trust Estate, which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this Indenture shall be considered or construed as pledging any funds or assets of the Authority other than those pledged hereby or creating any liability of the Authority's directors, employees or other agents.

Section 4.04. Conditions Precedent. Upon the date of issuance of any of the Bonds, the Authority hereby covenants that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or by this Indenture to exist, to have happened, or to have been performed precedent to or in the issuance of the Bonds shall exist, have happened and have been performed.

Section 4.05. Rights Under the Agreement. The Authority will observe all of the obligations, terms and conditions required on its part to be observed or performed under the Agreement. The Authority agrees that whenever the Agreement gives the Trustee some right or privilege, or in any way attempts to confer upon the Trustee the ability for the Trustee to protect the security for payment of the Bonds, that such part of the Agreement, as applicable, shall be as though it were set out in this Indenture in full.

The Authority agrees that the Trustee as assignee of the Agreement may enforce, in its name or in the name of the Authority, all rights of the Authority and all obligations of the Corporation under and pursuant to the Agreement (subject to certain exceptions stated in the granting clauses hereof) for and on behalf of the Registered Owners, whether or not the Authority is in default hereunder.

Section 4.06. Actions Under the Charter School Capital Facilities Financing Act. It is hereby declared to be the intent of the Authority that the Series 2019 Bonds shall be treated as qualified charter school bonds for purposes of the Charter School Capital Facilities Financing Act. The Authority will take all permissible action at the times and in the manner necessary pursuant to the provisions of the Charter School Capital Facilities Financing Act in order to: (a) receive money from the Colorado Charter School Debt Reserve Fund with respect to the Series 2019 Bonds; (b) request replenishment of the Bond Reserve Fund from the Governor of the State pursuant to the Colorado Charter School Moral Obligation Program with respect to the Series 2019 Bonds; and (c) to make application for the direct payment of the Series 2019 Bonds by the Colorado State Treasurer pursuant to the Colorado Charter School Intercept Program.

ARTICLE V
REDEMPTION OF SERIES 2019 BONDS PRIOR TO MATURITY

Section 5.01. Optional Redemption of Series 2019 Bonds.

(a) ***Optional Redemption Prior to June 1, 20[__]***. The Series 2019 Bonds are subject to optional redemption prior to maturity on any date prior to June 1, 20[__] at the written direction of the Corporation, in whole or in part, at a redemption price (calculated by the Corporation and provided to the Trustee in the written direction of the Corporation), equal to the greater of:

(i) 100% of the principal amount of the Series 2019 Bonds to be redeemed;

(ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2019 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2019 Bonds are to be redeemed,

discounted to the date on which the Series 2019 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 25 basis points, plus interest accrued to the redemption date; and

(b) ***Optional Redemption On and After June 1, 20[__]***. The Series 2019 Bonds maturing on and after June 1, 20[__], are subject to optional redemption prior to maturity on June 1, 20[__] and on any date thereafter at the written direction of the Corporation, in whole or in part, at a redemption price equal to 100% of the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest.

Notwithstanding the foregoing, in no event shall the Series 2019 Bonds be subject to optional redemption pursuant to paragraph (a) if the optional redemption price calculated in accordance with clauses (a)(ii) above exceeds 105% of the principal amount of the Series 2019 Bonds to be redeemed. The Trustee shall be entitled to conclusively rely on the calculation of the optional redemption price provided to the Trustee in the written direction of the Corporation and shall be under no duty to independently verify such calculation.

Section 5.02. Redemption of Series 2019 Bonds Upon Occurrence of Certain Events.

(a) The Series 2019 Bonds are also redeemable at the option and upon the written direction of the Corporation in whole at any time or in part (only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Series 2019 Bonds pursuant to paragraphs (i) or (ii) of this Section) on any interest payment date from and to the extent of funds on deposit under this Indenture and available for this purpose at a redemption price equal to the principal amount of each Series 2019 Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(i) The Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee (A) the Facilities cannot reasonably be restored within a period of six (6) consecutive months to the condition thereof immediately preceding such damage or destruction, or (B) the Corporation or its lessee are thereby prevented from carrying on its normal operations for a period of six (6) consecutive months, or (C) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.03 of the Agreement.

(ii) Title to, or the temporary use of, all or any substantial part of the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority or because of a defect in title.

(iii) As a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Corporation in good faith, the Agreement shall have become

void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the Corporation in respect to the Facilities, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Agreement. Redemption pursuant to this paragraph (iii) shall be in whole only to the extent proceeds are available for redemption.

(b) The Series 2019 Bonds are subject to mandatory redemption in whole only on the sixtieth (60^{th}) day following a Determination of Taxability at a redemption price of 103% of the principal amount redeemed pursuant to this subsection (b) plus accrued interest through the date of redemption.

Section 5.03. Sinking Fund. The Series 2019A Bonds maturing June 1, 20[__] are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Pursuant to the provisions of the Loan Agreement, the Corporation is required to provide funds for deposit into the Bond Principal Fund and Bond Interest Fund sufficient to redeem the following principal amount of the Series 2019A Bonds maturing June 1, 20[__], plus accrued interest thereon to the redemption date:

Payment Date (June 1)	**Principal Amount**
	$
[1]	

[1] Maturity Date.

Not more than forty-five (45) days nor less than thirty (30) days prior to the sinking fund payment date for the Series 2019A Bonds, the Trustee is required to proceed to select for redemption (by lot in such manner as the Trustee may determine) from all outstanding Series 2019A Bonds, a principal amount of Series 2019A Bonds equal to the aggregate principal amount of Series 2019A Bonds, redeemable with the required sinking fund payment and is required to call such Series 2019A Bonds for redemption from the sinking fund on the next June 1 and give notice of such call.

Section 5.04. Method of Selecting Series 2019 Bonds. Except in the case of mandatory sinking fund redemption pursuant to Section 5.03 hereof or as selected by the Corporation in connection with an optional redemption pursuant to Section 5.01 hereof, in the event that less than all of the Outstanding Series 2019 Bonds shall be redeemed, the Series 2019 Bonds redeemed shall be selected by lot in such manner as the Trustee or the Charter School, so long as the Lease is in effect and an Event of Default has not occurred and is continuing thereunder, may determine.

Section 5.05. Purchase in Lieu of Redemption. At the election of the Corporation upon a call for optional redemption in whole of the Series 2019 Bonds, by written notice to the Trustee, given not less than forty-five (45) days in advance of the proposed Redemption Date, the Series 2019 Bonds will be deemed tendered for purchase in lieu of the redemption on such date and will

be purchased by funds provided to the Trustee by the Corporation. The purchase price of Series 2019 Bonds so purchased and payable on such Redemption Date in lieu of redemption shall be equal to the redemption price set forth in Section 5.01(a) above payable on such date of redemption had the Series 2019 Bonds been so redeemed. Series 2019 Bonds so purchased in lieu of redemption shall be registered to or upon the direction of the Corporation.

Section 5.06. Notices of Redemption. Bonds shall be called for optional redemption by the Trustee as herein provided upon receipt by the Trustee at least forty-five (45) days prior to the redemption date (which notice period may be waived by the Trustee) of a certificate of the Corporation specifying the principal amount of the Bonds to be called for redemption, the applicable redemption price or prices, the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption, provided that such certificate shall not be required with respect to a sinking fund redemption pursuant to Section 5.03 hereof and Bonds shall be called for redemption by the Trustee pursuant to such Section without the necessity of any action by the Corporation. In the case of every redemption, or in the case of any defeasance, the Trustee shall cause notice of such redemption or defeasance by either providing notice via electronic means or by mailing by first class mail a copy of the redemption notice or defeasance notice to the Authority and the Registered Owners of the Bonds designated for redemption or defeasance in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not less than thirty (30) days prior to the redemption date or defeasance date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption or defeasance of such Bonds. Any notice of redemption by the Trustee may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to the pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof to be redeemed.

Section 5.07. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue. On or before the thirtieth (30^{th}) day prior to the redemption date specified in any notice of redemption of the Corporation delivered pursuant to Section 5.06 above (provided that such notice shall not be required with respect to a sinking fund redemption pursuant to Section 5.03 hereof), an amount of money sufficient to redeem all the Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Trustee by the Corporation; unless a conditional notice of redemption has been provided by the Trustee as provided for in Section 5.06 above. On the redemption date the principal amount of each Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article (except the last sentence of the first paragraph of Section 5.06 above), then, notwithstanding that

any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and such deposit having been made) the Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Authority shall be under no further liability in respect thereof, as provided in Section 3.20 hereof.

Section 5.08. Cancellation. All Bonds which have been redeemed and all Bonds delivered to the Trustee by the Corporation for cancellation shall be cancelled by the Trustee and destroyed as provided in Section 2.09 hereof.

Section 5.09. Partial Redemption of Bonds. Upon surrender of any Bond for redemption in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Registered Owner thereof, the cost of which shall be paid by the Corporation, a new Bond or Bonds of the same series, interest rate, maturity and of Authorized Denominations, in an aggregate principal amount equal to that portion of the Bond not redeemed. The Trustee, at the cost of the Corporation, shall subscribe for new CUSIP numbers, if necessary, in connection with such partial redemption of Bonds.

Section 5.10. No Partial Redemption in Event of Default. Notwithstanding any provisions of this Article, the Bonds shall not be subject to partial redemption pursuant to Section 5.01 hereof if an Event of Default has occurred hereunder and has not been cured or otherwise waived by the Trustee for the purpose of making any such redemption payment.

ARTICLE VI
INVESTMENTS

Section 6.01. Investment of Bond Principal Fund, Bond Interest Fund, Bond Reserve Fund, the Project Fund, Issuance Expense Fund, Repair and Replacement Fund, and Rebate Fund. On written instructions signed by an Authorized Representative of the Corporation and delivered to the Trustee, any moneys held as part of the Funds shall be invested by the Trustee in Investment Obligations (a) with respect to the Repair and Replacement Fund and the Issuance Expense Fund maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable as estimated by an Authorized Representative of the Corporation filed with the Trustee; (b) with respect to the Bond Principal Fund, the Bond Interest Fund and the Rebate Fund maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable as determined by the Trustee; and (c) with respect to the Bond Reserve Fund maturing at such times as determined in writing by an Authorized Representative of the Corporation. The Trustee may conclusively rely upon the written instructions of the Authorized Representative of the Corporation. All such Investment Obligations purchased shall mature or be redeemable on a date or dates prior to the time when the moneys so invested will be required for expenditure. In the event the Trustee does not receive written investment instructions from the Corporation, the Trustee is directed to invest moneys held as part of the Funds in money market funds permitted pursuant to this Indenture. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the Corporation shall confirm that the investment transactions identified therein accurately reflect the investment directions of the Corporation, unless the Corporation notifies the Trustee in writing to the contrary within thirty (30) days of the date of such statement. The Trustee is specifically

authorized to purchase or invest in, shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation); (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States; and (iii) maintains a constant asset value per share; provided that at the time of such investment therein, such investments are Investment Obligations. The Trustee is specifically instructed to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

The Trustee shall value the Investment Obligations held within the Funds on each December 1 and June 1 of each year, commencing [December 1, 2019]. In computing for any purpose hereunder the amount in any Fund on any date, Investment Obligations purchased shall be valued at the lesser of their market value or cost (with the exception of the Bond Reserve Fund, which shall be valued at its market value). The Trustee shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in a Fund is insufficient for the purposes of such Fund. The Trustee shall not be responsible for any depreciation in the value of any Investment Obligation or for any loss resulting from the sale of any Investment Obligation. The Trustee may make any and all investments permitted by the provisions of this Section through its investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees.

The Trustee hereby agrees to retain the documentation with respect to investments of moneys in the Funds as required by and as described in the Tax Compliance Certificate.

Section 6.02. Tax Status of the Interest on the Tax-Exempt Bonds. The Trustee hereby acknowledges that in order to insure that the tax status of the interest on the tax-exempt Bonds is not adversely affected, the Authority has secured from the Corporation the covenant set forth in Section 4.08 of the Agreement.

Section 6.03. Allocation and Transfers of Investment Income. Any investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund from which the investment was made. Any loss resulting from such investments shall be charged to such Fund. Any interest or other gain from any Fund from any investment or reinvestment pursuant to Section 6.01 hereof realized shall be retained therein or shall be allocated and transferred as follows:

(a) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Bond Principal Fund and the Bond Interest Fund shall be retained in the respective Fund unless a deficiency exists at the time such interest is received or other gain is realized in the Bond Reserve Fund, in which case such interest or other gain shall be paid into the Bond Reserve Fund forthwith.

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Bond Reserve Fund shall be credited to the Bond Reserve Fund if the amount therein is less than the Bond Reserve Requirement. If the amount in the

Bond Reserve Fund is equal to or greater than the Bond Reserve Requirement immediately subsequent to any valuation required pursuant to Section 3.07 hereof, such amount in excess of the Bond Reserve Requirement shall be paid into the Bond Interest Fund.

(c) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Project Fund shall be retained in the Project Fund unless a deficiency exists at the time such interest is received or other gain is realized in the Bond Reserve Fund, in which case such interest or other gain shall be paid in the Bond Reserve Fund forthwith.

(d) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Issuance Expense Fund shall be retained in the Issuance Expense Fund.

(e) Any interest or other gain realized as a result of any investment or reinvestment of moneys in the Repair and Replacement Fund shall be retained in the Repair and Replacement Fund unless a transfer is permitted pursuant to Section 3.15 hereof.

Notwithstanding the provisions of this Section, any interest or other gain from any Fund shall be transferred to the Rebate Fund to the extent required by the written direction of the Corporation pursuant to Section 4.07 of the Agreement, except that no such transfer shall be made from any Fund if such transfer would cause the amount then on deposit in such Fund to be less than required by the provisions of this Indenture. Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Rebate Fund shall be retained in the Rebate Fund.

ARTICLE VII
DISCHARGE OF INDENTURE

Section 7.01. Discharge of this Indenture. If, when the Bonds secured hereby shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), together with all other sums payable hereunder, all amounts payable to the Authority and the Trustee under the Agreement and/or under the Deed of Trust and all amounts payable to the United States of America pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. Also if all Outstanding Bonds secured hereby shall have been purchased by the Corporation and delivered to the Trustee for cancellation, and all other sums payable hereunder, all amounts payable to the Authority under the Agreement, and all amounts payable to the United States pursuant to Section 148 of the Code have been paid, or provision shall have been made for the payment of the same, then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such events, upon the written request of the Corporation, the Trustee shall assign and transfer to the Corporation all property then held by the Trustee hereunder and shall execute such documents as may be reasonably required by the Corporation and shall turn over to the Corporation any surplus in any Fund pursuant to Section 3.23 hereof, except to the extent otherwise required by Section 4.08 of the Agreement and Section 3.20 hereof.

Payment of any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if: (a) in case said Series 2019 Bond is to be redeemed on any date prior to its maturity, the Corporation shall have given to the Trustee in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 5.05 hereof notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 5.05 hereof; (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be; (c) there shall have been delivered to the Trustee and the Authority a certificate from a firm of certified public accountants certifying as to the sufficiency of the deposit made pursuant to the preceding clause (b); (d) there shall have been delivered an opinion of nationally recognized bond counsel satisfactory to the Trustee and the Authority that such payment does not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes, and the defeasance is in accordance with the requirements of this Indenture; and (e) in the event said Bond is not by its terms subject to redemption within the next forty-five (45) days, the Corporation shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.05 hereof, a notice to the Authority and the Registered Owner of such Bond that the deposit required by clause (b) above has been made with the Trustee and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bond and stating whether any redemption provisions relating to the Bonds will remain in effect. Neither such securities nor moneys deposited with the Trustee pursuant to this Section or principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bond; provided any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in clause (b) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and premium, if any, and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of any payment from such moneys or securities deposited with the Trustee.

The release of the obligations of the Authority and Corporation under this Section shall be without prejudice to the right of the Trustee or the Authority to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

Section 7.02. Liability of Authority Not Discharged. Upon compliance with the provisions of Section 7.01 hereof with respect to all Bonds then Outstanding, this Indenture may be discharged in accordance with the provisions of this Article but the liability of the Authority in respect of such Bonds shall continue provided that the Registered Owners thereof shall thereafter be entitled to payment only out of the moneys or securities deposited with the Trustee as provided in Section 7.01 hereof.

ARTICLE VIII
DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following is hereby defined as and shall be deemed an "Event of Default":

(a) default in the payment by the Authority of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, on a sinking fund payment date or upon proceedings for redemption;

(b) default in the payment by the Authority of any installment of interest on any Bond when the same shall become due and payable;

(c) default shall be made in the observance or performance of any covenant, agreement, contract or other provision in the Bonds or this Indenture contained (other than as referred to in subsection (a) or (b) of this Section) and such default shall continue for a period of thirty (30) days after written notice to the Authority, the Corporation and the Trustee from the Registered Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding or to the Authority and the Corporation from the Trustee, subject to Section 9.01(h) hereof, specifying such default and requiring the same to be remedied, provided, with respect to any such failure covered by this subsection (c), no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such thirty (30) day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby;

(d) the occurrence of an "event of default" under Section 10.01 of the Agreement; or

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

Section 8.02. Remedies on Events of Default. Upon the occurrence of an Event of Default, the Trustee shall have the following rights and remedies:

(a) ***Acceleration***. The Trustee (i) may by notice in writing given to the Authority and the Corporation or (ii) shall, upon the written request of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, declare the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall

thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Authority and the Trustee shall immediately declare all Loan Payments under the Agreement to be immediately due and payable as provided in Section 10.02 of the Agreement.

(b) ***Receivership***. Upon the filing of foreclosure under the Deed of Trust or the filing of a separate action for receivership (whether or not concurrent with foreclosure and not dependent upon the filing of any such foreclosure to enforce the rights of the Trustee and of the Registered Owners), the Trustee shall be entitled as a matter of right (on an ex parte basis and without notice) to the appointment of a receiver or receivers of the Trust Estate, and of the rents, revenues, income, products and profits thereof, pending such proceedings, but, notwithstanding the appointment of any receiver, trustee or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities or other instruments at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.

(c) ***Foreclosure***. Foreclosure under the Deed of Trust on or against all or any portion of the Facilities or any interest of the Authority therein with the power of sale as and to the extent permitted of a mortgagee or beneficiary by the laws of the State and exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto, and to realize upon the security interest in the Pledged Revenues and exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto.

(d) ***Suit for Judgment on the Bonds***. The Trustee shall be entitled to sue for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture, for the enforcement of any of its rights, or the rights of the Registered Owners, but any such judgment against the Authority shall be enforceable only against the Trust Estate. No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the Registered Owners of the Bonds, but such lien, rights, powers and remedies of the Trustee, and of the Registered Owners shall continue unimpaired as before. Pursuant to the Agreement, other than amounts to be paid pursuant to Section 5.02(d), (e) and (f) of the Agreement and amounts payable pursuant to the indemnification provisions of Section 8.06 of the Agreement which are general obligations of the Corporation, any recovery against the Corporation is limited to the Pledged Revenues and amounts realized from the foreclosure of the Deed of Trust encumbering the Facilities and the security interests granted by the Agreement and the Deed of Trust. The obligations of the Corporation under the Agreement, other than amounts to be paid pursuant to Section 5.02(d), (e) and (f) of the Agreement and amounts payable pursuant to the indemnification provisions of Section 8.06 of the Agreement, are not general obligations of the Corporation; and none of the Trustee, the Authority or the Registered Owners of the Bonds shall have any recourse to any Property, funds or assets of the Corporation (other than the Pledged Revenues and the Facilities) with respect to such obligations.

In the event written notice is given by the Registered Owners or the Trustee under Section 8.01(c) hereof, the Trustee shall immediately give written notice with respect to such default to the Corporation under Section 10.01(d) of the Agreement.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

If any Event of Default shall have occurred and if requested by the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and indemnified as provided in Section 9.01 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Registered Owners.

Section 8.03. Direction of Remedies. Anything in this Indenture to the contrary notwithstanding, the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, with the exception of the Trustee's exercise of remedies, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, or any other proceedings or remedies hereunder, provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee shall not be required to act on any direction given to it pursuant to this Section unless indemnified as provided in Section 9.01 hereof.

Section 8.04. Rights and Remedies of Registered Owners. No Registered Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which by Section 9.01(h) hereof it is deemed to have notice; (b) such default shall have become an Event of Default and the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) the Registered Owners have also offered to the Trustee indemnity as provided in Section 9.01 hereof; and (d) the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time (not to exceed thirty (30) days) the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request, and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Registered Owners of the Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any

Registered Owner of Bonds to enforce the payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of, premium, if any or interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Bonds to the respective Registered Owners of the Bonds at the time and place, from the source and in the manner herein and in the Bonds expressed. For purposes of this Section, so long as the Bonds are held by DTC pursuant to the provisions of Section 2.12 hereof, the Trustee shall be permitted to accept direction from the beneficial owners of the Bonds, rather than the Registered Owner, upon receipt of appropriate certification of such beneficial ownership by the Trustee.

Section 8.05. Application of Moneys. Notwithstanding anything herein to the contrary, all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees and expenses, liabilities and advances incurred or made by the Trustee, including any unpaid fees or attorney fees, be held or deposited into the Bond Principal Fund and the Bond Interest Fund during the continuance of an Event of Default and shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

SECOND, to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, in its reasonable discretion, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds, the premium, if any, and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Trustee and the Annual Fee and all other amounts to be paid to the Authority hereunder or under the Agreement have been paid, any balance remaining in the Funds shall be applied as provided in Section 3.23 hereof.

Section 8.06. Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds.

Section 8.07. Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Trust Estate or the Corporation, the Authority or the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and the Authority, and of the Registered Owners allowed in such proceedings for the entire amount due and payable by the Authority under this Indenture, or by the Corporation, as the case may be, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Registered Owner to file a claim in his or her own behalf.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Trustee or of any Registered Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. No Waiver of One Default to Affect Another. No waiver of any default hereunder, whether by the Trustee or the Registered Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

Section 8.10. Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Trustee or the Registered Owners shall have proceeded to enforce any rights under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Registered Owners, then and in every such case the Authority, the Trustee and the Registered Owners shall be restored to their former position and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Authority, the Trustee and the Registered Owners shall continue as if no such proceedings had been taken.

Section 8.11. Waivers of Events of Default. The Trustee may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity of principal of and interest on the Bonds, and shall do so upon the written request of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding in respect of which a default exists; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of or premium on any Outstanding Bonds at the date of maturity or redemption thereof or any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of the principal and premium, if any, and all reasonable fees and expenses of the Trustee, and all amounts to be paid to the Authority hereunder and under the Agreement, in connection with such default shall have been paid or provided for or (b) any default in the payment of amounts set forth in Section 5.02(e) of the Agreement. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon.

ARTICLE IX
CONCERNING THE TRUSTEE

Section 9.01. Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In the case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use

under the circumstances in the conduct of such person's own affairs in exercising any right or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts hereof or powers hereunder and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same appointed in accordance with the standards specified in subsection (g) of this Section, and shall be entitled to act upon the advice or an Opinion of Counsel concerning all matters of the trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, or receivers as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such advice or Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for insuring the Facilities or collecting any insurance moneys or for the validity of the execution by the Authority of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of Uniform Commercial Code financing statements) or for the value of or title to the Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority, or on the part of the Corporation, except as hereinafter expressly set forth; but the Trustee may require of the Corporation full information and advice as to the performance of the covenants, conditions, and agreements contained herein, and as to the condition of the Facilities, in the Agreement or under the Deed of Trust. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.01 hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee), or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its individual or any other capacity, may become the Registered Owner or Beneficial Owner of the Bonds with the same rights which it would have if not Trustee. The Trustee shall not be accountable for the use or application by the Authority or the Corporation of the proceeds of any of the Bonds or of any money paid to or upon the order of the Authority or Corporation under any provision of this Indenture, the Lease or the Agreement.

(e) The Trustee may conclusively rely on and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith. Any action taken by the Trustee

pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Authority by an Authorized Representative of the Authority or on behalf of the Corporation by an Authorized Representative of the Corporation or such other person as may be designated for such purpose by the Authority or the Corporation as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Corporation to cause to be made any of the payments to the Trustee required to be made hereunder unless the Trustee has actual notice thereof or the Trustee shall be specifically notified in writing of such default by the Authority or the Registered Owners of at least a majority in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal office of the Trustee, or at such other location as it shall designate, and, in the absence of such notice so delivered, the Trustee may conclusively assume that there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the Trust Estate, including all books, papers and records of the Authority and Corporation pertaining to the Facilities, the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Authority or the Corporation to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(m) Before taking any action under this Indenture, other than payment of monies on deposit in any of the funds as provided for herein, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses (including reasonable attorneys' fees and expenses) which it may incur and to protect it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

(n) The Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder, but may advance funds if it has received assurances satisfactory to it that it will be repaid.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, remarketing circular or other disclosure material prepared or distributed with respect to the Bonds.

(p) The Trustee makes no representations as to the validity or sufficiency of this Indenture (except as to the Trustee), the Agreement, the Deed of Trust, the Lease or the Bonds, assumes no responsibility for the correctness of the same, and shall incur no responsibility in respect to such validity or sufficiency.

(q) The Trustee shall be responsible for filing any UCC continuation statements necessary to preserve the security interest securing payment of the Bonds.

(r) The Trustee shall provide any information to the dissemination agent under the Continuing Disclosure Agreement received pursuant to Section 10.09 of the Lease or Section 8.05 of the Agreement.

(s) The Trustee may inform the Registered Owners of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for the Trustee to foreclose upon, manage, maintain or operate the Facilities, if the Trustee in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

(t) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it be deemed to be in its capacity as Trustee, registrar, or paying agent.

Section 9.02. Fees and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for its reasonable fees for its ordinary services rendered hereunder as and when the same become due (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances, agent fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services, including legal fees and expenses, as and when the same become due. In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor.

Section 9.03. Resignation or Replacement of Trustee. The present or any future Trustee may resign by giving to the Authority, the Corporation and the Registered Owners thirty (30) days' notice of such resignation. Such resignation shall take effect immediately on the appointment of a successor. The present or any future Trustee may be removed at any time by an instrument in writing by the Authority or by the Registered Owners of a majority in aggregate principal amount of the Bonds and such removal shall take effect immediately on the appointment of a successor. The Trustee may also be removed at any time for any breach of the trust set forth herein. If no successor is appointed within thirty (30) days following the date designated in the notice for the Trustee's resignation to take effect, the resigning or removed Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding by an instrument or concurrent instruments signed by such Registered Owners, or their attorneys in fact duly appointed; provided that the Authority (with the consent of the Corporation so long as the Corporation is not in default under the Agreement) may appoint a successor until a new successor shall be appointed by the Registered Owners as herein authorized. The Authority upon making such appointment shall forthwith give notice thereof to the Registered Owners and the Corporation, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Authority shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Every successor shall always be a bank or trust company in good standing, be qualified to act hereunder, be subject to examination by a federal or state authority and have capital and surplus of not less than $75,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the Authority an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates,

properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein and thereupon the duties and obligations of the predecessor shall cease and terminate; but the Trustee retiring shall, nevertheless, on the written demand of its successor, and upon payment of the fees and expenses owed to the predecessor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, who shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Authority be reasonably required by any successor for such vesting and confirming, the Authority shall execute, acknowledge and deliver the said deeds, conveyances and instruments on the request of such successor.

The notices provided for in this Section to be given to the Registered Owners shall be given by the Trustee by mailing to the Registered Owners of the Bonds at their addresses as the same shall last appear upon the registration records. The notices provided for in this Section to be given to the Authority, the Corporation and the retiring Trustee shall be given in accordance with Section 11.07 hereof.

The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded.

Section 9.04. Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds to be issued hereunder shall have been authenticated, but not delivered, any successor Trustee may adopt the certificate of any predecessor Trustee, and deliver the same as authenticated; and, in case any of such Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of such successor Trustee.

Section 9.05. Direct Payment by State Treasurer or Charter Authorizer to Trustee. The Trustee shall, during the Lease Term (as defined in the Lease), take or cause to be taken such actions, in accordance with the terms of the Agreement and this Indenture, as appropriate to cause direct payment of Base Rents to be made to the Trustee by the State Treasurer or, if the State Treasurer does not so agree, by the Charter Authorizer, pursuant to and in accordance with the Colorado Charter School Intercept Program.

Section 9.06. Notices to Registered Owners. If an Event of Default occurs of which the Trustee is, pursuant to Section 9.01(h), deemed to have notice or is required to take notice, or if notice of an Event of Default is given as provided in said Section, then the Trustee shall, within thirty (30) days, give written notice thereof to the Registered Owners of all Bonds then Outstanding, unless such Event of Default has been cured or waived.

ARTICLE X
SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE AGREEMENT, DEED OF TRUST AND THE LEASE

Section 10.01. Supplemental Indentures Not Requiring Consent of Registered Owners. The Authority and the Trustee may, without the consent of, or notice to, the Registered Owners, enter into such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) for any one or more or all of the following purposes:

(a) to add to the covenants and agreements in this Indenture contained other covenants and agreements thereafter to be observed for the protection or benefit of the Registered Owners;

(b) to cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Registered Owners of the Bonds;

(c) to subject to the lien of this Indenture additional revenues, properties or collateral;

(d) to obtain a rating;

(e) to provide for the issuance of Additional Bonds issued pursuant to Section 2.11 hereof; or

(f) to modify, alter, amend or supplement this Indenture in such a manner as shall permit the qualification hereof under the Trust Indenture Act of 1939, as from time to time amended.

Section 10.02. Supplemental Indentures Requiring Consent of Registered Owners. Exclusive of supplemental indentures covered by Section 10.01 hereof, the Registered Owners of more than 50% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Authority and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable for the purpose of modifying altering amending adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that without the consent of the Registered Owners of all the Bonds at the time Outstanding and adversely affected thereby nothing herein contained (exclusive of supplemental indentures covered by Section 10.01 hereof) shall permit, or be construed as permitting:

(a) an extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Bond;

(b) the deprivation of the Registered Owner of any Bond then Outstanding of the lien created by this Indenture (other than as permitted hereby when such Bond was initially issued);

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or

(d) a reduction in the aggregate principal amount of the Bonds, if any, required for consent to such supplemental indenture or amendment to the Agreement.

If at any time the Authority shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being reasonably indemnified by the Corporation with respect to expenses, send by electronic means or by mail by first class mail notice of the proposed execution of such supplemental indenture to the Registered Owners of the Bonds at their addresses as the same shall last appear upon the registration records. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Registered Owners. If, within sixty (60) days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03. Execution of Supplemental Indentures. The Trustee is authorized to join with the Authority in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any such supplemental indenture which materially adversely affects its rights, duties, or immunities under this Indenture. The Trustee shall require delivery of an opinion of nationally recognized municipal bond counsel addressed to the Trustee and the Authority to the effect that each such supplemental indenture (a) has been validly authorized and duly executed by the Authority and is enforceable against the Authority in accordance with its terms; (b)will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act; (c) will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes; and (d) is permitted pursuant to the terms of this Indenture. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Bonds issued thereafter, if any.

Section 10.04. Consent of Corporation. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Corporation shall have consented to the execution and delivery of such supplemental indenture, unless an Event of Default has occurred and is continuing under the Agreement.

Section 10.05. Consent of Charter School. Anything herein to the contrary notwithstanding, so long as the Lease is in effect and no event of default has occurred and is continuing thereunder, a supplemental indenture under this Article shall not become effective unless and until the Charter School shall have consented to the execution and delivery of such supplemental indenture unless an Event of Nonappropriation or an Event of Default shall have occurred under the Lease.

Section 10.06. Amendments, Etc., of the Agreement or Deed of Trust Not Requiring Consent of Registered Owners. The Authority and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of the Agreement or the Deed of Trust as such amendment may be required (a) by the provisions of the Agreement or this Indenture, (b) to conform such documents or otherwise for the purpose of curing any ambiguity or formal defect or omission, or (c) in connection with any other change therein which is not to the material adverse prejudice of the Trustee or the Registered Owners of the Bonds.

Section 10.07. Amendments, Etc., of the Agreement or Deed of Trust Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.06 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Agreement or Deed of Trust without giving notice to and receiving the written approval or consent of the Registered Owners of more than 50% in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Authority and the Corporation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Agreement or the Deed of Trust, the Trustee shall, upon being reasonably indemnified by the Corporation with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Registered Owners. If, within sixty (60) days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.08. Execution of Amended Agreement or Deed of Trust. The Trustee shall, prior to its consent to any supplemental amendment or change to the Agreement or Deed of Trust, require delivery of an opinion of nationally recognized municipal bond counsel addressed to the Trustee and the Authority to the effect that such supplemental amendment or change to the Agreement or Deed of Trust (a) has been validly authorized and duly executed by the Authority and is enforceable against the Authority in accordance with its terms; (b) will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act; (c) will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excluded from gross income for federal income

tax purposes; and (d) is permitted pursuant to the terms of this Indenture. After execution thereof, any supplemental amendment, modification or change to the Agreement or Deed of Trust executed in accordance with the provisions of this Article shall thereafter form a part of the Agreement or Deed of Trust (as applicable) and all the terms and conditions contained in any such amendment, modification or change to the Agreement or Deed of Trust (as applicable) as to any provision authorized to be contained therein shall be deemed to be part of the Agreement or Deed of Trust (as applicable) for any and all purposes.

Section 10.09. Amendments, Etc., of the Lease Not Requiring Consent of Registered Owners. The Authority and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of the Lease as may be required (a) by the provisions of the Lease or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, or (c) in connection with any other change therein which is not to the material adverse prejudice of the Trustee or the Registered Owners of the Bonds.

Section 10.10. Amendments, Etc., of the Lease Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.09 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Lease without giving notice to and receiving the written approval or consent of the Registered Owners of more than 50% in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Corporation shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon being reasonably indemnified by the Corporation with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Registered Owners. If, within sixty (60) days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.11. Execution of Amended Lease. The Trustee shall, prior to its consent to any supplemental amendment or change to the Lease, require delivery of an opinion of nationally recognized municipal bond counsel addressed to the Trustee and the Authority to the effect that such supplemental amendment or change to the Lease (a) has been validly authorized; (b) will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act; (c) will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes; and (d) is permitted pursuant to the terms of this Indenture. After execution thereof, any supplemental amendment, modification or change to the Lease executed in accordance with the provisions of this Article shall thereafter form a part of the Lease and all the

terms and conditions contained in any such amendment, modification or change to the Lease as to any provision authorized to be contained therein shall be deemed to be part of the Lease for any and all purposes.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Evidence of Signature of Registered Owners and Ownership of Bonds. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Registered Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Registered Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the Registered Ownership of Bonds shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Registered Owner or his or her attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The Registered Ownership of any Bond and the amount and numbers of such Bonds and the date of owning the same shall be proved by the registration records of the Authority kept by the Trustee.

Any request or consent of the Registered Owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or the Trustee in accordance therewith.

Section 11.02. Parties Interested Herein. With the exception of rights herein expressly conferred on the Corporation, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon or to give to, any person other than the Authority, the Trustee and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Registered Owners of the Bonds.

Section 11.03. Titles, Headings, Etc. The titles and headings of the articles, sections, and subsections of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.04. Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.05. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State, regardless of the location of the principal or any other office of the Trustee.

Section 11.06. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.07. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) sent by electronic means; (b) mailed by certified or registered mail, postage prepaid; (c) deposited with any nationally recognized overnight delivery service that routinely issues receipts; or (d) personally delivered by any courier service that routinely issues receipts: if to the Authority, to Colorado Educational and Cultural Facilities Authority, 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director; if to the Corporation, to WRA Building Corporation, 6905 West 8th Street, Greeley, Colorado 80634; Attention: President, Board of Directors; if to the Charter School, to West Ridge Academy Charter School, 6905 West 8th Street, Greeley, Colorado 80634; Attention: President, Board of Directors; and if to the Trustee, to UMB Bank, n.a., 1670 Broadway, Denver, Colorado 80202; Attention: Corporate Trust & Escrow Services. A duplicate copy of each notice, certificate, or other communication given hereunder by the Authority or the Trustee, shall also be given to the Corporation. The Authority, the Corporation and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.08. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercise of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day unless otherwise provided herein with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.09. No Personal Liability of Officials of the Authority or the Trustee. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any elected or appointed official, officer, agent, servant or employee of the Authority in his or her individual capacity or any official, officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.10. No Pecuniary Liability of the Authority. No provision, covenant or agreement contained in this Indenture or any obligations herein imposed upon the Authority, or the breach thereof, shall constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Authority has not obligated itself except with respect to the application of the Trust Estate for payment of the Bonds under this Indenture.

Section 11.11. Bonds Owned by the Authority or the Corporation. In determining whether Registered Owners of Bonds in the requisite aggregate principal amount have concurred in any direction, consent or waiver under this Indenture, Bonds which are owned by the Authority or the Corporation or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation (unless the Authority, the Corporation or such person owns all the Bonds which are then Outstanding) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only the Bonds which the Trustee knows are so owned shall be so disregarded. The Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or the Corporation or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.12. Retention of Records. The Trustee will retain all of its records relating to the Bonds and this Indenture (including but not limited to any rebate calculations and payments) for a period of four (4) years after the later of (i) payment in full of the Bonds or (ii) payment in full of any bonds issued to refund the Bonds.

Section 11.13. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally left blank.]

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

COLORADO EDUCATIONAL AND
CULTURAL FACILITIES AUTHORITY

By: _____
[Vice Chair]

[SEAL]

Attest:

By: _____
Executive Director

UMB BANK, N.A., as Trustee

By: _____
Authorized Officer

[Indenture of Trust – (West Ridge Academy Charter School Project) – Signature Page]

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this __ day of _____, 2019, by _____, as [Vice Chair] of the Colorado Educational and Cultural Facilities Authority, and by Mark Heller, as Executive Director of the Colorado Educational and Cultural Facilities Authority.

Witness my hand and official seal.

_____
Notary Public for the State of Colorado

(SEAL)

[Indenture of Trust– Notary Page – Authority]

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____, as an Authorized Officer of UMB Bank, n.a.

Witness my hand and official seal.

_____
Notary Public for the State of Colorado

(SEAL)

[Indenture of Trust – Notary Page – Trustee]

EXHIBIT A

FORM OF SERIES 2019 BONDS

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
CHARTER SCHOOL REFUNDING AND IMPROVEMENT REVENUE BONDS
(WEST RIDGE ACADEMY CHARTER SCHOOL PROJECT)
[SERIES 2019A][FEDERALLY TAXABLE SERIES 2019B]

No. R[A][B]– $_____

Maturity Date	Dated	Interest Rate	CUSIP
June 1, 20__	June __, 2019	_____% per annum	_____

REGISTERED OWNER: CEDE & CO.
Tax Identification Number: 13-2555119

PRINCIPAL AMOUNT: **DOLLARS**

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY, an independent public body politic and corporate constituting a public instrumentality (the "Authority"), for value received, hereby promises to pay, from the sources hereinafter described, the principal amount stated above in lawful money of the United States of America to the Registered Owner named above, or registered assigns, on the maturity date stated above (unless this bond shall have been called for prior redemption, in which case on such redemption date), upon the presentation and surrender hereof at the operations office of UMB Bank, n.a., as trustee, presently located in Kansas City, Missouri, or at such other location as it shall designate, or at the principal office of its successor in trust (the "Trustee") under the Indenture of Trust, dated as of June 1, 2019 (the "Indenture"), by and between the Authority and the Trustee, and to pay, from like sources, to the person who is the Registered Owner hereof on the fifteenth (15th) day of the month immediately preceding the month in which an interest payment date occurs (the "Regular Record Date") by check or draft mailed on such payment date to such Registered Owner (except that registered owners of at least $500,000 in aggregate principal amount of the Series 2019 Bonds (as defined below) outstanding may, by written request received by the Trustee at least ten (10) Business Days (as defined in the Indenture) prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the

United States of America) at his or her address as it last appears on the registration books kept for that purpose at the offices of the Trustee, interest on said sum in lawful money from the date hereof at the interest rate set forth above, payable semiannually on December 1 and June 1 of each year, commencing [December 1, 2019], until payment of the principal hereof has been made or provided for. Any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner hereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Series 2019 Bonds not less than 10 days prior thereto.

This bond is one of a duly authorized series of the Authority's "Colorado Educational and Cultural Facilities Authority Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) [Series 2019A][Federally Taxable Series 2019B]" (the "Series 2019[A][B] Bonds") in the original aggregate principal amount of $[A-PRINCIPAL][B-PRINCIPAL]. The Series 2019[A][B] Bonds are being issued on a parity with the "Colorado Educational and Cultural Facilities Authority Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) [Federally Taxable Series 2019B][Series 2019A]" (the "Series 2019[B][A] Bonds" and together with the Series 2019[A][B] Bonds, the "Series 2019 Bonds") in the original aggregate principal amount of $[B-PRINCIPAL][A-PRINCIPAL]. The Series 2019 Bonds are issued under and equally and ratably secured by the Indenture. The Series 2019 Bonds have been issued under the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23, of Colorado Revised Statutes (the "Act"), to finance for WRA Building Corporation, a Colorado nonprofit corporation (the "Corporation"), the cost of: (a) refunding the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A, issued in the original aggregate principal amount of $9,345,000 and the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series 2017B, issued in the original aggregate principal amount of $145,000; (b) financing improvements to existing educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"); (c) funding capitalized interest; (d) funding a bond reserve fund; and (e) paying the costs of issuance of the Series 2019 Bonds (collectively, the "Series 2019 Project").

This bond is a limited obligation of the Authority payable solely from and secured by (a) a pledge of certain rights of the Authority under and pursuant to the (i) Loan and Security Agreement, dated as of June 1, 2019 (the "Agreement"), by and between the Authority and the Corporation; (ii) Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019, from the Corporation to the Public Trustee of Weld County for the benefit of the Trustee (the "Deed of Trust"); and (iii) the Lease (as hereinafter defined); (b) a pledge of the Funds and Revenues as defined in the Indenture (other than the Rebate Fund) and (to the extent provided in the Indenture) all trust accounts created under the Indenture and the Agreement. The Loan Payments (as defined in the Agreement) required by the Corporation under the Agreement do not constitute general obligations of the Corporation, but are limited special obligations of the Corporation payable upon an event of default solely from the Pledged Revenues or from amounts received from the foreclosure of the Deed of Trust on the Facilities and the exercise of rights against any personal or other intangible property in which a security interest was granted by the Agreement; and none of the Trustee, the Authority or the registered owners of the herein defined

Series 2019 Bonds shall have any recourse to any other property, funds or assets of the Corporation with respect to such Loan Payments. The Facilities are expected to be leased by the Corporation to West Ridge Academy Charter School (the "Charter School"), a charter school duly organized and validly existing under the Charter Schools Act, Article 30.5 of Title 22 of the Colorado Revised Statutes, as amended (the "Charter Schools Act"), pursuant to the terms and provisions of a Lease Agreement, dated as of June 1, 2019 (the "Lease"), by and between the Corporation and the Charter School. The Pledged Revenues are expected to consist of the payments received by the Corporation from the Lease.

The financing of the Series 2019 Project has been authorized by a resolution duly adopted by the Authority pursuant to the laws of the State of Colorado (the "State"). This bond shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Authority (but only to the extent of the Revenues pledged in the Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Authority to the extent provided above shall be liable hereon; nor shall this bond constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds pledged therefor. The issuance of this bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Authority to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Authority to create a debt of the State within the meaning of the Constitution or statutes of the State or authorize the Authority to levy or collect taxes or assessments. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on this bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Authority. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power.

The State has pledged to and agreed with the registered owners of bonds, notes and other obligations issued under the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter, restrict or impair the rights vested in the Authority to acquire, construct, reconstruct, maintain and operate any Facilities as defined in the Act or to establish, revise, charge and collect rates, rents, fees and other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the registered owners of bonds, notes or other obligations authorized and issued by the Act and with the parties who may enter into contracts with the Authority pursuant to the Act and will not in any way impair the rights or remedies of the registered owners of such bonds, notes or other obligations of such parties until such bonds, notes and other obligations, together with interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such registered owners, are fully met and discharged and such contracts are fully performed on the part of the

Authority. Nothing in the Act precludes such limitation or alteration if and when adequate provision is made by law for the protection of the registered owners of such bonds, notes or other obligations of the Authority or those entering into such contracts with the Authority.

The Series 2019 Bonds are subject to optional redemption prior to maturity on any date prior to June 1, 20[__] at the written direction of the Corporation, in whole or in part, at a redemption price (calculated by the Corporation and provided to the Trustee in the written direction of the Corporation), equal to the greater of:

(a) 100% of the principal amount of the Series 2019 Bonds to be redeemed; or

(b) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2019 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2019 Bonds are to be redeemed, discounted to the date on which the Series 2019 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined in the Agreement), plus 25 basis points, plus interest accrued to the redemption date.

The Series 2019 Bonds are subject to optional redemption prior to maturity on any date on or after June 1, 20[__] at the written direction of the Corporation, in whole or in part, at a redemption price equal to 100% of the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest.

Notwithstanding the foregoing, in no event shall the Series 2019 Bonds be subject to optional redemption pursuant to this paragraph if the optional redemption price calculated if redemption is prior to June 1, 20[__] exceeds 105% of the principal amount of the Series 2019 Bonds to be redeemed. The Trustee shall be entitled to conclusively rely on the calculation of the optional redemption price provided to the Trustee in the written direction of the Corporation and shall be under no duty to independently verify such calculation.

The Series 2019A Bonds are also redeemable at the option and upon the direction of the Corporation in whole at any time or in part in Authorized Denominations on any interest payment date from and to the extent of funds on deposit under the Indenture and available for this purpose at a redemption price equal to the principal amount of each Series 2019 Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(a) The Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee, (i) the Facilities cannot reasonably be restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) the Corporation or its lessee are thereby prevented from carrying on its normal operations for a period of six consecutive months, or (iii) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.03 of the Agreement.

(b) Title to, or the temporary use of, all or any substantial part of the Facilities shall have been taken under the exercise of the power of eminent domain by any

governmental authority, or person, firm or corporation acting under governmental authority or because of a defect in title.

(c) As a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Corporation in good faith, the Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the Corporation in respect to the Facilities, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Agreement. Redemption pursuant to this subsection (c) shall be in whole only.

The Series 2019 Bonds are subject to mandatory redemption in whole only on the 60th day following a Determination of Taxability at a redemption price of 103% of the principal amount redeemed pursuant to this subsection (b) plus accrued interest through the date of redemption.

Certain of the Series 2019 Bonds are subject to mandatory sinking fund redemption, on the dates and in the principal amounts set forth in the Indenture, at a redemption price equal to 100% of the principal amount of such Series 2019 Bonds being redeemed and accrued interest to the redemption date.

In the event less than all of the Series 2019 Bonds are to be redeemed, they shall be selected in such manner as the Corporation may determine (less than all of the Series 2019 Bonds of a single maturity to be selected by lot in such manner as the Trustee may determine). Notice of the call for redemption shall be given by the Trustee by transmitting a copy of the redemption notice by electronic means or by first class mail, not less than thirty (30) days prior to the redemption date, to the registered owner of the Series 2019 Bond to be redeemed in whole or in part at the address last showing on the registration books. Failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2019 Bonds. All Series 2019 Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their payment are on deposit at the place of payment at the time. Any notice of redemption by the Trustee may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to the pay the redemption price of the Series 2019 Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Series 2019 Bonds called for redemption in the same manner as the original redemption notice was transmitted.

This bond is fully transferable by the Registered Owner hereof in person or by his or her duly authorized attorney on the registration books kept by the Trustee. Upon such transfer a new fully registered bond of Authorized Denomination or Denominations of $5,000 denominations and any integral multiple in excess thereof for the same aggregate principal amount will be issued to the transferee in exchange therefor, all subject to the terms, limitations and conditions set forth in the Indenture. The Trustee and the Authority shall require the payment by any Registered Owner

of this bond requesting exchange or transfer of the reasonable expenses of the Authority, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Authority and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof, whether or not this bond shall be overdue, for the purpose of receiving payment and for all other purposes, except to the extent otherwise provided herein and in the Indenture with respect to Regular Record Dates and Special Record Dates for the payment of interest, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

To the extent permitted by, and as provided in, the Indenture, modifications or amendments of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Authority and of the registered owners of the Bonds may be made by the Authority and the Trustee but without the consent of the registered owners of the Bonds in certain cases described in the Indenture, including any change which does not materially adversely affect the interests of the registered owners of the Bonds. Certain other amendments may be made by the Authority and the Trustee with the consent of the registered owners of more than 50% in aggregate principal amount of the Bonds then outstanding; provided, however, that no such modification or amendment shall be made which will constitute an extension of the maturity of, or a reduction in the principal amount of, or a reduction of the rate of interest on or extension of the time of payment of interest on, or a reduction of any premium payable upon redemption of, any Bond, which are unconditional unless consented to by all registered owners adversely affected by such change. Any such consent by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future registered owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent is made upon this Bond.

The Registered Owner of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in, or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture. In case an Event of Default under the Indenture shall occur, the principal of all the Series 2019 Bonds at any such time outstanding may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the Trustee, with the consent of the registered owners of a requisite principal amount of the Series 2019 Bonds then outstanding.

None of the members of the board of directors of the Corporation, the members of the board of directors of the Authority or any person executing the Series 2019 Bonds shall be liable personally on the Series 2019 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability of the Authority and obligations of the Authority under the Agreement and the Indenture with respect to all or any portion of the Series 2019 Bonds may be discharged at or prior to the maturity or redemption of the Series 2019 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Agreement and the Indenture.

No covenant or agreement contained in the Series 2019 Bonds or in the Indenture shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Authority in his or her individual capacity or of any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Series 2019 Bonds, including any officer or employee of the Trustee, shall be liable personally on the Series 2019 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Authority or the Corporation in his or her individual capacity, and the members of the governing bodies of the Authority and the Corporation shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed.

The Series 2019 Bonds are issued pursuant to the Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11 of the Colorado Revised Statutes, as amended (the "Supplemental Act"). This recital shall conclusively impart full compliance with all of the provisions of the Supplemental Act and shall be conclusive evidence of the validity and regularity of the issuance of the Series 2019 Bonds after their delivery for value and that all of the Series 2019 Bonds issued are incontestable for any cause whatsoever after their delivery for value.

Copies of the Indenture, the Agreement, the Lease and other documents relating to the Series 2019 Bonds are on file at the principal office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the limited liability of the Corporation, the terms of and security for the Series 2019 Bonds, the custody and application of the proceeds of the Series 2019 Bonds, the rights and remedies of the registered owners of the Series 2019 Bonds, amendments, and the rights, duties and obligations of the Authority and the Trustee to all of which the Registered Owner hereof, by acceptance of this bond, assents.

This bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Trustee shall have signed the certificate of authentication hereon.

NONE OF THE AUTHORITY, THE CORPORATION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE SERIES 2019 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE TIMELY OR ULTIMATE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR

INTEREST ON THE SERIES 2019 BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO REGISTERED OWNERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2019 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

IN WITNESS WHEREOF, the COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its [Vice Chair] and a facsimile of its corporate seal to be affixed hereon and attested by the manual or facsimile signature of its Executive Director.

[SEAL]

COLORADO EDUCATIONAL AND
CULTURAL FACILITIES AUTHORITY

By: _____
[Vice Chair]

Attest:

By: _____
Executive Director

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Series 2019 Bonds described in the within mentioned Indenture of Trust.

Date of Authentication: _____ __, 2019

UMB BANK, N.A., as Trustee

By _____
Authorized Signatory

[END OF FORM OF CERTIFICATE OF AUTHENTICATION]

[FORM OF LEGAL OPINION CERTIFICATE]

LEGAL OPINION CERTIFICATE

STATE OF COLORADO	)
	)
CITY AND COUNTY OF DENVER	) ss. LEGAL OPINION CERTIFICATE
	)
COLORADO EDUCATIONAL AND	)
CULTURAL FACILITIES AUTHORITY	)

I, Mark Heller, Executive Director of the Colorado Educational and Cultural Facilities Authority do hereby certify that the attached legal opinion of Ballard Spahr LLP, Attorneys at Law, Denver, Colorado, is a true, perfect and complete copy of a manually executed and dated copy thereof on file in the records of the Authority.

By /s/ Mark Heller
Executive Director

[END OF FORM OF LEGAL OPINION CERTIFICATE]

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ to transfer the within bond on the books kept for registration thereof with full owner of substitution in the premises.

Please insert social security or other identifying number of assignee:

_____

Dated: _____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature must be guaranteed by a member of a Medallion Signature Program. Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

[END OF FORM OF ASSIGNMENT]

[END OF FORM OF SERIES 2019 BONDS]

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FORM OF LOAN AND SECURITY AGREEMENT

by and between

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

and

WRA BUILDING CORPORATION

$[A-PRINCIPAL]
Colorado Educational and Cultural Facilities Authority
Charter School Refunding and Improvement Revenue Bonds
(West Ridge Academy Charter School Project)
Series 2019A

and

$[B-PRINCIPAL]
Colorado Educational and Cultural Facilities Authority
Charter School Refunding and Improvement Revenue Bonds
(West Ridge Academy Charter School Project)
Federally Taxable Series 2019B

Dated as of June 1, 2019

This Loan and Security Agreement also is a security agreement with respect to certain accounts and is secured by a deed of trust lien on real estate. Certain rights of the Colorado Educational and Cultural Facilities Authority hereunder have been assigned to UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee") under an Indenture of Trust, dated as of June 1, 2019, by and between the Colorado Educational and Cultural Facilities Authority and the Trustee.

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LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT, dated as of June 1, 2019 (this "Agreement"), is by and between the **COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY**, an independent public body politic and corporate constituting a public instrumentality (the "Authority"), and **WRA BUILDING CORPORATION**, a Colorado nonprofit corporation (the "Corporation").

W I T N E S S E T H :

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Agreement; and

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

WHEREAS, there has been previously issued the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A (the "Series 2017A Bonds") issued in the original aggregate principal amount of $9,345,000 and the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") issued in the original aggregate principal amount of $145,000, which proceeds from the sale of the Series 2017 Bonds were lent to the Corporation to finance the cost of (a) financing the acquisition of land located at 712 71st Avenue, Greeley, Colorado, 80634, and the improvements thereon and the construction of improvements thereto; (b) funding a bond reserve fund; (c) funding capitalized interest on the Series 2017A Bonds; and (d) paying the costs of issuance of the Series 2017 Bonds; and

WHEREAS, the Corporation has requested the Authority issue its bonds and loan the proceeds therefrom to the Corporation in order to finance or refinance the costs of: (a) refunding the Series 2017 Bonds; (b) financing Improvements to existing educational facilities located at 6905 West 8th Street, Greeley, Colorado (the "Facilities"); (c) funding capitalized interest; (d) funding a bond reserve fund; and (e) paying the costs of issuance of the Series 2019 Bonds (collectively, the "Series 2019 Project" and as further described in **Exhibit B** hereto); and

WHEREAS, the Facilities are expected to be leased to the Charter School pursuant to the terms and provisions of a Lease Agreement, dated as of June 1, 2019, by and between the Corporation and the Charter School; and

WHEREAS, pursuant to and in accordance with the Act, the Authority proposes to make a loan to the Corporation pursuant to this Agreement for purposes of financing the Series 2019 Project; and

WHEREAS, the Authority proposes to issue its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Series 2019A (the "Series 2019A Bonds") in the original aggregate principal amount of $[A-PRINCIPAL] and its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Federally Taxable Series 2019B (the "Series 2019B Bonds" and together with the Series 2019A Bonds, the "Series 2019 Bonds") in the original aggregate principal amount of $[B-PRINCIPAL] pursuant to an Indenture of Trust, dated as of June 1, 2019, by and between the Authority and the Trustee, solely in its capacity as trustee thereunder, to fund such loan; and

WHEREAS, the Authority proposes to loan (the "Loan") to the Corporation and the Corporation desires to borrow from the Authority the proceeds of the Series 2019 Bonds for purposes of financing the Series 2019 Project upon the terms and conditions hereinafter in this Agreement set forth.

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

ARTICLE I

DEFINITIONS

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

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

"*Accountant's Certificate*" means a report, certificate or opinion by the Accountant.

"*Act*" means the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23 of the Colorado Revised Statutes, as amended.

"*Additional Rents*" means the cost of all taxes; insurance premiums; reasonable expenses and fees of the Authority, including, without limitation, its Annual Fee, the Trustee and the Corporation (including, but not limited to, filing fees, licenses, permits, any legal expenses incurred by the Corporation, or its officers or directors in their official or personal capacity, as provided in Section 13.01 of the Lease, and other expenses of the Corporation incurred in the performance of its obligations under the Loan); the administrative fee charged by the State Treasurer pursuant to the Colorado Charter School Intercept Program Application; utility charges; costs of maintenance, upkeep, repair, restoration, modification, improvement and replacement; fees of any Management Consultant; fees of the Rating Agency then maintaining a rating on the Series 2019 Bonds, if any; Bond Reserve Fund payments; Rebate Fund payments; Repair and Replacement Fund payments; costs and expenses incurred by the Corporation or by its directors or officers in connection with any investigation, claim, demand, suit, action or proceeding relating to the activities of the Corporation, or such directors or officers in their capacity as such, in respect

of the Facilities, the Series 2019 Bonds, the Lease, this Agreement, the Indenture or any matter related thereto; and all other charges and costs, including reasonable attorneys' fees, which the Charter School assumes or agrees to pay with respect to the Facilities, the Series 2019 Bonds, the Lease, this Agreement, the Indenture or any matter related thereto. Additional Rents do not include the Base Rents.

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

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

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

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

"*Balloon Amount*" means the principal amount outstanding on the maturity date of Balloon Indebtedness.

"*Balloon Indebtedness*" means Long-Term Indebtedness for which the principal of and interest on and other debt service charges on such Long-Term Indebtedness due (or payable in respect of any required purchase of such Long-Term Indebtedness by such person on demand) in any fiscal year either are equal to at least 25% of the total principal of (any premium, if any) and interest and other debt service charges on such Long-Term Indebtedness.

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

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

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

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

"*Bond Reserve Requirement*" means (a) with respect to the Series 2019 Bonds, $[_____], which amount is equal to the Maximum Annual Debt Service on the Series 2019 Bonds; and (b) with respect to any Additional Bonds, an amount set forth in a supplement to the Indenture, however, if such Additional Bonds are in the Colorado Charter School Moral Obligation Program, the requirement shall be an amount equal to the Maximum Annual Debt Service for such series of Additional Bonds.

"*Bonds*" means the Series 2019 Bonds and any Additional Bonds.

"*Bond Year*" has the meaning set forth in the Tax Compliance Certificate.

"*Building*" means that certain building or buildings and all other structures and facilities now owned or hereafter acquired (including, but not limited to, all fixtures, heating and air conditioning equipment and all other equipment and machinery affixed to the Land or Building, and parking areas and site improvements) which are located on the Land.

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

"*Charter Authorizer*" means Weld County School District 6, Weld County, Colorado or any successor Person pursuant to which the Charter School is granted a charter under the Charter Schools Act.

"*Charter School*" means West Ridge Academy Charter School, a Colorado nonprofit corporation and a charter school duly organized and validly existing under the Colorado Revised Nonprofit Corporation Act and the Charter Schools Act, and any successor thereto. The Charter School is an organization described in Section 501(c)(3) of the Code.

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

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

"*Colorado Charter School Debt Reserve Fund Program*" means that certain debt reserve fund program described in Section 22-30.5-407, Colorado Revised Statutes, as amended, or any successor statute thereto.

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

"*Colorado Charter School Intercept Program Application*" means the application required under the Colorado Charter School Intercept Program.

"*Colorado Charter School Moral Obligation Program*" means that certain moral obligation program described in Section 22-30.5-408, Colorado Revised Statutes, as amended, or any successor statute thereto.

"*Completion Date*" means the date of completion of the Series 2019 Project as that date shall be certified as provided in Section 4.03 hereof.

"*Completion Indebtedness*" means any Long-Term Indebtedness incurred by any Person for the purpose of financing the completion of Capital Improvements, for which such Long-Term Indebtedness was incurred under the Indenture, to the extent necessary to provide for completion of the Capital Improvements in substantially the same type and scope contemplated at the time that such Long-Term Indebtedness was incurred. Completion Indebtedness may also finance interest on the Completion Indebtedness for a period up to three years from the date of issuance thereof, any reserve funds related to such Completion Indebtedness and the costs and expenses of issuing such Completion Indebtedness.

"*Consultant*" means an independent consulting or management firm selected by the Corporation and not objected to by the Authority.

"*Consultant's Certificate*" means a written opinion or report of a Consultant.

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

"*Consulting Architect's Certificate*" means a written opinion or report signed by the Consulting Architect.

"*Continuing Disclosure Agreement*" means (a) with respect to the Series 2019 Bonds, the Continuing Disclosure Agreement, dated as of June [__], 2019, by and among the Corporation, the Charter School and UMB Bank, n.a., as dissemination agent; and (b) with respect to any Additional Bonds, any continuing disclosure undertaking entered into in connection with the issuance of such bonds.

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

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

"*Coverage Ratio*" means the ratio obtained by dividing Net Income Available for Base Rents for the prior Fiscal Year by Maximum Annual Base Rents for the current Fiscal Year.

"*Debt Service*" means the Principal and Interest Requirements on Indebtedness, for the period of time for which calculated, excluding Non-Recourse Indebtedness and Subordinated Indebtedness; provided, however, that for purposes of calculating such amount, principal and

interest shall be excluded from the determination of Debt Service if amounts have been deposited in trust, escrowed or otherwise set aside with the Trustee for the payment thereof.

"*Deed of Trust*" means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019, from the Corporation to the Public Trustee of Weld County, Colorado for the benefit of the Trustee, including any amendments thereto.

"*Default Rate*" means the lesser of (i) 3% per annum above the highest rate of interest borne by any of the Series 2019 Bonds or (ii) the maximum rate permitted by law if less than such rate.

"*Determination of Taxability*" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes, is or was includable in the gross income or alternative minimum tax of a Registered Owner of such Bonds for federal income tax purposes under the Code. However, no such decree or action will be considered final for this purpose unless the Authority, the Corporation and the Charter School have been given written notice and, if it is so desired and is legally allowed, have been afforded the opportunity to contest the same, either directly or in the name of any Registered Owners and until conclusion of any appellate review, if sought.

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

"*Escrow Account*" means the Escrow Account created pursuant to the Escrow Agreement.

"*Escrow Agent*" means UMB Bank, n.a., Denver, Colorado, in its capacity as escrow agent under the Escrow Agreement.

"*Escrow Agreement*" means the Escrow Agreement dated June [__], 2019 between the Corporation and the Escrow Agent.

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

"*Facilities*" means, collectively, the Land, as more fully described in **Exhibit A** hereto, and the Buildings and equipment therein, if any, located at 6905 West 8th Street, Greeley, Colorado, including the Improvements financed or refinanced with proceeds of the Series 2019 Bonds.

"*Facilities Consultant*" means an independent consulting firm that specializes in managing and maintaining facilities selected by the Corporation and not objected to by the Authority.

"*Fiscal Year*" means the Corporation's fiscal year, which currently begins on July 1 and ends on June 30 of the following calendar year.

"*Fitch*" means Fitch Ratings.

"*Funds*" means the Bond Principal Fund, the Bond Interest Fund, the Bond Reserve Fund, the Repair and Replacement Fund, the Project Fund, the Rebate Fund, and the Issuance Expense Fund.

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

"*Hazardous Substance*" means, at any time, (a) any "hazardous substance" as defined in § 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) as amended at such time; and (b) any additional substances or materials which at such time are classified or considered to be hazardous or toxic under applicable federal, state or local the laws, regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements which apply to the Facilities. "Hazardous Substance" shall not include a commercially reasonable amount of such materials or substances which are properly stored and used in the ordinary course of operation of the Facilities.

"*Improvements*" has the meaning set forth in the Lease.

"*Indebtedness*" means all indebtedness of the Corporation and the Charter School (as consolidated for financial reporting purposes) for borrowed moneys, including, but not limited to, indebtedness which has been incurred or assumed in connection with the acquisition, construction, improvement, renovation or equipping of the Facilities, all indebtedness, no matter how created, secured by the Facilities, whether or not such indebtedness is assumed by the Corporation or the Charter School, any leases required to be capitalized in accordance with Generally Accepted Accounting Principles, installment purchase obligations and guaranties.

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

"*Indenture*" means the Indenture of Trust, dated as of June 1, 2019, by and between the Authority and the Trustee, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Series 2019 Bonds are authorized to be issued and secured.

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

"*Irrevocable Deposit*" means the irrevocable deposit in trust of cash in an amount (or non-callable Government Obligations, the principal of and interest on which will be in an amount) and under terms sufficient to pay all or a specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Indebtedness which would otherwise be

considered outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Trustee or any other trustee authorized to act in such capacity.

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

"*Issuance Expense Fund Initial Deposit*" means (a) with respect to the Series 2019 Bonds an amount equal to $[_____]; and (b) with respect to any Additional Bonds an amount set forth in the any amendment to this Agreement.

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

"*Lease*" means the Lease Agreement, dated as of June 1, 2019, by and between the Charter School and the Corporation, and any amendments or supplements thereto.

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

"*Loan*" means the loan by the Authority to the Corporation of the proceeds from the sale of the Series 2019 Bonds pursuant to this Agreement.

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

"*Long-Term Indebtedness*" means any Indebtedness incurred, assumed or guaranteed by the Charter School maturing on or after the expiration of the one-year period after it is incurred.

"*Management Consultant*" means an independent management company specializing in finance.

"*Maximum Annual Base Rents*" means, as of any date of calculation, the highest amount of Base Rent to be paid hereunder with respect to the current or any succeeding Fiscal Year; provided that for purposes of this calculation, the Base Rent due in the final year of the Lease Term shall be reduced by amounts on deposit in the Bond Reserve Fund and available for such payment.

"*Maximum Annual Debt Service*" means as of any date of calculation, the highest principal and interest payment requirements with respect to the identified Indebtedness for any current or

any succeeding Fiscal Year, taking into account the provisions for determining the Principal and Interest Requirements on Indebtedness.

"*Moody's*" means Moody's Investors Service.

"*Net Income Available*" means, for any period of determination thereof, the aggregate revenues for such period, plus the interest earnings on moneys held in the Bond Reserve Fund, minus the total Operating Expenses for such period but excluding (i) any profits or losses which would be regarded as extraordinary items under Generally Accepted Accounting Principles, (ii) gain or loss in the extinguishment of Indebtedness, (iii) proceeds of the Series 2019 Bonds and any other Indebtedness permitted by this Lease Agreement, (iv) proceeds of insurance policies, other than policies for business interruption insurance, maintained by or for the benefit of Charter School, (v) proceeds of any sale, transfer or other disposition of any of Charter School's assets by the Corporation or the Charter School of any assets, (vi) proceeds of any condemnation or any other damage award received by or owing to the Charter School, and (vii) amounts expended for Base Rent.

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

"*Non-Recourse Indebtedness*" means Long-Term Indebtedness incurred for the purpose of financing Capital Improvements or tangible personal property secured by a lien on, or security interest in, the property being financed and evidenced by an instrument which expressly provides that such Long-Term Indebtedness is not on a parity with the Series 2019 Bonds under the Indenture and upon default in the payment of the principal thereof or interest thereon the obligee thereof may look only to the property securing the same and not to the credit of the Charter School nor to any other assets of the Charter School.

"*Operating Expenses*" means (i) for so long as the Lease remains in effect, the fees and expenses of the Charter School, including Base Rent and Additional Rent, maintenance and repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, interest expenses, advertising costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Charter School, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Charter School not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Charter School and (ii) if the Lease has been terminated, the fees and expenses of the Corporation, maintenance and repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, interest expenses, advertising costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Corporation, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Corporation not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as

reasonably determined by the Corporation; provided, however, "Operating Expenses" shall not include depreciation, amortization or other non-cash expenses.

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

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

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

(b) this Agreement, the Tax Compliance Certificate and the Indenture;

(c) purchase money security interests with respect to any item of equipment related to the Facilities;

(d) the Lease, and any other leases of the Facilities permitted pursuant to the terms of Section 8.11 hereof;

(e) utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and encumbrances of title or other title matters which would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities; or (ii) materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure of the Deed of Trust on the Facilities)(for clarity, by the Trustee permitting any of the above mentioned utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and encumbrances of title or other title matters to remain in the title insurance required under 6.03(a) hereof, the parties acknowledge such matters would not in the aggregate materially interfere with or impair any present use of the Facilities or any reasonably probably future use of the Facilities or materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale);

(f) mechanics' and materialmen's liens related to the Facilities when payment of the related bill is not overdue and as may be permitted by the Lease;

(g) mechanics' and materialmen's liens, security interests or other encumbrances related to the Facilities to the extent permitted in Section 6.01 hereof;

(h) Liens arising by reason of good faith deposits with the Corporation in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Corporation to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(i) Liens arising by reason of deposits with, or the giving of any form of security to, any governmental agency as required by law or governmental regulation as a condition to any transaction or any business or the exercise of any privilege or license, or to enable the Corporation to maintain self-insurance or to participate in any funds

established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements;

(j) judgment Liens against the Corporation or the Charter School so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed;

(k) rights reserved to or vested in any municipality, school district or public authority by the terms of any right, power, franchise, grant, license or permit, or provision of law, affecting the Facilities, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Facilities or materially and adversely affect the value thereof; or (B) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Facilities; (i) Liens on the Facilities for taxes, assessments, levies, fees, water and sewer charges, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with the Facilities, which are not due and payable or which are not delinquent or which are being contested in good faith or with respect to liens of mechanics, materialmen and laborers, or have been due for less than sixty (60) days; (ii) easements, rights of way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to the Facilities which do not materially impair the use of the Facilities or materially and adversely affect the value thereof; or (iii) rights reserved to or vested in any municipality or public authority to control or regulate the Facilities or to use the Facilities in any manner, which rights do not materially impair the use of the Facilities or materially and adversely affect the value thereof;

(l) Liens and any other restrictions, exceptions, leases, easements or encumbrances which are existing on the date of initial issuance and delivery of the Series 2019 Bonds as included in the title insurance required under Section 6.03(a) hereof and permitted to remain by the Trustee, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to apply to the Facilities not subject to such Lien on such date, unless such Lien as so extended, renewed or modified or otherwise qualified as a Permitted Encumbrance hereunder or is otherwise permitted pursuant to Section 8.16 hereof;

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

(n) Liens in favor of the Trustee on the proceeds of the Series 2019 Bonds prior to the applications of such proceeds;

(o) Liens securing the Series 2019 Bonds or any additional Indebtedness permitted by Section 8.13 hereof;

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

(q) the Lien of the Deed of Trust.

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

"*Pledged Revenues*" means all revenues, rentals, fees, third-party payments, receipts, contributions or other income derived from the Facilities, including the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with sound accounting practices, including, but not limited to, any revenues received from rentals of the Facilities, including, without limitation, rentals received pursuant to the Lease; proceeds derived from insurance, condemnation, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Corporation which are derived from the Facilities; and all donations, gifts, grants, bequests and contributions to the Corporation (including income and profits therefrom), to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for any of the payments required hereunder. Pledged Revenues shall not, however, include any administrative fee paid to the Corporation by a lessee of the Facilities for the Corporation's administration of the Facilities, including, without limitation, the Additional Rents paid to the Corporation pursuant to Section 6.02 of the Lease.

"*Principal and Interest Requirements on Indebtedness*" means, for any Fiscal Year, the amount required to pay the interest and principal for Indebtedness in such Fiscal Year, excluding "funded interest" from the proceeds of Indebtedness. Principal and Interest Requirements on Indebtedness shall be calculated in accordance with Section 8.13 hereof.

"*Project*" means the Series 2019 Project and any additional projects financed with proceeds of Additional Bonds.

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

"*Project Fund Initial Deposit*" means (a) with respect to the Series 2019 Bonds an amount equal to $[_____]; and (b) with respect to any Additional Bonds an amount set forth in the any amendment to this Agreement.

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

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

"*Rating Agency*" means any of Moody's, Standard & Poor's or Fitch or any other nationally recognized rating agency.

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

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

"*Refunding Indebtedness*" means any Indebtedness issued for the purpose of refunding any outstanding Long-Term Indebtedness and financing the funding of related reserve funds, costs of issuance and other costs related to such refunding.

"*Repair and Replacement Fund*" means the Repair and Replacement Fund created in Section 3.02 of the Indenture.

"*Requirement of Law*" means any material federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to environmental, health or safety matters.

"*Reserve Fund Insurance Policy*" means any insurance policy, letter of credit or similar instrument deposited in or credited to the Bond Reserve Fund as provided in Section 5.05 hereof in lieu of or in partial substitution for cash or Investment Obligations on deposit in the Bond Reserve Fund. Any such insurance policy, letter of credit or similar instrument must be issued by an entity having a rating in one of the two highest rating categories assigned by Fitch, Standard & Poor's or Moody's at the time such policy, letter of credit or similar instrument is deposited in or credited to the Bond Reserve Fund.

"*Series 2017 Bond Trustee*" means UMB Bank, National Association.

"*Series 2017 Bonds*" means the Series 2017A Bonds and the Series 2017B Bonds.

"*Series 2017A Bonds*" means the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A originally issued in the aggregate principal amount of $9,345,000.

"*Series 2017B Bonds*" means the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series 2017B originally issued in the aggregate principal amount of $145,000.

"*Series 2019 Bonds*" means Colorado Educational and Cultural Facilities Authority Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Series 2019 issued in the aggregate principal amount of $[PRINCIPAL].

"*Series 2019 Project*" has the meaning ascribed to it in the Recitals.

"*Series 2019A Bonds*" means Colorado Educational and Cultural Facilities Authority Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Series 2019A issued in the aggregate principal amount of $[A-PRINCIPAL].

"*Series 2019B Bonds*" means Colorado Educational and Cultural Facilities Authority Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project) Federally Taxable Series 2019B issued in the aggregate principal amount of $[B-PRINCIPAL].

"*Short-Term Indebtedness*" means Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the Corporation for a term greater than one (1) year beyond the date of original incurrence.

"*Standard & Poor's*" means S&P Global Ratings.

"*Subordinated Indebtedness*" means Indebtedness which, with respect to any issue thereof, is evidenced by instruments, or issued under an indenture or other document, containing provisions for the subordination of such Indebtedness to the Series 2019 Bonds or any other Indebtedness issued following the date thereof (to which appropriate reference shall be made in the instrument evidencing such Indebtedness).

"*Tax Compliance Certificate*" means (a) with respect to the Series 2019A Bonds, the Tax Compliance Certificate, dated as of June __, 2019, among the Authority, the Corporation, and the Charter School, as amended or supplemented from time to time pursuant to its terms; and (b) with respect to any Additional Bonds, any tax agreement or certificate entered into in connection with the issuance of any tax-exempt Additional Bonds.

"*Trustee*" means UMB Bank, n.a., Denver, Colorado, in its capacity as trustee, being the paying agent, the registrar and the trustee under the Indenture, or any successor corporate trustee.

"*Variable Rate Indebtedness*" means any portion of Long-Term Indebtedness the interest rate on which varies periodically such that the interest rate on any future date cannot accurately be calculated.

ARTICLE II

REPRESENTATIONS

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

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

(b) Consistent with the understanding between the Authority and the Corporation, the Authority will make the Loan to the Corporation from the proceeds of the Series 2019 Bonds to provide for the financing of the Series 2019 Project, all for the purpose of providing adequate educational facilities.

(c) To finance the Cost of the Project, the Authority will issue the Series 2019 Bonds, which shall mature, bear interest, be subject to redemption prior to maturity, be secured and have such other terms and conditions as are set forth in the Indenture.

(d) Neither the execution and delivery of this Agreement, the Tax Compliance Certificate, or the Indenture, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Tax Compliance Certificate or the Indenture, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority under the terms of any instrument or agreement.

(e) The Authority hereby approves the Corporation's Cost of the Project set forth in Section 2.02(b)(i) hereof and hereby finds, based solely on the representations of the Corporation contained in Section 2.02(b)(i) hereof, that the amount of the Loan does not exceed such estimated cost.

(f) The Authority will take all permissible actions necessary pursuant to the provisions of the Charter School Facilities Financing Act, Sections 22-30.5-401, et seq., Colorado Revised Statutes, as amended, when applicable, in order to (i) receive money for the payment of the Series 2019 Bonds from the Colorado Charter School Debt Reserve Fund Program upon written notice from the Trustee of a deficiency; (ii) to request replenishment of the Bond Reserve Fund from the Governor of the State pursuant to the Colorado Charter School Moral Obligation Program, upon notice from the Trustee of a deficiency; and (iii) to make application for the direct payment of the Series 2019 Bonds by the Colorado State Treasurer pursuant to the Colorado Charter School Intercept Program.

Section 2.02. Representations by the Corporation.

(a) The Corporation represents that as of the date of this Agreement:

(i) The Corporation is a nonprofit corporation duly organized and in good standing under the laws of the State; is an "Educational Institution" within the meaning of the Act; is not a pervasively sectarian or theological institution (provided however, any use of the Facilities primarily for sectarian purposes is subject to the requirements of Section 8.12 hereof), is not supported in whole or in part by state funds (as that term is used in the Act), has power to enter into and to perform and observe the covenants and agreements on its part contained in this Agreement, the Deed of Trust, the Lease and the Tax Compliance Certificate; and

by proper action has duly authorized the execution and delivery of this Agreement, the Deed of Trust, the Lease, and the Tax Compliance Certificate;

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

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

(iv) The Facilities are available for use by institutions of education or cultural institutions within the meaning of the Act and the Corporation has authority to lease the Facilities for such purpose;

(v) The Facilities have at all times been operated in compliance with all Requirements of Laws and all permits required by all Requirements of Law in respect of the Facilities have been or will be obtained and are in full force and effect and the Corporation is or will be in compliance with the material terms and conditions of such permits;

(vi) There is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other Person relating to, or alleging, any violation of any Requirements of Law in connection with the Facilities and there are no grounds on which such investigation or proceedings might be commenced against the Corporation; (B) the Facilities are not subject to any judgment, injunction, writ, order or agreement with respect to any Requirement of Law; (C) as of the date of this Agreement, the Corporation has not received any written notice of, and does not otherwise have actual knowledge of any Hazardous Substance located on, in or under the Facilities in violation of any Requirement of Law; (D) the Corporation has not disposed any Hazardous Substance on, from, into or out of the Facilities in violation of any Requirement of Law; and (E) there has been (to the Corporation's actual knowledge) no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any Hazardous Substance

into the indoor or outdoor environment from, into or out of the Facilities including, but not limited to, the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Facilities or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Facilities in violation of any Requirement of Law;

(vii) The Facilities comply in all respects with applicable zoning, environmental and safety ordinances;

(viii) There are no actions, suits or proceedings or investigations pending or, to the best of the knowledge of the officer executing this Agreement, threatened against the Corporation or the Property of the Corporation, or involving the enforceability of the Series 2019 Bonds, this Agreement, the Deed of Trust, the Lease, the Tax Compliance Certificate or the Indenture, or the priority of the lien on Pledged Revenues created hereby, at law or in equity, or before or by any governmental authority, except actions which, if adversely determined, would not materially impair the ability of the Corporation to perform its obligations under this Agreement, and to cause to be paid any amounts which may become payable under this Agreement;

(ix) The Corporation is in compliance with all the terms and conditions of the Series 2017 Bond documents;

(x) The Corporation is not in default in any material respect under any mortgage, deed of trust, lease, loan or credit agreement, partnership agreement or other instrument to which the Corporation is a party or by which it is bound; and

(xi) The Corporation is currently in compliance with all applicable federal and state nondiscrimination laws.

(b) The Corporation covenants that:

(i) The total Cost of the Project is hereby determined to be not less than $[PRINCIPAL] and the financing of such cost by the Authority will assist the Corporation in providing facilities which are to be leased to institutions of education or cultural institutions;

(ii) The Loan Payments due under this Agreement are in an amount sufficient to pay the principal of and premium, if any, and interest on the Series 2019 Bonds; and this Agreement requires the Corporation to pay or provide for the payment of all costs of maintenance, repair, taxes, payments in lieu of taxes, assessments, insurance premiums, Trustee's fees and all other expenses relating to the Facilities, so that the Authority will not incur any expenses on account of the Facilities, other than those that are covered by the payments by the Corporation provided for herein; provided, however, that, all such payments, except as specifically provided herein, are limited special obligations of the Corporation payable, upon an Event of Default, solely from the Pledged Revenues or from amounts received from the foreclosure of the Deed of Trust;

(iii) The Corporation will take all permissible actions necessary to assist the Authority in utilizing (i) the Colorado Charter School Debt Reserve Fund Program for the payment of the Series 2019 Bonds, (ii) the Colorado Charter School Moral Obligation Program for the payment of the Series 2019 Bonds, and (iii) the Colorado Charter School Intercept Program;

(iv) The Corporation will at all times to the expiration of the term of this Agreement make the Facilities available for use by institutions of education or cultural institutions within the meaning of the Act;

(v) The Corporation shall comply with all applicable federal and state nondiscrimination laws; and

(vi) The Corporation will comply with the provisions of Securities and Exchange Commission Rule 15c2-12.

ARTICLE III

TERM OF THE AGREEMENT

This Agreement shall remain in full force and effect from the date of delivery hereof until such time as all the Loan and any other amounts represented by the Indebtedness of the Series 2019 Bonds and/or any other amounts due under the Deed of Trust shall have been fully paid in full or provision is made for such payment pursuant to the Indenture and all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Series 2019 Bonds, all fees and expenses of the Authority accrued and to accrue through final payment of the Series 2019 Bonds and all other liabilities of the Corporation accrued and to accrue through final payment of the Series 2019 Bonds under this Agreement and the Indenture have been paid or provision is made for such payments pursuant to the Indenture; provided, however, notwithstanding any other provision hereof (a) the indemnification provision of Section 8.06 hereof shall survive after the termination of the term of this Agreement; (b) all agreements, representations and certifications by the Corporation as to the exclusion from gross income of interest for federal income tax purposes on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes, shall survive termination of the term hereof until the expiration of statutes of limitation applicable to the liability of the Registered Owners of the Series 2019 Bonds for federal and state income taxes with respect to interest on the Series 2019 Bonds; and (c) upon the defeasance of the Indenture, all such indemnification provisions shall be enforceable by the Indemnified Parties, and all such agreements, representations and certifications regarding the exclusion from gross income of interest for federal income tax purposes on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes, shall be enforceable by the Registered Owners of the Series 2019 Bonds, directly against the Corporation.

ARTICLE IV

THE SERIES 2019 PROJECT; ISSUANCE OF THE SERIES 2019 BONDS

Section 4.01. Agreement to Issue Series 2019 Bonds; Application of Series 2019 Bond Proceeds and Other Moneys. In order to provide funds to make the Loan for payment of the Cost of the Project, the Authority will sell and cause to be delivered to the initial purchasers thereof the Series 2019 Bonds and will make such Loan and direct the Trustee, the Escrow Agent or the Series 2017 Bond Trustee, as applicable, to deposit or disburse the proceeds of the Series 2019 Bonds, as follows:

(a) to the Series 2017 Bond Trustee an amount equal to the amount necessary to pay and cancel the Series 2017A Bonds on June __, 2019, which amount is equal to $[_____];

(b) into the Escrow Account an amount equal to $[_____] for application in accordance with the Escrow Agreement to defease the Series 2017B Bonds through their maturity date;

(c) into the Project Fund an amount equal to the Project Fund Initial Deposit;

(d) into the Bond Reserve Fund an amount equal to the Bond Reserve Requirement; and

(e) into the Issuance Expense Fund the remaining proceeds of the Series 2019 Bonds which amount shall not be less than the Issuance Expense Fund Initial Deposit.

Section 4.02. Reserved.

Section 4.03. Disbursement from the Project Fund. The Authority has, in the Indenture, authorized and directed the Trustee to disburse the Loan moneys in the Project Fund to or on behalf of the Corporation for the Cost of the Project upon receipt by the Trustee of a completed requisition, in the form attached hereto as **Exhibit C**, signed by the Authorized Representative of the Corporation. The Trustee may rely conclusively on any such requisition and shall not be required to make any independent investigation in connection therewith.

The Completion Date of the Series 2019 Project shall be evidenced to the Trustee by the furnishing of a certificate signed by the Authorized Representative of the Corporation or, if the Lease is in effect, a certificate signed by an Authorized Representative of the Charter School (as defined in the Lease), stating that the Series 2019 Project has been completed by the Corporation (the "Completion Certificate"). The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith.

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

Any Loan moneys (including investment proceeds) remaining in the Project Fund on the date of receipt of the Completion Certificate and not set aside for the payment of the Cost of the Project related to the Facilities as specified above shall on such date be deposited by the Trustee in the Bond Interest Fund or the Bond Principal Fund upon the written direction of an Authorized Representative of the Corporation to be used to pay the principal of and interest on the Series 2019 Bonds.

In the event the Loan moneys in the Project Fund available for payment of the Cost of the Project should not be sufficient to pay the costs thereof in full, the Corporation will pay or deposit in the Project Fund moneys sufficient to pay the Cost of the Project as may be in excess of the moneys available therefor in the Project Fund, but solely from the Pledged Revenues. NEITHER THE AUTHORITY NOR THE TRUSTEE MAKES ANY WARRANTY, EITHER EXPRESS OR IMPLIED (1) THAT THE MONEYS WHICH WILL BE PAID INTO THE PROJECT FUND AND WHICH, UNDER THE PROVISIONS OF THIS AGREEMENT, WILL BE AVAILABLE FOR PAYMENT OF THE COST OF THE PROJECT, WILL BE SUFFICIENT TO PAY ALL THE COSTS WHICH WILL BE INCURRED THEREFORE; OR (2) AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITIES OR THAT THE FACILITIES ARE OR WILL BE SUITABLE FOR THE CORPORATION'S PURPOSES OR NEEDS. The Corporation agrees that if after exhaustion of the moneys in the Project Fund or otherwise the Corporation should pay or deposit moneys in the Project Fund for the payment of any portion of the Cost of the Project pursuant to the provisions of this Section it shall not be entitled to any reimbursement therefor from the Authority or from the Trustee or from the Registered Owners of the Series 2019 Bonds, nor shall it be entitled to any diminution of the Loan Payments, or other amounts required to be paid under this Agreement.

Section 4.04. Disbursements from the Issuance Expense Fund. The Authority has, in the Indenture, authorized and directed the Trustee to make payments from the Issuance Expense Fund for the payment of issuance expenses as provided in this Section. Payments shall be made from the Issuance Expense Fund only for paying the costs of legal, accounting, organization, marketing, title, closing costs, recording fees, or other special services and other fees and expenses, incurred or to be incurred by or on behalf of the Authority, the Trustee, the Corporation or the Charter School in connection with the issuance of the Series 2019 Bonds. The Authority does not make any warranty either express or implied that the moneys in the Issuance Expense Fund available for payment of the foregoing costs will be sufficient to pay such costs in full, and the Corporation agrees to pay that portion of such costs in excess of the amount in the Issuance Expense Fund from any moneys legally available for such purpose. The Corporation shall not be entitled as a result of paying a portion of the issuance expenses pursuant to this Section to any reimbursement therefor from the Authority, the Trustee or the Registered Owners of the Series 2019 Bonds, nor shall it be entitled to any diminution in or postponement of the Loan Payments or other amounts required to be paid under this Agreement. The Trustee shall make payments from the Issuance Expense Fund in accordance with the closing memorandum prepared by the Underwriter in connection with the issuance of the Series 2019 Bonds, and any moneys remaining in the Issuance Expense Fund following such payments and any other payments to be made from such fund shall be transferred to the Bond Interest Fund, as set forth in Section 3.13 of the Indenture.

Section 4.05. Disbursements from the Repair and Replacement Fund. The Authority has, in the Indenture, authorized and directed the Trustee to make payments from the Repair and Replacement Fund as provided in this Section. Payments shall be made from the Repair and Replacement Fund upon receipt by the Trustee of a written request from an Authorized Representative of the Corporation setting forth the amount and the payee for the purpose of paying the cost of maintenance and replacements which are not routine or annually incurred and may be required to keep the Facilities in sound condition, including without limitation replacement of equipment, replacement of any roof or structural component, exterior painting, the replacement of heating, air conditioning, plumbing and electrical equipment, paving of any parking lot, driveway or sidewalk. The execution of any requisition certificate by an Authorized Representative of the Corporation shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed. The Trustee may rely conclusively on any such certificate or other instrument and shall not be required to make any independent investigation in connection therewith.

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

Section 4.07. Investment of Moneys. Any Loan moneys held as a part of the Funds shall be invested, reinvested and transferred to other Funds by the Trustee as provided in Article VI of the Indenture, at the written direction of the Corporation. In addition, the Corporation covenants that any money held as a part of the Funds shall be invested in compliance with the procedures established by the Tax Compliance Certificate to the extent required to comply with its covenants contained in Section 4.08 hereof. The Corporation shall provide to the Trustee at least every five years from the date of issuance of the Series 2019 Bonds, as provided in the Tax Compliance Certificate, a certificate of an Authorized Representative of the Corporation to the effect that (a) all requirements of the Agreement, the Indenture and the Tax Compliance Certificate with respect to the Rebate Fund have been met on a continuing basis; (b) the proper amounts have been and are on deposit in the Rebate Fund; and (c) timely payment of all amounts due and owing to the United States Treasury have been made. If the certifications required by either (b) or (c) above cannot be made, the certificate shall so state and shall be accompanied by either money of the Corporation together with a direction to the Trustee to either deposit such money to the Rebate Fund or to pay such money over to the United States Treasury, as appropriate, or written directions to the Trustee to transfer investment income available in any Fund to the Rebate Fund or to the United States Treasury, as appropriate. The Corporation acknowledges the provisions of Section 6.03 of the Indenture which limit the amount of money to be so transferred from the Funds at its direction.

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

Section 4.08. Tax Covenant. The Corporation covenants for the benefit of the Authority and the Registered Owners of the Series 2019 Bonds, and their respective successors and assigns,

that it will not take any action or omit to take any action with respect to the Series 2019 Bonds, the proceeds thereof, any other funds of the Corporation or any of the Property of the Corporation, including the Facilities, if such action or omission (a) would cause the interest on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes, to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code; (b) would cause interest on the Series 2019 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code; or (c) would cause interest on the Series 2019 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Series 2019 Bonds until the expiration of statutes of limitations applicable to the liability of the Registered Owners of the Series 2019 Bonds for federal and state income taxes with respect to interest on the Series 2019 Bonds.

The Corporation further covenants, represents and warrants that the procedures set forth in the Tax Compliance Certificate implementing the above covenant shall be complied with to the extent necessary under the Code to maintain the exclusion from gross income of interest for federal income tax purposes on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes (except to the extent noted in the preceding paragraph), or to avoid the application of any penalties under the Code, subject to any applicable statute of limitations. The Corporation shall appoint a Rebate Analyst and any successor Rebate Analyst for the Series 2019 Bonds, subject to the conditions set forth in the Tax Compliance Certificate.

Section 4.09. Title Insurance. On or before the date of issuance of any Series 2019 Bonds and the making of the Loan, (i) the Corporation shall be provided a standard owner's title insurance policy insuring the Corporation's ownership interest in the real property being purchased or refinanced with Series 2019 Bond proceeds in an amount not less than the purchase price of the real property being purchased or refinanced with Series 2019 Bond proceeds and (ii) the Trustee shall be provided a standard mortgagee title insurance policy insuring the Trustee's interest under the Deed of Trust in the Land and included in the Facilities in an amount equal to the lesser of (a) the principal amount of the Loan represented by the Series 2019 Bonds (if available in that amount) or (b) the insurable value of the Facilities upon completion, each shall be subject only to Permitted Encumbrances. Each such policy shall be in the form of an ALTA extended policy of title insurance issued by the Title Company and may not permit the title insurer to purchase any Series 2019 Bonds in lieu of providing payment under the policy unless, upon purchase, all such Series 2019 Bonds are cancelled.

ARTICLE V

DEED OF TRUST AND SECURITY PROVISIONS; PROVISIONS FOR PAYMENT

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

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

(b) the Corporation does hereby pledge to and grant to the Authority a present security interest, within the meaning of the Colorado Uniform Commercial Code and to the extent permitted by law, in all personal property, materials, equipment, fixtures or other property whatsoever now or hereafter attached or affixed to, or installed in, or used in connection with the buildings and other improvements now erected or hereafter to be erected on the Land or otherwise in connection with the Facilities, all accounts, escrows, documents, instruments, chattel paper, claims, deposits and general intangibles, as the foregoing terms are defined in the Colorado Uniform Commercial Code, and all contract rights, franchises, books, contracts, certificates, records, plans, specifications, permits, licenses (to the extent assignable), approvals, actions, and causes of action which now or hereafter relate to, are derived from or are used in connection with the Facilities, or the use, operation, construction, management, maintenance, occupancy, operation, or enjoyment thereof or the conduct of any business or activities thereon (hereinafter collectively called the "Intangibles"), insurance proceeds and all renewals or replacements of or substitutions for any of the foregoing comprising the Facilities and together with and including all Pledged Revenues and all the proceeds thereof, subject to Permitted Encumbrances, and all of the Corporation's right, title and interest, if any, in the Funds and in any trust accounts referred to in this Agreement or the Indenture; and

(c) the Liens of this Agreement and the Deed of Trust shall apply to all property related to the Land or the Facilities acquired by the Corporation after the date of this Agreement which by the terms of this Agreement shall be subject to the Lien and/or the security interests created hereby, shall immediately upon the acquisition thereof by the Corporation and without further mortgage, encumbrance, conveyance, or assignment become subject to the Lien and security interests created by this Agreement, the Deed of Trust and any and all other documents and instruments delivered in connection therewith, including, without limitation, any Uniform Commercial Code Financing Statements. Nevertheless, the Corporation shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, deeds of trust, security agreements, financing statements and assurances as Authority shall require for accomplishing the purposes of this Agreement. Failure of the Corporation to execute and deliver such requested documents shall be deemed a default hereunder and the Authority and its successors and assigns, as the beneficiary hereunder, is hereby given the express authority to file any and all such financing statements, amendments and documents necessary to confirm the agreements set forth herein (but has assumed no obligation to do so), which grant is coupled with an interest and is non-revocable.

Notwithstanding subsections (a), (b) and (c) above, the Authority and the Trustee shall terminate and release the Deed of Trust and the security interests granted, sold, bargained or conveyed unto the Authority when the Loan has been paid in full and the Series 2019 Bonds secured hereby and thereby are no longer outstanding and all obligations under the Indenture and this Agreement have been satisfied.

For purposes of the Deed of Trust, this Agreement evidencing the Loan and Series 2019 Bonds issued pursuant hereto shall be deemed an "evidence of debt" as defined in Section 38-38-100.3(8), Colorado Revised Statutes, as amended.

This Agreement and the pledge hereunder shall be valid and binding from the date hereof and the issuance of the Series 2019 Bonds evidencing the funding of the Loan under this Agreement. To the extent any property covered by this Agreement consists of personal property, intangible interests or any right or interest, the perfection of which is governed by the Colorado Uniform Commercial Code, this Agreement constitutes a security agreement and financing statement and is intended when recorded or when the Deed of Trust is recorded and/or any Uniform Commercial Code Financing Statements are recorded, as and where required, to create a perfected security interest (to the extent that such security interest can be perfected by filing) in such property in favor of the Authority.

Section 5.02. Loan Payments and Other Amounts Payable; Limited Payment Obligations of Corporation.

(a) The Corporation shall pay (or cause to be paid) as repayment of the Loan until the principal of, premium, if any, and interest on the Series 2019 Bonds (and any other sums due hereunder) shall have been paid or provision for the payment thereof shall have been made in accordance with the Indenture, (i) into the Bond Interest Fund on or before the first day of each month during the term of this Agreement, commencing in the first full month following the month in which the Series 2019 Bonds are issued, an amount (after taking into account any accrued and capitalized interest, if any, contained in the Bond Interest Fund) sufficient to pay 1/6th of the interest which will become due on the Series 2019 Bonds on the next succeeding interest payment date; and (ii) into the Bond Principal Fund on or before the first day of each month during the term of this Agreement, commencing in the first full month following the month in which the Series 2019 Bonds are issued, an amount sufficient to pay 1/12th the principal which shall become due on the Series 2019 Bonds on the next succeeding principal payment date (whether at maturity, upon sinking fund redemption or otherwise); provided, however, that any amount in the Bond Interest Fund or the Bond Principal Fund in excess of the aggregate amount required to be held pursuant to this Section 5.02(a) shall be credited against the next succeeding Loan Payment due or otherwise transferred by the Trustee in accordance with the terms of the Indenture; provided further, in the event that the first full month following the month in which the Series 2019 Bonds are issued is not six (6) months prior to the first interest payment date or twelve (12) months prior to the first principal payment date, an amount equal to the Pro Rata Portion of the interest and principal to come due on the Series 2019 Bonds shall be substituted for the 1/6th interest payments and 1/12th principal payments otherwise required prior to the respective first payment dates; except that, if the Charter School has entered into the Colorado Charter School Intercept Program, then all payments of principal of, premium, if any, and interest on the Series 2019 Bonds (which, for clarity, shall be deemed payment of principal, premium, if any and interest on the Loan) may be received on the 25th day (or the next Business Day thereafter) of each month during the term of this Agreement without being considered late. If, by the fifth Business Day prior to any principal or interest payment date on the Series 2019 Bonds or the date any other amounts are payable on the Series 2019 Bonds, the amount held by the Trustee in the Bond

Principal Fund and the Bond Interest Fund is insufficient to make the required payments of principal of, premium, if any, and interest on the Series 2019 Bonds, the Corporation shall upon notice of such deficiency from the Trustee forthwith pay or cause to be paid such deficiency as repayment of the Loan for deposit into the Bond Principal Fund or the Bond Interest Fund, as the case may be. All amounts deposited by the Trustee to the Bond Principal Fund or the Bond Interest Fund pursuant to Section 6.02 of the Lease shall be credited by the Trustee against the next succeeding Loan Payment due.

(b) In the event any moneys in the Bond Reserve Fund are transferred to the Bond Principal Fund or the Bond Interest Fund pursuant to Section 3.07 of the Indenture or to the Rebate Fund pursuant to Section 3.18 of the Indenture, or in the event the Trustee has notified the Corporation of a deficiency in the Bond Reserve Fund pursuant to Section 3.07 of the Indenture, the Corporation will in twelve (12) equal monthly installments promptly deposit or cause to be deposited moneys and/or, subject to the provisions of Section 5.05 hereof, a Reserve Fund Insurance Policy, into the Bond Reserve Fund in an amount equal to the amount required to cause the total amount in the Bond Reserve Fund to equal the Bond Reserve Requirement. Subject to Section 5.05 hereof, the Corporation may utilize a Reserve Fund Policy and shall reimburse the provider of any such Reserve Fund Insurance Policy pursuant to its terms.

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

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

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

(f) The Corporation has heretofore paid the Authority an initial fee. The Corporation agrees to pay or cause to be paid to the Authority an Annual Fee in accordance with the preliminary agreement between the Corporation and the Authority, as the same may be amended from time to time, plus any amounts required to reimburse the Authority for any expenses incurred by the Authority, whether out-of-pocket or internal, in connection with this Agreement, the Indenture, the Series 2019 Bonds, the Tax Compliance Certificate, the Bond Purchase Agreement or any other instrument or action relating to the foregoing or the Facilities, including fees and disbursements of attorneys of the Authority. The sum of such Annual Fee and initial fee shall at all times be in an amount which does not cause the Corporation to violate the provisions of Section 4.08 hereof.

(g) The Corporation shall pay or cause to be paid to the Trustee the Repair and Replacement Fund Contribution or the Modified Repair and Replacement Fund Contribution, as applicable pursuant to Section 8.1 of the Lease, for deposit to the Repair and Replacement Fund.

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

Notwithstanding any other provision of this Agreement, all payments required to be made by the Corporation pursuant to this Agreement, other than payments required by subsections (d) and (f) of Section 5.02 hereof and the indemnification provisions of Sections 8.06 and 10.04 hereof, which are general obligations of the Corporation, are limited, special obligations of the Corporation payable, including upon an Event of Default, solely from the Pledged Revenues or from amounts received from the foreclosure of the Deed of Trust and the exercise of any rights herein by the holder hereof as against any other personal property in which a security interest is granted by this Agreement as provided in Section 10.06 hereof and which grant is perfected and secured by a Uniform Commercial Code Financing Statement.

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

Section 5.04. Obligations of Corporation Hereunder Unconditional. Except as provided in this Agreement (including the last paragraph of Section 5.02 and Section 10.06 hereof), the obligations of the Corporation to make the payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional. The Corporation (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for herein; (b) will perform and observe all of its other agreements contained in this Agreement; and (c) except as provided in Article XI hereof, will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure to complete the Series 2019 Project, failure of consideration, eviction or constructive eviction, destruction of or damage to the Facilities, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Colorado or any political

subdivision of either, any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied. The Corporation may at its own cost and expense and in its own name or in the name of the Authority (without expense to the Authority and with the Authority's prior written consent), prosecute or defend any action or proceeding or take any other action involving third persons which the Corporation deems reasonably necessary in order to secure or protect its or its lessees' rights of possession, occupancy and use of the Facilities; provided, however, that any such prosecution, defense or action taken by the Corporation in the name of the Authority shall not preclude or prohibit in any way the Authority from prosecuting, defending, joining or intervening in such action or proceedings, or taking any other action it deems necessary, in its own name and of its own accord.

Section 5.05. Reserve Fund Insurance Policy. The Corporation may at any time substitute (a) cash or Investment Obligations for a Reserve Fund Insurance Policy; or (b) a Reserve Fund Insurance Policy for cash or Investment Obligations, so long as the amount on deposit in the Bond Reserve Fund after such substitution is at least equal to the Bond Reserve Requirement. In the event the Corporation shall substitute a Reserve Fund Insurance Policy for cash or Investment Obligations, the amount on deposit in the Bond Reserve Fund shall be that amount available to be drawn or otherwise paid pursuant to such policy at the time of calculation. Notwithstanding the foregoing, no Reserve Fund Insurance Policy shall be accepted by the Trustee for such substitution unless the Trustee and the Authority have received an opinion acceptable to the Authority of nationally recognized municipal bond counsel acceptable to the Authority to the effect that such substitution and the intended use by the Corporation of the cash or Investment Obligations to be released from the Bond Reserve Fund will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes.

Section 5.06. Direct Payment by State Treasurer or Charter Authorizer. The Corporation agrees that, during the Lease Term (as defined in the Lease), the Corporation shall take or cause to be taken such actions as may be necessary to cause direct payment of Base Rents payable on the Series 2019 Bonds to be made to the Trustee by the State Treasurer or, if the State Treasurer does not so agree, by the Charter Authorizer. Further, during the Lease Term the Base Rents shall be payable at such times and payable in such amounts to make the Loan Payments.

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

Section 6.01. Maintenance and Modifications of Facilities by Corporation. The Corporation agrees that during the term of this Agreement the Facilities shall be operated and maintained, in substantial compliance with all governmental laws, building codes, ordinances, and regulations and zoning laws as shall be applicable to such Facilities. The Corporation agrees that during the term of this Agreement it will (or will require the lessee pursuant to the Lease) (a) keep the Facilities in as reasonably safe condition as the operations at the Facilities permit; and (b) keep the Facilities in good repair and in good operating condition, making from time to time all

necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. The Corporation may dispose of portions of the Facilities that the Corporation determines to be obsolete or not useful to operations of the Facilities; provided, however, there is not currently an Event of Default and such disposition will not materially impact the ability of the Corporation to make payments under this Agreement, and such disposition will require prior written consent of the Charter School so long as the Lease is in effect. The Corporation may, also at its own expense, make from time to time any additions, modifications or improvements to the Facilities it may deem desirable for its purposes that do not substantially reduce its value; provided that all such additions, modifications and improvements made by the Corporation which are affixed to the Facilities shall become a part of the Facilities. The Corporation will not permit any Liens, security interests or other encumbrances other than Permitted Encumbrances to be established or to remain against the Facilities for labor or materials furnished in connection with the Series 2019 Project or any additions, modifications, improvements, repairs, renewals or replacements made by it to the Facilities; provided that if the Corporation first notifies the Trustee of its intention to do so, and, if the Corporation posts a bond with the Trustee in form satisfactory to the Trustee, the Corporation may in good faith contest any mechanics' or other liens filed or established against the Facilities and in such event may permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Facilities or any part thereof will be subject to loss or forfeiture, in which event the Corporation shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will, at the expense of the Corporation, cooperate fully with the Corporation in any such contest. In the event that the Corporation shall fail to pay any of the foregoing items required by this Section to be paid by the Corporation, the Authority or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Authority or the Trustee shall become an additional obligation of the Corporation under this Agreement to the one making the advance, which amount the Corporation agrees to pay on demand together with interest thereon at the Default Rate, but solely from the Pledged Revenues; provided, however, that any expenses resulting from cooperation by the Authority in any such contest as required by the preceding sentence shall be immediately paid or reimbursed directly by the Corporation, and any failure by the Corporation to pay or reimburse such expenses shall not constitute an advance by or an obligation of the Authority to pay such expenses.

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

The Corporation may, at its expense, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other

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

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

(a) an ALTA title insurance policy naming the Trustee as an insured in an amount equal to the lesser of (i) the principal amount of the Loan represented by the Series 2019 Bonds (if available in that amount) or (ii) the insurable value of the Facilities upon its completion;

(b) insurance against loss or damage to the Facilities and all improvements therein (including, during any period of time when the Corporation is making alterations, repairs or improvements to the Facilities, improvements and betterment's coverage), all subject to standard form exclusions, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State, in an amount equal to the greater of the full replacement value of the Building (once constructed with respect to the Improvements to be constructed with the proceeds of the Series 2019 Bonds) or the aggregate principal amount of the Series 2019 Bonds then outstanding, unless the insurable value is less than the aggregate principal amount of the Series 2019 Bonds outstanding, in which event in an amount equal to the full replacement value of the Building;

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

(d) fidelity insurance or bonds on those of its officers and employees who handle funds of the Corporation, both in such amounts and to such extent as are customarily

carried by organizations similar to the Corporation and operating properties similar in size and character to the facilities of the Corporation;

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

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

All the insurance coverage required by this Section may be subject to deductible clauses in such amounts as are customary for facilities of similar size and character within the State. At least every five years from June 1, 2019, the Corporation shall employ (or cause to be employed), at its expense, an Insurance Consultant to review the insurance coverage required by this Section and to render to the Trustee and the Corporation a report as to the adequacy of such coverage and as to its recommendations, if any, for adjustments thereto. The Trustee may conclusively rely upon the Insurance Consultant's evaluation and report as to the adequacy of the required insurance policies. The insurance coverage provided by this Section may be reduced or otherwise adjusted by the Corporation without the prior written consent of the Trustee or the Authority, provided that all coverages after such reduction or other adjustment are certified by the Insurance Consultant to be adequate and customary for facilities of like size and type, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance and the effect of such terms and such cost upon the Corporation's fees, rentals and charges for the use of the Facilities.

The insurance coverage provided by this Section shall be increased or otherwise adjusted by the Corporation if as a result of such review the Insurance Consultant finds that the existing coverage is inadequate, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance, and the effect of such terms and such cost upon the Corporation's costs and charges for its services and whether such increase may likely cause an Event of Nonappropriation (as defined in the Lease) for Additional Rent (as defined in the Lease). The insurance coverage required by this Section, and modification thereof permitted or required by this paragraph, shall at all times be adequate and customary for facilities of like size and type, and the Insurance Consultant shall so certify in the report required by this paragraph. Anything herein to the contrary notwithstanding, the Corporation is permitted to become self-insured for all or any part of the foregoing requirements, or to satisfy any or all of such requirements through the Charter School's self-insurance, if the Trustee has received a written evaluation with respect to such self-insurance programs from a nationally recognized Insurance Consultant stating that such self-insurance is consistent with sound risk management policies. The Corporation shall pay any fees charged by such nationally recognized Insurance Consultant. If applicable, the Corporation's or the Charter School's self-insurance existing on the

date of delivery of this Agreement may continue without evidence of compliance with the above requirements unless the periodic report of the Insurance Consultant required by this Section states that such self-insurance is not consistent with sound risk management. If the Corporation is self-insured, the Trustee and the Authority shall be included as insureds under the self-insurance trust agreement.

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

The Corporation shall deliver to the Trustee (a) upon the commencement of the term of this Agreement, the originals or copies thereof of all insurance policies (or certificates thereof) which the Corporation is then required to maintain pursuant to this Section; (b) at least 10 days prior to the expiration of any such policies evidence as to the renewal thereof, if then required by this Section; and (c) promptly upon request by the Authority or the Trustee, but in any case within 180 days after the end of each fiscal year, a certificate of an Authorized Representative of the Corporation setting forth the types and coverage as to all insurance policies maintained by the Corporation or by the Charter School pursuant to the Lease, required pursuant to this Section and certifying that such insurance policies are in full force and effect, that such policies comply with the provisions of this Section and that all premiums then due thereon have been paid.

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

Section 6.05. Advances by Authority or Trustee. In the event the Corporation shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Facilities in as reasonably safe condition as their operating condition will permit, or shall fail to

keep the Facilities in good repair and good operating condition (except as otherwise herein permitted), the Authority or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same, or make the required repairs, renewals and replacements; and all amounts advanced therefor by the Authority or the Trustee shall become an additional obligation of the Corporation under this Agreement to the one making the advance, which amounts the Corporation agrees to pay on demand together with interest thereon at the Default Rate.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01. Damage and Destruction. Unless the Corporation shall have exercised its option to prepay the Loan in full pursuant to Article XI hereof, if the Facilities are destroyed or damaged by fire or other casualty to such extent that the claim for loss under any insurance policies resulting from such event of destruction or damage is less than $350,000, the Net Proceeds of insurance resulting from such claims for losses shall be paid to the Corporation and shall be held or used by the Corporation for such purposes as the Corporation, in its discretion, may deem appropriate. The Corporation shall not by reason of the payment of Net Proceeds for such destruction or damage be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners of the Series 2019 Bonds or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Agreement.

Unless the Corporation shall have exercised its option to prepay the Loan in full pursuant to Article XI hereof, if the Facilities are destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under any insurance policies resulting from such event of destruction or damage is $350,000 or more, the Corporation shall promptly give written notice thereof to the Trustee and the Authority. All Net Proceeds of insurance resulting from such claims for losses of $350,000 or more shall, in the event the value of the Building is less than the amount of the Series 2019 Bonds outstanding, and for a period of 10 years following the date of Issuance of the Series 2019 Bonds, be held by the Trustee in a separate trust account, whereupon the Corporation will promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it existed prior to such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Corporation and as will not impair the Corporation's ability to operate the Facilities in an efficient manner; and the Trustee, upon receipt of a Consulting Architect's Certificate that such payment is required for such purpose, will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration as the work progresses; and, shall at the option of the Corporation, with the consent of the Charter School so long as the Lease is in effect, either be used to redeem Bonds (but not in the event the value of the Building is less than the amount of Bonds then outstanding) or be used to repair, rebuild or restore the property as described above. The Trustee may rely conclusively on any such certificate or other instrument and shall not be required to make any independent investigation in connection therewith. Any balance of such Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be transferred to the Bond Principal Fund and applied to the payment of principal of the Series 2019 Bonds on the next payment date or dates thereof. In the event such Net Proceeds are not sufficient to pay in full the costs of such

repair, rebuilding or restoration, the Corporation will nonetheless complete the work thereof and will pay any costs thereof in excess of the amount of said Net Proceeds. The Corporation shall not by reason of the payment of such excess costs be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners of the Series 2019 Bonds or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Agreement.

All Net Proceeds of insurance resulting from claims for losses specified in the first sentences of the two preceding paragraphs may be used to redeem Bonds (except as limited thereby); provided (i) all of the Series 2019 Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to prepay the Loan in full provided for in Article XI hereof; or (ii) in the event that less than all of the Series 2019 Bonds are to be redeemed, the Corporation shall furnish to the Trustee a Consulting Architect's Certificate stating (A) that the property forming a part of the Facilities damaged or destroyed is not essential to the Corporation's use or occupancy of the Facilities; or (B) that the Facilities have been restored to a condition substantially equivalent to its condition prior to the damage or destruction; or (C) that improvements have been acquired which are suitable for operation as a Facilities (as defined in the Act) on the Land.

Section 7.02. Condemnation and Title Defects. Unless the Corporation shall have exercised its option to prepay the Loan in full pursuant to Article XI hereof, in the event that title to, or the temporary use of, the Facilities or any part thereof shall be taken under the exercise of the power of eminent domain or because of a title defect, the Corporation shall be obligated to continue to make the Loan Payments and other payments required to be made under this Agreement. In the event that the Net Proceeds from any award made in such eminent domain proceedings or from any insurance policies purchased pursuant to Section 6.03(a) hereof is less than $350,000, all of such Net Proceeds shall be paid to the Corporation and shall be held or used by the Corporation for such purposes as the Corporation, in its discretion, may deem appropriate. In the event that the Net Proceeds from any award made in such eminent domain proceedings or from any insurance policies purchased pursuant to Section 6.03(a) hereof is $350,000 or more, all of such Net Proceeds shall be paid to and held by the Trustee in a separate trust account for the equal benefit of the Registered Owners of the Series 2019 Bonds, to be applied to one or more of the following purposes as shall be directed in writing by the Corporation, with the written consent of the Trustee and the Charter School so long as the Lease is in effect:

(a) the restoration of the Facilities to substantially the same condition as it existed prior to such condemnation or without such title defect;

(b) the acquisition, by construction or otherwise, of other improvements suitable for operation as an educational or cultural Facilities on the Land; and

(c) the redemption of the Series 2019 Bonds; provided that such condemnation award or title insurance proceeds may be applied for such redemption only if (i) all of the Series 2019 Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to prepay the Loan in full provided for in Article XI hereof or (ii) in the event that less than all of the Series 2019 Bonds are to be redeemed, the Corporation shall furnish to the Authority and the Trustee a Consulting Architect's Certificate stating (A) that the property forming a part of the Facilities taken by such condemnation proceedings or lost due to a defect in title is not essential to the Corporation's use or occupancy of the Facilities,

or (B) that the Facilities have been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings or without such title defect, or (C) that improvements have been acquired which are suitable for the Corporation's operations at the Facilities as contemplated by the foregoing subparagraph (b) of the first paragraph of this Section.

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

In the event the Corporation elects either of the options set forth in subparagraph (a) or (b) of the first paragraph of this Section, and the Net Proceeds received from eminent domain or title insurance proceeds are insufficient to pay in full the cost of restoring, acquiring or constructing improvements of substantially the same condition as the Facilities prior to the taking or without such title defect, the Corporation will nonetheless complete the work thereof and will pay any costs thereof in excess of such Net Proceeds. The Corporation shall not by reason of the payment of such excess costs be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners of the Series 2019 Bonds or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Agreement.

Unless the Corporation has exercised its option to prepay the Loan in full pursuant to Article XI hereof, within 90 days from the date of a final order in any eminent domain proceeding granting condemnation or from the date of a taking pursuant to a title defect, the Corporation shall direct the Authority and the Trustee in writing which of the ways specified in this Section the Corporation elects to have the Net Proceeds of the condemnation award or insurance proceeds applied. Any balance of the Net Proceeds of the award in such eminent domain proceedings or insurance proceeds remaining after payment of all the costs of such restoration, acquisition or construction shall be applied to pay or redeem Bonds. The balance to be used to pay or redeem Bonds shall be transferred to the Bond Principal Fund and applied to the payment of the principal of the Series 2019 Bonds on the next payment date or dates thereof.

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

Section 7.03. Corporation Entitled to Certain Net Proceeds. Notwithstanding Section 7.02 hereof, the Corporation shall be entitled to the Net Proceeds of any insurance payment or condemnation award or portion thereof attributable to damage or destruction or takings of its Property not included in the Facilities, as reasonably determined by the Trustee.

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

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

ARTICLE VIII

SPECIAL COVENANTS

Section 8.01. No Warranty of Condition or Suitability by the Authority. Neither the Authority nor the Trustee makes any warranty, either express or implied, as to the Facilities or that the Facilities will be suitable for the Corporation's purposes or needs or that the proceeds of the Series 2019 Bonds will be sufficient to pay the Cost of the Project.

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

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

Section 8.04. Audits. In the event that the Lease is terminated or not renewed by the Charter School, the Corporation agrees that it will have its books and records audited annually, commencing with the Fiscal Year in which the termination or non-renewal of the Lease occurs, by an Accountant as soon as practicable after the close of such Fiscal Year, and shall furnish by [October 31] after the end of such Fiscal Year to the Authority and the Trustee (provided that neither the Authority nor the Trustee has any obligation to review such audit report) and each Rating Agency which has rated the Series 2019 Bonds, a copy of the audit report including the Accountant's statement as to the calculation of Pledged Revenues certified by such Accountant.

Upon receipt by the Corporation of the Accountant's management letter, if any, the Corporation will notify the Authority and the Trustee, that such management letter has been

received and is available for inspection by the Authority and the Trustee, at the offices of the Corporation.

Section 8.05. Financial Statements. In the event the Lease is terminated, the Corporation agrees that it will maintain proper books of records and accounts of the Facilities with full, true and correct entries of all of its dealings substantially in accordance with generally accepted accounting principles and audited annually, and that, in the event that the Corporation receives notice that the Lease will be terminated or not renewed by the Charter School, it will, commencing with the quarter in which such notice is received, furnish to the Authority (upon the Authority's request) and the Trustee, provided the Authority and the Trustee have no obligation to review such material, quarterly financial reports (which need not be audited) within forty-five (45) days after the close of each such quarter including a statement of current fund revenues and expenses in comparative form with the Corporation's operating budget, and such other data and information as may reasonably be requested by the Authority and the Trustee from time to time. Upon the request of the Authority, the Corporation shall also provide to the Authority additional information concerning the Series 2019 Project and the operations, financial condition and any pending material transactions of the Corporation.

Section 8.06. Indemnification. The Corporation agrees to protect and defend the Authority, the State, agencies of the State, the Trustee, current, former and future members, directors, servants, officers, employees, and other agents, now or hereafter, of said State, the Authority or the Trustee and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management or policies, now or hereafter, of the State, the Authority or the Trustee (collectively, the "Indemnified Parties" and individually, the "Indemnified Party") and further agrees to release from, pay and hold the Indemnified Parties harmless from and against any and all liabilities, losses, damages, costs, expenses (including attorneys' fees, expenses and court costs, including those for post-judgment and appellate proceedings), judgments, claims, demands, suits, actions or other proceedings of whatsoever kind or nature by reason of or in connection with:

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

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

(c) any untrue statement or alleged untrue statement contained or incorporated by reference in any offering or reoffering materials prepared in respect of the Series 2019 Bonds, or any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements in light of the circumstances under which they are or were made not misleading in the initial and any subsequent offers or sales of the Series 2019 Bonds;

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

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

(f) any act or omission of the Corporation or any of its agents, contractors, servants, employees or licensees in connection with the use of the proceeds of the Series 2019 Bonds or the Facilities, the operation of the Facilities, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Facilities or any part thereof;

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

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

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

(j) any action, suit, claim, proceeding, audit, inquiry, examination, or investigation of a judicial, legislative, administrative or regulatory nature concerning or related to interest payable on the Series 2019 Bonds not being exempt from federal or state income taxation;

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

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

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

expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.

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

All covenants, stipulations, promises, agreements, and obligations of the Authority or the Trustee contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the Authority or the Trustee and not of any current, future or former member, director, officer, employee, or other agent of the Authority or the Trustee in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2019 Bonds or for any claim based thereon or hereunder against any current, future or former member, director, officer, employee, or other agent of the Authority or the Trustee or any natural person executing the Series 2019 Bonds.

The foregoing release, protection, defense, hold harmless and indemnification provisions shall not apply to any claim, proceeding or action instituted by the Corporation against an Indemnified Party relating to any warranty, representation, covenant or obligation of such Indemnified Party under this Agreement, the Indenture or the Lease if it is ultimately determined by a court or government agency (from which an appeal is not available or with respect to which the time for appeal has expired) that such Indemnified Party breached or violated any such warranty, representation, covenant or obligation.

Notwithstanding the foregoing, the Corporation shall not be considered an "Indemnified Party" for purposes of this Section.

Section 8.07. Authority of Authorized Representative of the Corporation. Whenever under the provisions of this Agreement or the Indenture the approval of the Corporation is required, or the Authority or the Trustee is required to take some action at the request of the Corporation, such approval or such request shall be made by the Authorized Representative of the Corporation unless otherwise specified in this Agreement or the Indenture. The Authority or the Trustee shall be authorized to act on any such approval or request and the Corporation shall have no complaint against the Authority or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Agreement or the Indenture by an Authorized Representative of the Corporation shall be on

behalf of the Corporation and shall not result in any personal liability of such Authorized Representative.

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

Section 8.09. Licenses and Qualifications. The Corporation will do, or cause to be done, all things necessary to obtain, renew and secure all permits, licenses and other governmental approvals and to comply, or cause its lessees to comply, with such permits, licenses and other governmental approvals necessary for operation of the Facilities (as defined in the Act).

Section 8.10. Maintenance of Pledged Revenues. So long as any Series 2019 Bonds are outstanding, the Corporation covenants and agrees to manage the Facilities on a revenue-producing basis. The Corporation also covenants during such period to use its best efforts to fix, revise (subject to the terms and provisions of the Lease and any other leases and other contractual commitments permitted hereunder), charge and collect such reasonable charges for the use and occupancy of the Facilities, in amounts so that the Corporation shall receive Pledged Revenues in each Fiscal Year that are sufficient to pay (a) currently all of the Corporation's expenses during such Fiscal Year for the operation, maintenance and repair of the Facilities; (b) all payments under this Agreement; and (c) all other obligations imposed by this Agreement upon the Corporation payable during such Fiscal Year; provided, however, in the event that the Lease is no longer in effect, the Corporation shall not be deemed to be in default under this Section if the Pledged Revenues in each Fiscal Year are not sufficient to make such payments so long as the Corporation provides the Authority and the Trustee with a report of a Consultant stating that the charges being fixed and collected by the Corporation for the use and occupancy of the Facilities reflect current market charges for such use and occupancy. Notwithstanding the foregoing, the parties hereto agree that so long as Base Rents and Additional Rents (as defined in the Lease) are being paid and applied as provided in the Lease, this Agreement and the Indenture, the Corporation shall be deemed to be in compliance with the requirements of this Section 8.10.

Section 8.11. Sale, Lease or Other Disposition of the Facilities. The Corporation shall have the right to lease all or any part of the Facilities pursuant to the Lease or, subject to the written consent of the Authority any future leases or subleases; provided, however, that the Corporation shall provide to the Authority and the Trustee an opinion of a nationally recognized bond counsel acceptable to the Authority that such lease will not adversely affect the tax exempt status of the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purpose, and that the terms and provisions of any future leases or subleases or any future amendments or supplements to the Lease will allow the Corporation to comply with the provisions

of this Agreement and contain the restrictions upon the use of the Facilities contained in Sections 2.02(a)(iv) and (v) and 8.12 of this Agreement and will contain substantially similar provisions to Section 10.07 of the Lease; and provided further, in the event that direct payment of Base Rents are not being made to the Trustee in accordance with the requirements of Section 5.06 hereof, such future leases or subleases must provide for rental payments to be made directly to the Trustee to the extent of then current payments required under Section 5.02(a) hereof. Other than leases or subleases permitted by this Section or as provided in Section 8.15 hereof, the Corporation agrees that it will not sell or otherwise dispose of the Facilities.

Notwithstanding anything else contained herein to the contrary, prior to the lease or other disposition of the Facilities or any part thereof for any purpose, the Corporation shall obtain an approving opinion of nationally recognized bond counsel acceptable to the Authority addressed to the Trustee and the Authority stating that such lease or disposition will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes.

Section 8.12. Nonsectarian Use. The Corporation agrees that, in the absence of the receipt by the Authority and the Trustee of a written opinion of nationally recognized municipal bond counsel acceptable to the Authority to the effect that such use will not affect adversely the exclusion from gross income of interest for federal income tax purposes on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes, and that such restriction is no longer required under the provisions of the Act, no proceeds of the Series 2019 Bonds shall be used to acquire, construct, install, or refinance any facilities which are intended to be used primarily for sectarian purposes. The Corporation will comply with all applicable state and federal laws concerning discrimination on the basis of race, creed, color, sex, sexual orientation (including transgender status), marital status, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of persons working for the Corporation.

Section 8.13. Limitations on Incurrence of Additional Indebtedness. The Corporation shall not incur additional Indebtedness except pursuant to this Section 8.13 and as provided in Section 2.11 of the Indenture when secured by the Trust Estate.

(a) *Senior Indebtedness*. The Corporation shall not incur additional Indebtedness secured by Liens on the Facilities or the Gross Revenues that are senior to the Lien of the Deed of Trust on the Facilities or the security interest in the Gross Revenues granted by the Loan Agreement and the Deed of Trust.

(b) *Long-Term Indebtedness*. The Corporation may incur additional Long-Term Indebtedness if both of the following tests are met:

(i) the Coverage Ratio for the most recent Fiscal Year for which an audit has been completed was at least 1.20 to 1 (taking into account the proposed additional Long-Term Indebtedness and any Long-Term Indebtedness to be refinanced thereby); and

(ii) a Management Consultant reports that (A) the Coverage Ratio for the most recent Fiscal Year for which an audit has been completed was at least 1.20 to 1, and (B) the Coverage Ratio for each of the first three consecutive Fiscal Years following the incurrence of such Long-Term Indebtedness or, if such Long-Term Indebtedness is being issued to finance improvements, equipment or new facilities, the first three consecutive Fiscal Years after such improvements, equipment or new facilities are placed in service, is projected to be at least 1.20 to 1 (taking into account the proposed additional Long-Term Indebtedness and any Long-Term Indebtedness to be refinanced thereby and provided that, such projected Net Income Available for Lease Payments shall be adjusted to provide for any projected revenues and expenses anticipated as the result of any real or personal property acquired, constructed, or completed with the proceeds of any such Long-Term Indebtedness).

(c) *Completion Indebtedness*. The Corporation may issue Completion Indebtedness in an amount not to exceed 10% of the original Indebtedness issued for the purpose of financing certain Capital Improvements, if the following conditions are met: (i) the Corporation certifies, in writing, to the Trustee that at the time the original Indebtedness issued for the purpose of financing certain Capital Improvements was incurred, the Corporation believed or had reason to believe that the proceeds of such Indebtedness together with other moneys then expected to be available to pay for such Capital Improvements would provide sufficient moneys for the completion thereof; (ii) a Consulting Architect provides the Trustee with a written statement specifying the amount necessary to complete such Capital Improvements; and (iii) the Corporation certifies, in writing, to the Trustee that the proceeds of the proposed Completion Indebtedness, together with other legally available moneys of the Corporation, will be in an amount equal to the amount set forth in clause (ii) of this subsection.

(d) *Refunding Indebtedness*. The Corporation may issue Refunding Indebtedness, provided that the Corporation certifies, in writing, to the Trustee that the Maximum Annual Debt Service on Indebtedness will not be increased by more than ten percent (10%) by such refunding.

(e) *Balloon Indebtedness*. The Corporation may issue Balloon Indebtedness if the conditions set forth in Subsection 8.13(b)(i) or Subsection 8.13(b)(ii) are met when it is assumed that when calculating the Maximum Annual Base Rents for such Balloon Indebtedness, the principal and interest payments thereon are in equal monthly installments amortized over 25 years from the date of issuance of the Balloon Indebtedness and at the rate of interest on the date of issuance of the Balloon Indebtedness.

(f) *Variable Rate Indebtedness*. The Corporation may issue Variable Rate Indebtedness if the conditions set forth in Subsection 8.13(b)(i) or Subsection 8.13(b)(ii) are met when it is assumed that the interest rate through the maturity date of the Variable Rate Indebtedness is the highest rate which may be applied thereto pursuant to the terms of the documents evidencing such Variable Rate Indebtedness.

(g) *Short-Term Indebtedness, Non-Recourse Indebtedness, and Subordinated Indebtedness*. The Corporation may incur Short-Term Indebtedness, Non-Recourse Indebtedness, and Subordinated Indebtedness provided that in no event shall the aggregate principal amount of all Short-Term Indebtedness, Non-Recourse Indebtedness, and Subordinated Indebtedness outstanding at any time exceed the greater of $500,000 or 5% of the Corporation's operating revenues for the last preceding Fiscal Year for which audited financial statements have been prepared pursuant to Section 8.05 hereof.

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

Section 8.15. Release of Land. The Corporation, with the consent of the Charter School so long as the Lease is in effect, shall have the right to release portions of the Land from the lien of this Agreement provided that (a) no portion of the Building is located on such portion of the Land to be released; (b) such portion of the Land to be released is not necessary to the use or operation of the Building; (c) the Corporation pays to the Trustee for the payment or redemption of Bonds an amount (rounded up to the next $5,000) equal to the fair market value (as determined in a written report of an independent appraiser who is a Member of the Appraisal Institute (MAI) (an "Appraiser")) of such Land to be released and provides the Trustee with irrevocable instructions to hold such funds in trust until the first available optional redemption date and pay or redeem Bonds in a principal amount equal to such payment on the first available redemption date; (d) after such release the fair market value of the Facilities (as determined in a written report by an Appraiser) is equal to or greater than the amount of Bonds outstanding immediately after such release; and (e) the Corporation provides the Authority and the Trustee with a written opinion of nationally recognized municipal bond counsel selected by the Corporation and acceptable to the Authority to the effect that such disposition will not adversely affect the validity of the tax-exempt Bonds or the exclusion from gross income of interest for federal income tax purposes on the Series 2019 Bonds, the interest on which is excluded from gross income for federal income tax purposes, which opinion may rely on the related opinion of independent counsel as to matters set forth therein. Any counsel fees incurred in obtaining any such opinion shall be paid by the Corporation. Upon compliance with the provisions of this Section, **Exhibit A** hereto shall be amended to reflect the removal of such portion of the Land and the Authority and the Trustee shall execute and deliver all necessary amendments hereto and releases necessary to remove such portion of the Land from the lien of this Agreement.

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

Section 8.17. Compliance with the Continuing Disclosure Agreement. The Corporation shall comply with the disclosure requirements set forth in the Continuing Disclosure Agreement.

Section 8.18. Reserved.

Section 8.19. Compliance with Certain Covenants Upon Termination of the Lease. In the event that the Lease is terminated while the Series 2019 Bonds remain outstanding, the Corporation will comply with the provisions of Sections 8.1, 10.12, and 10.13 of the Lease as applicable to the Charter School thereunder.

Section 8.20. Selection of Management Consultant. Upon the selection of a Management Consultant as required by Section 8.13 hereof or Section 10.12 or 10.13 of the Lease as applicable to the Corporation pursuant to Section 8.19 hereof, the Corporation shall cause a notice of the selection of such Management Consultant (the "Management Notice"), including the name of such Management Consultant and a brief description of such Management Consultant to be filed with EMMA. The Management Notice must also state each Registered Owner of the Bonds then outstanding shall be deemed to have consented to the selection of such Management Consultant unless a majority of such Registered Owners of the Bonds then Outstanding submits to the Trustee a written objection to the Management Consultant in a manner acceptable to the Trustee (an "Objection Notice") within thirty days of the date the Management Notice is posted to EMMA (the "Objection Period"). If an Objection Notice is received by the Trustee within the Objection Period, then the Corporation shall select an alternate Management Consultant and shall post a new Management Notice with respect to the newly selected Management Consultant.

ARTICLE IX

ASSIGNMENT AND PLEDGING; REDEMPTION OF BONDS; ACKNOWLEDGEMENT OF LEASE

Section 9.01. Assignment by Corporation. This Agreement may not be assigned by the Corporation.

Section 9.02. Assignment and Pledge by Authority. The Authority shall assign certain of its rights and interests in and under this Agreement, including the Pledged Revenues, to the Trustee pursuant to the Indenture as security for payment of the principal of, premium, if any, and interest on the Series 2019 Bonds. The Corporation hereby consents to such assignment.

Section 9.03. Redemption of Bonds; Transfer of Facilities. Upon the agreement of the Corporation to deposit moneys into the Bond Principal Fund and the Bond Interest Fund in an amount sufficient to redeem Bonds subject to redemption, the Trustee, at the written request of the Corporation and subject to Article V of the Indenture, shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds on the redemption date and shall notify the Authority in writing of such action. At such time as the Series 2019 Bonds are no longer outstanding and the Corporation has not incurred Refunding Indebtedness to refund the Series 2019 Bonds and any Additional Bonds, the Corporation covenants and agrees under the Agreement to transfer and convey fee simple title and its ownership interest in the Facilities to the Charter School; provided however, if the Lease has been terminated or not renewed, or the Charter School is no longer existing and operating as a public charter school, the Corporation covenants and agrees to transfer and convey fee simple title and its ownership

interest in the Facilities to (a) a governmental unit or (b) an organization described under Section 501(c)(3) of the Code. Prior to the transfer and conveyance of fee simple title and ownership interest in the Facilities to an organization described under Section 501(c)(3) of the Code, the Corporation shall obtain an approving opinion of nationally recognized bond counsel stating that such transfer and conveyance will not adversely affect the exclusion from gross income of interest for federal income tax purposes on the outstanding Bonds, the interest on which is excluded from gross income for federal income tax purposes.

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

Section 9.05. Assignment of the Lease. The Corporation hereby assigns all of its rights and interests in the Lease to the Authority. The Authority shall subsequently assign certain of such rights and interests in and under the Lease to the Trustee pursuant to the Indenture and the Deed of Trust as security for payment of the principal of, premium, if any, and interest on the Series 2019 Bonds. The Corporation hereby consents to such assignment.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

thirty-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby; provided, however, that failure to correct such default within ninety (90) days after receipt of such notice shall constitute an Event of Default hereunder;

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

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

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

(h) an "event of default" has occurred under the Lease, the Tax Compliance Certificate or the Indenture.

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

not be required to make settlement of strikes, lockouts or other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Corporation unfavorable to the Corporation.

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

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

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

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

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

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

In the event that the Corporation fails to make any payment required hereby, the payment so in default shall continue as an obligation (limited, special obligation, except where referenced in this Agreement) of the Corporation until the amount in default shall have been fully paid.

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

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

Section 10.03. No Remedy Exclusive. Subject to the provisions of Section 10.06 hereof, no remedy herein conferred upon or reserved to the Authority or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein or by applicable law. Such rights and remedies given the Authority hereunder shall also extend to the Trustee and the Registered Owners of the Series 2019 Bonds, subject to the Indenture.

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses. In the event of an Event of Default under this Agreement or the Indenture or should the Corporation breach any of the provisions of this Agreement and the Authority or the Trustee should employ attorneys or incur other expenses for the collection of Loan Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Corporation herein contained, the Corporation agrees, to the extent permitted by law, that it will on demand therefor pay to the Authority or the Trustee, as the case may be, the reasonable fee of such attorneys and such other reasonable expenses incurred by the Authority or the Trustee. The obligations of the Corporation arising under this Section shall continue in full force and effect notwithstanding the final payment of the Series 2019 Bonds or the termination of this Agreement for any reason.

Section 10.05. Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Authority's rights in and under this Agreement to the Trustee under the Indenture, the Authority shall retain its rights under Sections 5.02(f), 8.06, 10.04, 12.10 and 12.11 hereof and its right to receive certain reports and perform certain discretionary acts as described herein but shall have no power to waive any Event of Default hereunder without the consent of the Trustee. Notwithstanding the foregoing, a waiver of an Event of Default under the Indenture or a rescission of a declaration of acceleration of the Series 2019 Bonds and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under this Agreement and a rescission and annulment of its consequences; provided, that no such waiver or rescission shall extend to or affect any subsequent or other default hereunder or impair any right consequent thereon.

Section 10.06. Recovery Limited to Pledged Revenues and Facilities. Notwithstanding anything to the contrary in this Agreement, recovery against the Corporation for any Event of Default under this Agreement, other than amounts to be paid pursuant to Section 5.02(d), (e) and

(f) hereof and amounts payable pursuant to the indemnification provisions of Sections 8.06 and 10.04 hereof, which are general obligations of the Corporation, is limited to the Pledged Revenues and amounts received from the foreclosure of the Deed of Trust against the Facilities and exercise as against any personal property granted by this Agreement and secured by any Uniform Commercial Code Financing Statement. The obligations of the Corporation hereunder, other than amounts to be paid pursuant to Section 5.02(d), (e) and (f) hereof and amounts payable pursuant to the indemnification provisions of Sections 8.06 and 10.04 hereof (which are general obligations), are not general obligations of the Corporation, and none of the Trustee, the Authority or the Registered Owners shall have any recourse to any Property, funds or assets of the Corporation (other than the Pledged Revenues and the Facilities) with respect to such obligations.

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

ARTICLE XI

PREPAYMENT OF THE LOAN

Section 11.01. General Option to Prepay the Loan. The Corporation shall have and is hereby granted the option exercisable at any time to prepay all or any portion of the Loan by depositing with the Trustee an amount of money or securities to the extent permitted by Section 7.01 of the Indenture the principal and interest on which when due, will be equal to (giving effect to the credit, if any, provided by Section 11.03 hereof) an amount sufficient to pay the principal of (in Authorized Denominations), premium, if any, and interest on any portion of the Series 2019 Bonds then outstanding under the Indenture. The exercise of the option granted by this Section shall not be cause for redemption of Bonds unless such redemption is permitted at that time under the provisions of the Indenture and the Corporation specifies the date for such redemption. In the event the Corporation prepays all of the Loan pursuant to this Section, pays all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Series 2019 Bonds as a result of such prepayment and all of its liabilities accrued and to accrue hereunder to the Authority through final payment of the Series 2019 Bonds as a result of such prepayment, and all other amounts due hereunder have been paid in full, then this Agreement shall terminate except as otherwise provided herein.

Section 11.02. Obligation to Prepay the Loan. All amounts due hereunder shall become immediately due and payable, without notice or demand, upon a Determination of Taxability and the Corporation shall thereafter have the immediate obligation to prepay all amounts due under this Agreement and the Loan with respect to the Series 2019 Bonds in whole, and not in part.

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

Section 11.04. Notice of Prepayment. In order to exercise the option granted by Section 11.01, the Corporation shall give written notice to the Trustee which shall specify therein the date of making the prepayment, which date shall be not less than 45 days nor more than 90 days from the date the notice is mailed, unless such notice or time period is waived by the Trustee. In the case of any prepayment pursuant to this Article, the Corporation shall make arrangements with the Trustee for giving the required notice of redemption, if any, of any Series 2019 Bonds to be redeemed.

Section 11.05. Use of Prepayment Moneys. By virtue of the assignment of the rights of the Authority under this Agreement to the Trustee, the Corporation agrees to and shall pay any amount required to be paid by it under this Article directly to the Trustee (other than amounts to be paid to the Authority for its own account). The Trustee shall use the moneys so paid to it by the Corporation (other than amounts to be paid to the Trustee for its own account) as provided in this Agreement.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) sent by electronic means; (b) mailed by certified or registered mail, postage prepaid; (c) deposited with any nationally recognized overnight delivery service that routinely issues receipts; or (d) personally delivered by any courier service that routinely issues receipts: if to the Authority, at 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director; if to the Corporation, at 6905 West 8th Street, Greeley, Colorado 80634; Attention: President, Board of Directors; and if to the Trustee, at UMB Bank, n.a., 1670 Broadway, Denver, Colorado 80202; Attention: Corporate Trust & Escrow Services. A duplicate copy of each notice, certificate or other communication given hereunder by the Authority or the Corporation shall also be given to the Trustee. The Authority, the Corporation or the Trustee may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Authority and the Corporation, and their respective successors and assigns, subject, however, to the limitations contained in Sections 9.01, 9.02, 12.10 and 12.11 hereof.

Section 12.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

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

Section 12.06. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

Section 12.08. Filing. The Corporation shall cause the Deed of Trust on the Facilities to be recorded with the Clerk and Recorder of the County of Weld, Colorado. In addition, the Corporation shall cause the security interest in the rights to receive the Pledged Revenues, the Funds and trust accounts referred to in Section 5.01 hereof granted to the Authority, the assignment of such security interest to the Trustee and the security interests otherwise described in this Agreement granted to the Trustee to be perfected by the filing of financing statements which fully comply with the Colorado Uniform Commercial Code in form agreed to by the Corporation and are filed in the office of the Secretary of State, the office of the Clerk and Recorder of the County of Weld, Colorado, and in such other office as is at the time provided by law as the proper place for the filing thereof. The parties further agree that all necessary continuation statements shall be filed by the Trustee, at the expense of and with the cooperation of the Corporation within the time prescribed by the Colorado Uniform Commercial Code in order to continue such security interests.

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

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

Section 12.11. No Personal Liability of Officials of the Authority, the Corporation or the Trustee. None of the covenants, stipulations, promises, agreements and obligations of the Authority or the Corporation contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any official, director, employee, member, officer or agent of the Authority or the Corporation in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Series 2019 Bonds or for any claim based thereon or any claim hereunder against any official, director, employee, member, officer or agent of the Authority or the Corporation, or any natural person executing any Series 2019 Bond, including any officer or employee of the Trustee.

Section 12.12. Prior Agreements Superseded. This Agreement, together with all agreements executed by the parties concurrently herewith or in conjunction with the initial issuance of the Series 2019 Bonds, shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Authority and the Corporation relating to the Series 2019 Bonds, the lending of money and the Series 2019 Project.

Section 12.13. Covenant by the Corporation with Respect to Statements, Representations and Warranties. It is understood by the Corporation that all such statements, representations and warranties made in this Agreement shall be deemed to have been relied upon by the Authority as an inducement to issue the Series 2019 Bonds, and that if any such statements, representations and warranties were false at the time they were made or (with respect to those representations and warranties which are to continue) are breached during the term hereof, such misrepresentation or breach shall constitute a breach of this Agreement which may give rise to an Event of Default hereunder.

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

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

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

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

Section 12.18. No Violations of Law. Any other term or provision in this Agreement to the contrary notwithstanding, (a) in no event shall this Agreement be construed as (i) depriving the Authority of any right or privilege; or (ii) requiring the Authority or any director, agent, employee, representative, or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else, which deprivation or requirement would violate, or result in the Authority's being in violation of the Act or any other applicable state or federal law; and (b) at no time and in no event will the Corporation permit, suffer or allow any of the proceeds of the Series 2019 Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

Section 12.19. Maintenance of Records. The Corporation will maintain records relating to the use and investment of the proceeds of the Series 2019 Bonds and the use and operation of the Facilities for a period of four years after the later of (i) payment in full of the Series 2019 Bonds or (ii) payment in full of any bonds issued to refund the Series 2019 Bonds.

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

[Remainder of page intentionally left blank]

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

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

[SEAL]

By:_____
[Vice Chair]

Attest:

By:_____
Mark Heller, Executive Director

WRA BUILDING CORPORATION

By_____
President

Attest:

By:_____
Secretary/Treasurer

[Signature Page to Loan and Security Agreement]

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Dan Wilson, as [Vice Chair] and by Mark Heller, as Executive Director of the Colorado Educational and Cultural Facilities Authority, an independent public body politic and corporate constituting a public instrumentality.

Witness my hand and official seal.

_____
Notary Public for the State of Colorado

(SEAL)

[Loan and Security Agreement – Notary Page]

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Jason Gollhofer, as President, and Susan Ackerman, as Secretary/Treasurer, of WRA Building Corporation, a nonprofit corporation.

Witness my hand and official seal.

_____
Notary Public for the State of Colorado

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

The legal description of the real property is as follows:

EXHIBIT B

DESCRIPTION OF THE SERIES 2019 PROJECT

EXHIBIT B to Loan and Security Agreement, dated as of June 1, 2019 (the "Loan Agreement"), by and between the Colorado Educational and Cultural Facilities Authority (the "Authority") and WRA Building Corporation. Capitalized terms are defined in this Loan Agreement.

In addition to financing costs of issuance of the Bonds and funding the Bond Reserve Fund, the Project includes the refunding of the Series 2017 Bonds, the proceeds from which were used to finance the acquisition and construction of the Facilities, and the construction of additional Improvements to the Facilities, which Improvements include construction of athletic fields, and _____.

EXHIBIT C

FORM OF PROJECT FUND REQUISITION CERTIFICATE

Request No. _____

Date: _____

PROJECT FUND REQUISITION CERTIFICATE

TO: UMB BANK, N.A. (THE "TRUSTEE") AS TRUSTEE UNDER AND PURSUANT TO THE INDENTURE OF TRUST, DATED AS OF JUNE 1, 2019, BY AND BETWEEN THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY (THE "AUTHORITY") AND THE TRUSTEE, AND THE LOAN AND SECURITY AGREEMENT, DATED AS OF JUNE 1, 2019 (THE "AGREEMENT"), BY AND BETWEEN THE AUTHORITY AND WRA BUILDING CORPORATION (THE "CORPORATION").

Capitalized terms used herein shall have the meanings ascribed to such terms in the Agreement. The undersigned Authorized Representative of the Corporation hereby requests that the following amounts be paid to the following payees for the following costs of the planning, design, construction, equipping, expansion and demolition of the Improvements (as defined in said Agreement) (the "Costs"):

Payee and Address	Amount	Description

The undersigned Authorized Representative of the Corporation hereby states and certifies that: (i) none of the items for which the payment or reimbursement is proposed to be made has been the subject of any payment or reimbursement theretofore made from the Project Fund; (ii) the item(s) for which payment or reimbursement is sought is or was reasonable and necessary in connection with the costs of the construction and equipping of the Improvements, and in all cases is a proper charge against the Project Fund; (iii) upon payment or reimbursement of the amount requested in this Requisition Certificate, the amount remaining in the Project Fund, together with

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

WRA BUILDING CORPORATION

By:_____
Authorized Representative

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FORM OF LEASE AGREEMENT

by and between

WEST RIDGE ACADEMY CHARTER SCHOOL,
as Lessee

and

WRA BUILDING CORPORATION,
as Lessor

Dated as of June 1, 2019

The interest of WRA Building Corporation in this Lease Agreement has been assigned to UMB Bank, n.a., solely in its capacity as trustee (the "Trustee") under the Indenture of Trust, dated as of June 1, 2019, by and between the Colorado Educational and Cultural Facilities Authority and the Trustee, and is subject to the security interest of the Trustee.

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EXHIBIT A DESCRIPTION OF THE REAL PROPERTY
EXHIBIT B BASE RENTS PAYMENT SCHEDULE

LEASE AGREEMENT

THIS LEASE AGREEMENT (as amended or supplemented from time to time, this "Lease") is dated as of June 1, 2019 and is entered into by and between **WRA BUILDING CORPORATION** (the "Corporation"), a nonprofit corporation duly organized and validly existing under the laws of the State of Colorado (the "State"), as lessor, and **WEST RIDGE ACADEMY CHARTER SCHOOL** (the "Charter School"), a Colorado nonprofit corporation and a public charter school duly organized and validly existing pursuant to the Charter Schools Act (defined below), as lessee.

W I T N E S S E T H :

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Lease, and if not defined below, shall have the definition or the same meaning set forth in the Loan and Security Agreement, dated as of June 1, 2019, by and between the Colorado Educational and Cultural Facilities Authority and Corporation; and

WHEREAS, the Charter School is a Colorado nonprofit corporation and a public charter school duly organized and validly existing pursuant to the Charter Schools Act, Article 30.5 of Title 22, Colorado Revised Statutes (the "Charter Schools Act"); and

WHEREAS, the Charter School is authorized by Section 22-30.5-104(7)(b) of the Charter Schools Act to contract with any third party for the use of a school building and grounds; and

WHEREAS, the Corporation (a) is a nonprofit corporation organized, existing and in good standing under the laws of the State, (b) is duly qualified to do business in the State, and (c) is authorized under its articles of incorporation, bylaws, action of its governing body and applicable law, to own and manage its properties, to conduct its affairs in the State, to lease the Leased Property (defined below) pursuant to this Lease to the Charter School and to otherwise act in the manner contemplated herein; and

WHEREAS, the Charter School has determined that it is in the best interest of the Charter School to lease from the Corporation the Leased Property pursuant to this Lease; and

WHEREAS, in order to finance and refinance the acquisition of a portion of and improvements to the Leased Property, the Corporation has entered into a Loan and Security Agreement, dated as of June 1, 2019 (the "Agreement"), with the Colorado Educational and Cultural Facilities Authority (the "Authority") under which the Authority will make a loan (the "Loan") to Corporation and which Loan is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019, from the Corporation to the Public Trustee of Weld County for the benefit of the Trustee (the "Deed of Trust") encumbering the Leased Property and this Lease; and

WHEREAS, in order to fund the Loan made to the Corporation pursuant to the Agreement, the Authority has entered in to an Indenture of Trust, dated as of June 1, 2019 (the "Indenture"), by and between the Authority and UMB Bank, n.a., solely in its capacity as trustee thereunder (the "Trustee"), pursuant to which the Authority will issue its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Series 2019A (the "Series 2019A Bonds") in the original aggregate principal amount of $[A-PRINCIPAL] and its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Federally Taxable Series 2019B (the "Series 2019B Bonds" and together with the Series 2019A Bonds, the "Series 2019 Bonds") in the original aggregate principal amount of $[B-PRINCIPAL], all as more particularly set forth in the Indenture, the proceeds of which will be used to fund the Loan; and

WHEREAS, pursuant to the Agreement, the Corporation has (a) assigned to the Authority all of the Corporation's right, title and interest in, to and under this Lease; and (b) granted a security interest to the Authority in the Leased Property, and pursuant to the Deed of Trust granted a lien on and encumbered the Leased Property for repayment of amounts due under the Agreement for the benefit of the Trustee and its successors and assigns; and

WHEREAS, the Base Rents and Additional Rents (both as hereinafter defined) payable by the Charter School hereunder shall constitute currently appropriated expenditures of the Charter School and shall not constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the Charter School or a mandatory charge or requirement against the Charter School in any Fiscal Year (as hereinafter defined) beyond the Fiscal Year for which such payments have been appropriated; and

WHEREAS, the execution, delivery and performance of this Lease by the Charter School are in the best interest of the Charter School, serve a public purpose and have been duly authorized by the governing board of the Charter School; and

WHEREAS, the execution, delivery and performance of this Lease, the assignment by the Corporation to the Authority, pursuant to the Agreement, of all rights, title and interest of the Corporation in, to and under this Lease and the grant by the Corporation of a security interest to the Authority, pursuant to the Agreement, and a lien against the Leased Property pursuant to the Deed of Trust for the benefit of the Trustee, are in the best interest of the Corporation and have been duly authorized by the governing body of the Corporation; and

WHEREAS, the Corporation desires to lease the Leased Property to the Charter School and the Charter School desires to lease the Leased Property from the Corporation, pursuant to the terms and conditions and for the purposes set forth in this Lease, subject in all respects to the liens evidenced by the Agreement and the Deed of Trust.

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

All words and phrases capitalized but not defined herein, shall have the meaning defined in Article I of the Indenture and Article I of the Agreement. In addition, the following terms, except where the context indicates otherwise, shall have the meanings in this Lease set forth below:

"*Additional Rents*" means the cost of all taxes; insurance premiums; reasonable expenses and fees of the Authority, including, without limitation, its Annual Fee, the Trustee and the

Corporation (including, but not limited to, filing fees, licenses, permits, any legal expenses incurred by the Corporation, or its officers or directors in their official or personal capacity, as provided in Section 13.01 hereof, and other expenses of the Corporation incurred in the performance of its obligations under the Loan); any fees of a Consultant; the administrative fee charged by the State Treasurer pursuant to the Colorado Charter School Intercept Program Application; the ten basis points of the principal amount of the Series 2019 Bonds Outstanding payable annually to the State Treasurer pursuant to the Colorado Charter School Debt Reserve Fund Program, if such bonds are in the Colorado Charter School Debt Reserve Fund Program, and any additional charges related thereto; utility charges; costs of maintenance, upkeep, repair, restoration, modification, improvement and replacement; Bond Reserve Fund payments; Rebate Fund payments; payments required pursuant to Section 8.01 hereof into the Repair and Replacement Fund; costs and expenses incurred by the Corporation or by its directors or officers in connection with any investigation, claim, demand, suit, action or proceeding relating to the activities of the Corporation, or such directors or officers in their capacity as such, in respect of the Leased Property, the Series 2019 Bonds, this Lease, the Loan Agreement, the Indenture or any matter related thereto; the fees of any Rating Agency then maintaining a rating on the Series 2019 Bonds; and all other charges and costs, including reasonable attorneys' fees, which the Charter School assumes or agrees to pay hereunder with respect to the Leased Property, the Series 2019 Bonds, this Lease, the Loan Agreement, the Indenture or any matter related thereto. Additional Rents do not include the Base Rents.

"*Agreement*" means the Loan and Security Agreement, dated as of June 1, 2019, by and between the Authority and the Corporation, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Indenture.

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

"*Base Rent Payment Date*" means one of the dates in the "Base Rent Payment Date" column in **Exhibit B** hereto, as from time to time amended or supplemented.

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

"*Board*" means the Board of Directors of the Charter School and any successor thereto.

"*Business Day*" means any day other than a Saturday, a Sunday or a day on which banking institutions in the State are authorized to close.

"*Capital Improvements*" means the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions which, under Generally Accepted Accounting

Principles as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

"*Charter*" means the charter contract between the Charter School and Weld County School District 6 which was formally renewed by the District's Board of Education on _____ and expires on _____.[PLEASE PROVIDE RENEWAL]

"*Charter Authorizer*" means Weld County School District 6, Weld County, Colorado or any successor Person pursuant to which the Charter School is granted a charter under the Charter Schools Act.

"*Charter Intercept Program Application*" means the application required under the Charter School Intercept Program.

"*Coverage Ratio*" means, for the indicated period, the ratio obtained by dividing (i) Net Income Available for Base Rents for the prior Fiscal Year by (ii) Maximum Annual Base Rents.

"*Days Cash on Hand*" means as of any date of determination, the product of 365 times a fraction, (i) the numerator of which is the aggregate amount of Charter School's unrestricted cash and unrestricted investments and board designated funds that are not otherwise restricted (either permanently or temporarily) as to their use for payment of total Operating Expenses as of such date of determination, and (ii) 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. For purposes of this definition only, Operating Expenses shall include Base Rents.

"*Deed of Trust*" means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2019, from the Corporation to the Public Trustee of Weld County for the benefit of the Trustee, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Indenture.

"*Event of Default*" means one or more events as defined in Section 12.01 hereof.

"*Event of Nonappropriation*" means a decision by the Charter School to not renew this Lease, determined by the Charter School's failure, for any reason, (a) to appropriate by June 30 of each Fiscal Year (i) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof; and (ii) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year in accordance with Section 6.02(b) hereof; (b) to appropriate sufficient amounts authorized and directed to be used to pay Additional Rents in accordance with Section 6.05(b) hereof; or (c) to appropriate sufficient amounts to proceed under Section 9.03(a) or (b) hereof following the occurrence of an event described in Section 9.01 hereof.

"*Excess Net Income*" means, for any Fiscal Year, Gross Revenues, less Base Rent, Operating Expenses of the Charter School, and payments for Long-Term Indebtedness derived from capital leases of the Charter School during such Fiscal Year.

"*Facilities*" means, collectively, the Land and the Building and equipment therein, if any, located at 6905 West 8th Street, Greeley, Colorado, including the Improvements financed or refinanced with proceeds of the Series 2019 Bonds.

"*Fiscal Year*" means the Charter School's fiscal year, which begins on July 1 of any year and ends on June 30 of the following year.

"*Fitch*" means Fitch Ratings.

"*Force Majeure*" means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the Charter School, but specifically excluding loss of the charter by the Charter School through action of the Charter Authorizer.

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

"*Improvements*" means the additional land improvements to the Leased Property, including the construction of an athletic field, _____.

"*Indenture*" means the Indenture of Trust, dated as of June 1, 2019, by and between the Authority and the Trustee, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Series 2019 Bonds are authorized to be issued and secured.

"*Initial Term*" means the period commencing on the date the Series 2019 Bonds are issued and ending on June 30, 20[19].

"*Lease*" means this Lease Agreement, dated as of June 1, 2019, by and between the Corporation and the Charter School and any amendments or supplements hereto, including all exhibits hereto and thereto.

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

"*Leased Property*" means, collectively, the real property, as more fully described **Exhibit A** hereto and the buildings and equipment thereon, if any, comprising the Facilities, and including the Improvements financed or refinanced with the proceeds of the Series 2019 Bonds, and all other improvements now or in the future located thereon, as from time to time amended or supplemented, together with all other property that may be designated as part of the Leased

Property in any amendment or supplement hereto, and less any property damaged, destroyed or condemned as provided in Section 9.01 hereof.

"*Moody's*" means Moody's Investors Service.

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

"*Operating Expenses*" means (i) for so long as the Lease remains in effect, the fees and expenses of the Charter School, including Additional Rent, maintenance and repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, interest expenses, advertising costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Charter School, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Charter School not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Charter School and (ii) if the Lease has been terminated, the fees and expenses of the Corporation, maintenance and repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, interest expenses, advertising costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Corporation, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Corporation not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Corporation; provided, however, "Operating Expenses" shall not include Base Rents, depreciation, amortization or other non-cash expenses.

"*Permitted Encumbrances*" has the meaning set forth in the Agreement.

"*Rating Agency*" means any of Moody's, Standard & Poor's or Fitch or any other nationally recognized rating agency.

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

"*Requirement of Law*" means any material federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to environmental, health or safety matters.

"*Standard & Poor's*" means S&P Global Ratings.

"*State*" means the State of Colorado.

"*Trustee*" means UMB Bank, n.a., Denver, Colorado, solely in its capacity as trustee under the Indenture, being the paying agent, the registrar and the trustee under the Indenture, or any successor corporate trustee.

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the Charter School.

(a) The Charter School represents, covenants and warrants, for the benefit of the Corporation, and its successors and assigns, including without limitation, the Trustee, the Authority and the Registered Owners, as follows:

(i) The Charter School is a Colorado nonprofit corporation and a public charter school duly organized and validly existing under the Charter Schools Act. The Charter School is authorized by Section 22-30.5-104(7)(b) of the Charter Schools Act, (A) to lease the Leased Property from the Corporation pursuant to this Lease; and (B) to execute, deliver and perform its obligations under this Lease. The execution, delivery and performance of this Lease have been duly authorized by the Charter School and the Lease is enforceable against the Charter School in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity;

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

(iii) The execution, delivery and performance of this Lease are in the best interests of the Charter School and serve a public purpose;

(iv) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease or the consummation of the transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions or provisions of the Charter, or of any material restriction or any agreement or instrument to which the Charter School is now a party or by which the Charter School is bound, or constitutes a default under any of the foregoing or, except as specifically provided in this Lease and the Agreement, results in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Charter School;

(v) There is no litigation or proceeding pending or, to the knowledge of the Charter School, threatened against the Charter School or any other Person affecting the right of the Charter School to execute and deliver this Lease, the ability

of the Charter School to make the payments required hereunder or the ability of the Charter School otherwise to comply with its obligations under this Lease;

(vi) Except as disclosed in writing to the Corporation and the Authority: (A) the Leased Property has at all times been operated in compliance with all Requirements of Law; (B) all permits required by Requirements of Law in respect of the Leased Property have been or will be obtained and are in full force and effect and the Charter School is or will be in compliance with the material terms and conditions of such permits; (C) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other Person relating to, or alleging, any violation of any Requirements of Law in connection with the Leased Property and there are no grounds on which any such litigation, investigation or proceedings might be commenced against the Charter School; (D) the Leased Property is not subject to any judgment, injunction, writ, order or agreement respecting any Requirements of Law; (E) to the knowledge of the Charter School, there is no Hazardous Substance located on, in or under the Leased Property in violation of any Requirements of Law; (F) to the knowledge of the Charter School, there has been no disposal of any Hazardous Substance on, from, into or out of the Leased Property in violation of any Requirements of Law; and (G) to the knowledge of the Charter School, there has been no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any Hazardous Substance into the indoor or outdoor environment from, into or out of the Leased Property including, but not limited to, the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law; and

(vii) To the knowledge of the Charter School, the Leased Property complies in all respects with applicable zoning, environmental and safety ordinances.

(b) The Charter School covenants for the benefit of the Corporation, and its successors and assigns, including without limitation, the Trustee, the Authority and the Registered Owners, as follows:

(i) Nothing in this Lease shall be construed as diminishing, unlawfully delegating or otherwise restricting any of the sovereign powers of the Charter School. Nothing in this Lease shall be construed to require the Charter School to operate the Leased Property other than as lessee under the requirements of this Lease;

(ii) The Leased Property will be operated in accordance with all Requirements of Law;

(iii) The Board has determined that the Leased Property is necessary and essential to the Charter School's operations and any Leased Property substituted for any of the Leased Property pursuant to the terms hereof will be for a value which is not less than the property for which it is substituted and that is necessary and essential to the Charter School's operations;

(iv) The Charter School will recognize economic and other benefits by leasing the Leased Property;

(v) The Charter School hereby agrees to cooperate in relation to (i) all actions necessary pursuant to and in accordance with the Colorado Charter School Debt Reserve Fund Program in order to receive money from the Charter School Debt Reserve Fund for the payment due on the Series 2019 Bonds participating in the Colorado Charter School Debt Reserve Fund Program; (ii) all actions necessary pursuant to and in accordance the Colorado Charter School Moral Obligation Program in order to request replenishment of the Bond Reserve Fund from the Governor of the State, if applicable; and (iii) all actions necessary pursuant to and in accordance with the Colorado Charter School Intercept Program in order to have the State Treasurer or, if the State Treasurer does not so agree, the Charter Authorizer, make debt service payments thereunder.

(vi) The Charter School will provide written notice to the Trustee, the Authority and the Corporation immediately (but not later than 5 days after such event) in the event the Charter School receives notice that the Charter School's Charter is being recommended for revocation, revoked, not renewed or proceedings are commenced with respect to a revocation.

Section 2.02. Representations, Covenants and Warranties of the Corporation.

(a) The Corporation represents and warrants as of the date of this Lease, for the benefit of the Charter School, the Trustee, the Authority and the Registered Owners, as follows:

(i) The Corporation is a nonprofit corporation duly organized, existing and in good standing under the laws of the State, is possessed of full power to purchase, own, hold and lease (as owner, lessee and lessor) real and personal property, has all necessary power to borrow money from the Authority pursuant to the Agreement, to lease the Leased Property to the Charter School pursuant to this Lease and to execute, deliver and perform its obligations under the Agreement and this Lease and has duly authorized the execution, delivery and performance of its obligations under the Agreement and this Lease;

(ii) The Corporation is an organization described in Section 501(c)(3) of the Code. The Corporation covenants that it will maintain its status as an organization which is described in Section 501(c)(3) of the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is

described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income);

(iii) The Agreement and this Lease are enforceable against the Corporation in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity;

(iv) None of the execution and delivery of the Agreement, this Lease, the fulfillment of or compliance with the terms and conditions hereof or thereof, or the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound or constitutes a default under any of the foregoing; and

(v) There is no litigation or proceeding pending or, to the Corporation's knowledge, threatened against the Corporation or any other Person affecting the right of the Corporation to execute and deliver this Lease, the ability of the Corporation to make the payments required hereunder or the ability of the Corporation otherwise to comply with its obligations under this Lease.

(b) The Corporation covenants for the benefit of the Charter School, the Trustee, the Authority and the Registered Owners, as follows:

(i) The Corporation shall maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of incorporation, bylaws, action of its governing body and applicable law;

(ii) The Leased Property will be leased by the Corporation in accordance with all Requirements of Law;

(iii) Except as specifically provided in the Agreement and this Lease, the Corporation will not assign the Agreement or this Lease, its rights to payments from the Charter School or its duties and obligations hereunder or thereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained herein; and

(iv) The Corporation acknowledges and recognizes that this Lease will not be renewed upon the occurrence of an Event of Nonappropriation that is not otherwise cured in accordance with Section 6.05 hereof, and that a failure by the Charter School to appropriate funds in a manner that results in an Event of Nonappropriation is a legislative act and, as such, is solely within the discretion of the Charter School.

ARTICLE III
DEMISING CLAUSE

The Corporation demises and leases the Leased Property to the Charter School for the Charter School's use as educational facilities, as defined in the Charter Schools Act in performing one or more governmental purposes, in accordance with the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

ARTICLE IV
LEASE TERM

Section 4.01. Lease Term.

(a) The Lease Term shall be comprised of the Initial Term and successive one-year Renewal Terms, subject to subsection (b) of this Section.

(b) The Lease Term shall expire or end upon the earliest of any of the following events:

(i) June 30 of any Fiscal Year during which there has occurred an Event of Nonappropriation pursuant to Section 4.02 and Article VI hereof (provided that the Lease Term shall be deemed to have been renewed in the event that the Event of Nonappropriation is cured as provided in Section 6.05 hereof);

(ii) an Event of Default and thereafter termination of this Lease by the Corporation or its assigns, including, without limitation, the Trustee as provided in Article XII hereof; or

(iii) discharge of the Indenture, as provided in Article VII thereof.

(c) The expiration or end of the Lease Term shall terminate all unaccrued obligations of the Charter School under this Lease and shall terminate the Charter School's rights of possession under this Lease (except to the extent of the holdover provisions of Section 12.02(e)(i) hereof); provided however, all obligations of the Charter School that have accrued hereunder prior to such termination or expiration shall continue until they are paid, performed and discharged in full.

Section 4.02. Charter School's Annual Right to Not Renew the Lease. In the event that the Charter School shall determine, for any reason, to not exercise its annual right to renew this Lease through an Event of Nonappropriation, effective on June 30 of any Fiscal Year, the Charter School shall give written notice to such effect to the Authority, the Trustee, the Charter Authorizer and the Corporation not later than July 1 of the next Fiscal Year; provided, however, that a failure to give such notice shall not constitute an Event of Default, nor prevent the Charter School from choosing not to renew this Lease, nor result in any liability on the part of the Charter School. The exercise of the Charter School's annual option to not renew this Lease shall be conclusively determined by the Charter School's failure, for any reason (subject, however, to the cure rights set forth in Section 6.05 (iii) and (iv) hereof), (a) to appropriate by June 30 of each Fiscal Year (i) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing

Fiscal Year in accordance with Section 6.02(a) hereof; and (ii) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year; or (b) upon the occurrence of any of the other events described in the definition of Event of Nonappropriation herein. The President of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) is hereby directed to include, in the annual budget proposals submitted to the governing body of the Charter School, items for all payments required under this Lease during the next ensuing Fiscal Year, until such time, if any, as the Charter School may determine not to renew this Lease; it being the intention of the Charter School that any decision not to renew this Lease shall be made solely by the governing body of the Charter School and not by any other department, agency or official of the Charter School. The Charter School shall in any event furnish the Trustee and the Corporation proof of appropriation relating to Base Rents or Additional Rents under this Lease promptly upon the adoption thereof by the Charter School as evidenced by a resolution of the Charter School made and delivered to the Trustee no later than June 30 of each Fiscal Year. Such resolution shall be signed by an Authorized Representative of the Charter School.

ARTICLE V
ENJOYMENT OF LEASED PROPERTY

The Corporation hereby covenants that during the Lease Term and so long as the Charter School complies with the provisions hereof, the Charter School shall peaceably and quietly have and hold and enjoy the Leased Property without suit, trouble or hindrance from the Corporation, except as expressly required or permitted by this Lease. The Corporation shall not interfere with the quiet use and enjoyment of the Leased Property by the Charter School during the Lease Term so long as no Event of Default or Event of Nonappropriation shall have occurred. The Corporation shall, at the request of the Charter School and at the cost of the Charter School, but only to the extent amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, join and cooperate fully in any legal action in which the Charter School asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Charter School may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

ARTICLE VI
PAYMENTS BY THE CHARTER SCHOOL

Section 6.01. Payments to Constitute Currently Appropriated Expenditures of the Charter School; No Lien on Gross Revenues.

(a) The Charter School and the Corporation acknowledge and agree that the Base Rents and Additional Rents hereunder shall constitute currently appropriated expenditures of the Charter School and may be paid from any legally available funds. The Charter School's obligations under this Lease shall be subject to the Charter School's annual right to choose not to renew this Lease (as further provided in Sections 4.01, 4.02, 6.02, 6.05 and 9.03(b) hereof), and shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond

the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the Charter School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the Charter School, within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State. The Corporation acknowledges that the Charter School is not an agent of the Charter Authorizer, and accordingly, the Corporation expressly releases the Charter Authorizer from any and all liability under this Lease. Any financial obligations of the Charter School arising out of this Lease are subject to annual appropriation by the Charter School's Board of Directors and the Charter Authorizer.

(b) None of the Agreement, the Lease, the Indenture or the Series 2019 Bonds directly or indirectly obligate the Charter School to make any payments beyond those appropriated for any Fiscal Year for which such payments have been appropriated. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of moneys of the Charter School, nor, except as provided by law, shall any provision of this Lease restrict the future issuance of any obligations of the Charter School, payable from any class or source of moneys of the Charter School; provided, however, the Charter School shall, if such moneys are appropriated, use its best efforts to make such payments out of its Gross Revenues.

Section 6.02. Base Rents and Additional Rents; Triple Net Lease.

(a) Base Rents.

(i) The Charter School shall pay or cause to be paid Base Rents directly to the Trustee during the Lease Term, on the Base Rent Payment Dates. The Base Rents during the Lease Term shall be in the amounts set forth in **Exhibit B** hereto, as from time to time amended or supplemented. Base Rents shall be payable from reserves established and held pursuant to the Indenture as provided therein.

(ii) The Charter School and the Corporation shall take or cause to be taken such actions as may be necessary to cause direct payment of Base Rents to be made to the Trustee from any Gross Revenues held by the State Treasurer or, if the State Treasurer does not so agree, from any Gross Revenue held by the Charter Authorizer, pursuant to and in accordance with the Charter School Intercept Program; provided, however, upon the failure of State Treasurer or Charter Authorizer to transfer such amounts to the Trustee, for whatever reason, the Trustee shall so notify the Charter School and the Charter School shall promptly make such payments. The Trustee shall timely notify the Charter School when it has received any payments from the State Treasurer or the Charter Authorizer.

(iii) In the event that the Charter School qualifies for and receives capital construction moneys pursuant to Section 22-30.5-112.3, Colorado Revised Statutes, as amended or any successor statute thereto, to be used solely for capital

construction as defined in Section 22-54-124(1)(a), Colorado Revised Statutes, as amended, or any successor statute thereto, the Charter School covenants to deposit said moneys received in accordance with Section 10.10 hereof within three (3) Business Days.

(iv) So long as the Lease Term has not expired or ended, the Charter School shall be entitled to a rebate of Base Rent payments made by or on behalf of the Charter School for the immediately preceding Initial Term or Renewal Term in accordance with Section 3.04 of the Indenture. Rebates are to be made to the Charter School by the Trustee within five (5) Business Days following the date of maturity or sinking fund redemption of any of the Series 2019 Bonds pursuant to the Indenture; provided however, such rebates, if any, are subject to the terms and conditions set forth in Section 3.04 of the Indenture.

(b) Additional Rents. The Charter School shall pay Additional Rents during the Lease Term as herein provided. The Additional Rents during the Lease Term shall be estimated annually by the President of the Corporation (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and the President of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and such estimate shall be in an amount sufficient to pay the following costs during the next ensuing Fiscal Year: (i) the reasonable fees and expenses of the Trustee and the Corporation and the Annual Fees of the Authority; (ii) the cost of insurance premiums; (iii) the cost of taxes, utility charges, maintenance, upkeep and repair costs; (iv) payments into the Bond Reserve Fund required by Section 3.06 of the Indenture; (v) payments into the Rebate Fund required by Section 3.18 of the Indenture; (vi) any fees of a Consultant; (vii) payments required pursuant to Section 8.01 hereof into the Repair and Replacement Fund; (viii) the administrative fee charged by the State Treasurer pursuant to the Colorado Charter School Intercept Program Application; (ix) the fees of any Rating Agency then maintaining a rating on the Series 2019 Bonds; (x) the ten basis points of the principal amount of the Series 2019 Bonds Outstanding payable to the State Treasurer pursuant to the Colorado Charter School Debt Reserve Fund Program, if such bonds are in the Colorado Charter School Debt Reserve Fund Program, and any additional changes related thereto; (xi) interest at the Default Rate, following an "event of default" under the Loan Agreement; and (xii) all other costs included in the definition of, or expressly required to be paid by the Charter School as, Additional Rents hereunder. In the event the Additional Rents in any Fiscal Year exceed the amount for which appropriation has been made, the President of the Corporation (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and the President of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) shall submit a budget proposal evidencing the funding for the amount of such excess Additional Rents for such Fiscal Year. In the event the Lease Term is continued for the next ensuing Fiscal Year, the Charter School's obligation under this Lease to pay Additional Rents during such Fiscal Year shall be limited to the amount so appropriated for Additional Rents in accordance with the procedures described above and any amounts subsequently appropriated by supplemental appropriation for payment of Additional Rents

during such Fiscal Year. Additional Rents obligations in excess of the amounts so appropriated shall in no event be due or owing from the Charter School from funds of the Charter School other than legally available funds. The Charter School hereby agrees that, to the extent that the Bond Reserve Fund moneys are applied pursuant to Section 3.07 of the Indenture or, to the extent that, for any other reason, the amounts in any account within the Bond Reserve Fund are less than the Bond Reserve Fund Requirement, the Charter School will (unless this Lease has theretofore not been renewed or has theretofore been terminated by the Charter School) promptly pay to the Trustee in accordance with Section 5.02 of the Loan Agreement, for deposit in the Bond Reserve Fund, from the amounts appropriated as described above for the payment of Additional Rents, such amounts as are required to restore the amount on deposit in the Bond Reserve Fund to the Bond Reserve Fund Requirement. The Charter School hereby expressly agrees to pay to the Corporation and its directors and officers, as appropriate, as Additional Rents, all costs and expenses incurred by the Corporation or by its directors or officers in connection with any investigation, claim, demand, suit, action or proceeding relating to the activities of the Charter School, or such directors or officers in their capacity as such, in respect of the Leased Property, the Loan Agreement, this Lease, the Series 2019 Bonds or any matter related thereto. Following its receipt of notice of or an invoice for any Additional Rents, the Charter School shall have 30 days to pay such Additional Rents.

(c) Net Lease. This Lease shall be deemed and construed to be a "net lease," and the Charter School shall pay absolutely all operating and other costs of the Leased Property during the Lease Term, including the Base Rents, Additional Rents and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rents expressly provided for in this Lease). To the fullest extent allowed by law, this Lease shall be a "triple net" lease and all costs incurred in connection with the Facilities, the operation thereof, taxes, insurance and all other costs and expenses, shall be borne by the Charter School.

Section 6.03. Manner of Payment. The Base Rents and any Additional Rents payable to the Trustee shall be paid by lawful money of the United States of America to the Trustee for deposit in accordance with the Indenture. All Additional Rents shall be paid by the Charter School on a timely basis directly to the Person to which such Additional Rents are owed (except that the Bond Reserve Fund, the Repair and Replacement Fund and the Rebate Fund payments shall be made to the Trustee as provided in Sections 3.07, 3.15 or 3.18 of the Indenture). The obligation of the Charter School to pay the Base Rents and Additional Rents required under this Article and other provisions hereof, during the Lease Term, shall, subject to the provisions of Section 6.05 hereof, be absolute and unconditional, and payment of the Base Rents and Additional Rents shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Charter School and the Authority, the Corporation, the Trustee, any Registered Owner, any contractor or subcontractor retained with respect to the Leased Property, or any other person, the Charter School shall, during the Lease Term, make all payments of Base Rents and Additional Rents when due and shall not withhold any Base Rents or Additional Rents pending final resolution of such dispute (except to the extent permitted by Sections 7.02 and 8.03 hereof with respect to certain Additional Rents), nor shall the Charter School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the Charter School of any rights, claims

or defenses which the Charter School may assert. No action or inaction on the part of the Corporation or the Trustee shall affect the Charter School's obligation to pay Base Rents and Additional Rents (except to the extent provided by Sections 7.02 and 8.03 hereof with respect to certain Additional Rents) during the Lease Term.

Section 6.04. Necessity of the Leased Property; Determinations as to Fair Market Value. The Charter School hereby declares its current need for the Leased Property and further determines and declares its expectation that the Leased Property will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being leased throughout the stated term of this Lease. It is hereby declared to be the present intention and expectation of the Charter School that this Lease will be continued through the end of the Lease Term, but this declaration shall not be construed as contractually obligating or otherwise binding the Charter School. The Charter School hereby agrees and determines that the Base Rents during each year of the Lease Term represent not more than the fair value of the use of the Leased Property during such year. The Charter School hereby determines that the Base Rents do not exceed a reasonable amount so as to place the Charter School under an economic compulsion to renew this Lease. In making such declarations and determinations, the Charter School has given consideration to the uses and purposes for which the Leased Property will be employed by the Charter School, the benefit to the Charter School by reason of the Leased Property, and the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease.

Section 6.05. Nonappropriation by the Charter School.

(a) In the event that the Charter School fails, for any reason, to appropriate by the first Business Day of each Fiscal Year (A) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof; and (B) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year in accordance with Section 6.02(b) hereof, upon the occurrence of an event described in subsection (b) of this Section, or upon the occurrence of any other event described in the definition of Event of Nonappropriation herein, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(i) The Charter School shall give written notice to the Trustee, the Authority and the Corporation if the Charter School's preliminary budget fails, in any year, to include an appropriation for sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year; but any failure of the Charter School to give such notice shall not constitute an Event of Nonappropriation or an Event of Default.

(ii) The Trustee shall give written notice to the Charter School, the Authority and the Corporation of any Event of Nonappropriation on or before the first ten (10) days of any Fiscal Year; but any failure of the Trustee to give such written notice shall not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Trustee.

(iii) The Trustee shall waive any Event of Nonappropriation, other than an Event of Nonappropriation as described in subsection (b) of this Section, which is cured by the Charter School on or before the first forty-five days of any Fiscal Year, by appropriating (A) by one or more specific line item references sufficient amounts authorized and directed to be used to pay all Base Rents due in such Fiscal Year in accordance with Section 6.02(a) hereof; and (B) sufficient amounts to pay such Additional Rents as are estimated to become due in such Fiscal Year in accordance with Section 6.02(b) hereof.

(iv) Subject to the terms of the Indenture, the Trustee may waive any Event of Nonappropriation which is cured by the Charter School within a reasonable time if in the Trustee's judgment, upon advice of legal counsel, such waiver is in the best interests of the Registered Owners.

(b) In the event that during any Fiscal Year, any Additional Rents shall accrue in excess of amounts included in a duly enacted appropriation for the payment of Additional Rents, then, in the event that moneys are not specifically authorized and directed by the Charter School to be used to pay such Additional Rents by the earlier of the last Business Day of the Fiscal Year in which such Additional Rents accrue or 90 days subsequent to the date upon which such Additional Rents accrue, an Event of Nonappropriation shall be deemed to have occurred, upon notice by the Trustee to the Charter School, the Authority and the Corporation to such effect (subject to waiver by the Trustee as provided in clause (iv) of subsection (a) of this Section).

(c) If an Event of Nonappropriation occurs, the Charter School shall not be obligated to pay the Base Rents or Additional Rents or any other payments provided for herein beyond the amounts specifically appropriated by the Charter School for the Fiscal Year during which such Event of Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 6.02 and 12.03 hereof, the Charter School shall continue to be liable for Base Rents and Additional Rents, to the extent payable from legally available moneys, allocable to any period during which the Charter School shall continue to occupy or retain possession of the Leased Property.

(d) The Charter School shall in all events vacate the Leased Property and surrender any personal property included in the Leased Property to the Trustee by the tenth calendar day following an Event of Nonappropriation.

Section 6.06. Disposition of Base Rents. Upon receipt by the Trustee of each payment of Base Rents, the Trustee shall apply the amount of each Base Rents payment in the following manner and order:

(a) first, the amount of such payment of Base Rents designated and paid as interest under **Exhibit B**, as from time to time amended or supplemented, plus the amount of any past due interest on the Series 2019 Bonds, shall be deposited in the Bond Interest Fund; and

(b) second, the remaining portion of such payment of Base Rents shall be deposited in the Bond Principal Fund.

Section 6.07. Charter Authorizer Not Liable. The obligations of the Charter School hereunder are solely the obligations of the Charter School and shall not to be deemed obligations of the Charter Authorizer. This Lease shall not constitute or become an obligation, an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the Charter Authorizer.

Section 6.08. Purchase Option. So long as this Lease is in effect and the Series 2019 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 Corporation an amount that, together with other amounts then on deposit with the Trustee (excluding amounts held in the Rebate Fund) that are available for such purpose, is sufficient: (a) to pay, in immediately available funds, the redemption price of all Outstanding Bonds that are at such time subject to redemption at the option of the Corporation in accordance with the redemption provisions of the Indenture and/or the amount necessary to defease all Outstanding Bonds that are not at such time subject to redemption at the option of the Corporation in accordance with the defeasance provisions of the Indenture; (b) to pay all Additional Rents payable through the date of conveyance of the Leased Property to the Charter School or its designee pursuant to this Section; and (c) to pay all fees and expenses of the Authority, the Trustee and the Corporation required for the conveyance of the Leased Property.

ARTICLE VII
TITLE TO THE IMPROVEMENTS TO THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

Section 7.01. Title to the Leased Property.

(a) Any improvements to the Leased Property shall become part of the Leased Property.

(b) The Charter School shall have no right, title or interest in the Leased Property or any additions and modifications thereto or replacements thereof, except as expressly set forth in this Lease.

Section 7.02. No Encumbrance, Mortgage or Pledge of Leased Property. The Charter School shall not permit any mechanic's or other lien to remain against the Leased Property; provided that, if the Charter School shall first notify the Trustee of the intention of the Charter School to do so, the Charter School may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Corporation or the Trustee shall notify the Charter School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Charter School, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, by nonpayment of any such items the Corporation's title to the Leased Property or the mortgage on the Leased Property pursuant to the Agreement or the Deed of Trust will be materially endangered, or the Leased Property or any part

thereof will be subject to loss or forfeiture, in which event the Charter School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not be required to be made and no obligation to pay any fees or charges of independent counsel shall be incurred if such lien is filed or submitted pursuant to the provisions of § 38-26-107, Colorado Revised Statutes, as amended, and further provided that such payment shall not constitute a waiver by the Charter School of the right to continue to contest such items. The Corporation and the Trustee will cooperate fully with the Charter School in any such contest, upon the request and at the expense of the Charter School, to the extent that Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such expenses. Neither the Corporation nor, except as provided above, the Charter School shall directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The Charter School shall promptly, at its own expense, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such expenses, take such action as may be deemed necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created, incurred or suffered to exist. The Corporation shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created or incurred.

Section 7.03. Compliance with Requirements of Law. The Charter School shall at all times operate the Leased Property, or cause the Leased Property to be used and operated, such that (a) the Leased Property at all times shall be operated in compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the Leased Property shall be obtained and maintained in full force and effect and the Charter School shall comply with the terms and conditions of such permits; (c) there shall be no Hazardous Substance located on, in or under the Leased Property in violation of any Requirements of Law; (d) there shall be no disposal of any Hazardous Substance on, from, into or out of the Leased Property in violation of any Requirements of Law; and (e) there shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any Hazardous Substance into the indoor or outdoor environment from, into or out of the Leased Property including but not limited to the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

ARTICLE VIII
MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 8.01. Maintenance of the Leased Property by the Charter School. The Charter School agrees that at all times during the Lease Term the Charter School will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, subject to normal wear and tear, and that the Charter School will from time to time make or cause to be made all necessary and proper repairs, except as otherwise provided in Section 9.03 hereof. None of the Authority, the Corporation, the Trustee or any of the Registered Owners shall

have any responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property.

The Charter School shall cause a Consultant to complete a capital needs assessment of the Charter School projecting the Charter School's capital needs for the Facilities and the total cost thereof for the five (5) year period commencing on the immediately following July 1 (each a "Capital Needs Assessment") no later than June 30, 2023, and every fifth anniversary thereafter as long as the Series 2019 Bonds are Outstanding.

The total cost set forth in a Capital Needs Assessment less the amount then on deposit in the Repair and Replacement Fund, divided by 60, shall be the monthly "Repair and Replacement Fund Contribution" for such five year period; provided, however, that in the event (i) the Charter School pays all or a portion of the cost of a capital need projected in the Capital Needs Assessment from a source of funds other than the Repair and Replacement Fund, the Repair and Replacement Fund Contribution for the remainder of the applicable five year period shall be decreased by the amount of such projected cost that is paid from such other source of funds divided by the number of monthly Repair and Replacement Fund Contribution payments remaining in the applicable five year period or (ii) a draw is made upon the Repair and Replacement Fund in excess of the cost for a capital need projected in the Capital Needs Assessment or in any amount for a capital need not projected in the Capital Needs Assessment, the Repair and Replacement Fund Contribution for the subsequent 12 month period shall be increased by the excess amount of such draw or the total amount of such unanticipated draw, as applicable, divided by 12 (the Repair and Replacement Fund Contribution as modified by either clause (i) or clause (ii), the "Modified Repair and Replacement Fund Contribution") payable monthly.

Section 8.02. Modification of the Leased Property; Installation of Equipment and Personal Property of the Charter School.

(a) The Charter School, upon giving prior notice to the Corporation and Trustee, may remodel or make substitutions, additions, modifications or improvements to the Leased Property, at its own cost and expense to pay for the cost of Capital Improvements to the Leased Property; and the same shall be part of the Leased Property, subject to, and shall be included under the terms of this Lease; provided, however, that (i) such remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Leased Property or cause them to be used for purposes other than lawful governmental functions; and (ii) the Leased Property, as remodeled, improved or altered, upon completion of such remodeling, or such making of substitutions, additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such remodeling or such making of substitutions, additions, modifications and improvements and all of such improvements or alterations shall become part of the Leased Property without amendment of this Lease.

(b) The Charter School may also, from time to time in its sole discretion and at its own expense, install equipment and personal property (which are not to be fixtures) in or on the Leased Property. All such equipment and personal property shall remain the sole property of the Charter School in which none of the Authority, the Corporation, the Trustee or the Registered Owners shall have any interest; provided, however, that any such

equipment and personal property which becomes permanently affixed to the Leased Property shall become part of the Leased Property, subject to this Lease and shall be included under the terms of this Lease.

Section 8.03. Taxes, Other Governmental Charges and Utility Charges. The Charter School shall use its reasonable good faith best efforts to maintain the Leased Property as exempt from ad valorem property or other taxes to the extent allowable by law. In the event that the Leased Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Charter School shall pay the amount of all such taxes, assessments and governmental charges then due, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Charter School shall be obligated to provide only for such installments as are required to be paid during the upcoming Fiscal Year. The Charter School shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Leased Property or any portion thereof, or any interest therein, including the interest of the Authority, the Corporation, the Trustee or the Registered Owners) or the rentals and revenues derived therefrom or hereunder. The Charter School shall also pay as Additional Rents, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment thereof, as the same respectively become due, all gas, water, steam, electricity, heat, power, utility and other charges incurred in the maintenance and upkeep of the Leased Property. If the Charter School shall first notify the Trustee of the intention of the Charter School to do so, the Charter School may, at the expense and in the name of the Charter School, in good faith contest any such tax, assessment, utility and other charges and, in the event of any such contest, may permit the tax, assessment, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the Charter School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Charter School, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, by nonpayment of any such items the security afforded pursuant to the Indenture will be materially endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, or the Corporation or the Trustee will be subject to liability, in which event such tax, assessment, utility or other charges shall, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment thereof, be paid promptly or secured by posting a bond with the Trustee in form satisfactory to the Trustee (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, utility or other charges).

Section 8.04. Provisions Regarding Casualty and Property Damage Insurance.

(a) Upon the execution and delivery of this Lease and until the expiration or end of the Lease Term pursuant to Section 4.01 hereof, the Charter School shall, at its own expense, cause casualty and property damage insurance with respect to the Leased Property in an amount equal to the lesser of the full replacement value of the Leased Property or the aggregate principal amount of the Series 2019 Bonds then Outstanding to be carried and

maintained. The insurance policies required by this Section shall meet the following conditions: (i) any insurance policy may have a deductible clause in an amount that does not exceed an amount customary for facilities of like size and type; (ii) each insurance policy shall be so written or endorsed as to make losses, if any, payable to the Charter School, the Corporation and the Trustee, as their respective interests may appear; (iii) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Charter School, the Corporation or the Trustee without first giving written notice thereof to the Charter School, the Corporation and the Trustee at least thirty (30) days in advance of such cancellation or modification; (iv) full payment of insurance proceeds under any insurance policy up to the dollar limit required by this Section in connection with damage to the Leased Property shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the Charter School; and (v) each insurance policy shall explicitly waive any co-insurance penalty. The Trustee shall have no duty to monitor or review any insurance policies or certificates received or for the sufficiency of such insurance.

(b) Commercial general liability and automobile liability insurance against claims arising in, on or about the Leased Property, including in, on or about the sidewalks or premises adjacent to the Leased Property, providing coverage limits not less than the coverage limits customarily carried by owners or operators of facilities of similar size and character within the State.

(c) Fidelity insurance or bonds on those of its officers and employees who handle funds of the Charter School, both in such amounts and to such extent as are customarily carried by organizations similar to the Charter School and operating properties similar in size and character to the facilities of the Charter School.

(d) Rental value insurance covering all risks as to which insurance is required pursuant to paragraph (a) above, in an amount equal to not less than the amounts required to be paid pursuant to Section 6.02(a) hereof for a period of not less than twelve (12) months, to the extent commercially reasonable. If any such loss or damage has occurred, the Charter School shall continue to be obligated to pay the amounts required to be paid pursuant to Section 6.02(a) hereof, and any proceeds of such insurance shall be applied against all or part of such payment obligations of the Charter School.

(e) Such other forms of insurance as the Charter School is required by law to provide with respect to the Leased Property, including, without limitation, teacher's liability insurance, any legally required worker's compensation insurance and disability benefits insurance.

(f) The Charter School may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks.

(g) The Charter School may, in its discretion, provide all or any portion of the insurance required by this Section by self-insurance meeting the requirements of Section 6.03 of the Agreement.

(h) The Charter School agrees to pay the premiums for any insurance required by the Agreement as part of the Additional Rents.

At least once every five (5) years from June 1, 2019, the Charter School shall employ (or cause to be employed), at its expense, an Insurance Consultant to review the insurance coverage required by this Section and to render to the Authority, the Trustee, the Corporation and the Charter School a report certifying that the Corporation and the Charter School each have in effect insurance of the types and in the amounts carried by similarly situated institutions in the same geographic area. The insurance coverage provided by this Section may be reduced or otherwise adjusted by the Charter School without the prior written consent of the Trustee or the Authority, provided that all coverages after such reduction or other adjustment are certified by the Insurance Consultant to be adequate and customary for facilities of like size and type, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance and the effect of such terms and such cost upon the Charter School's fees, rentals and charges for the use of the Leased Property.

The insurance coverage provided by this Section shall be increased or otherwise adjusted by the Charter School if as a result of such review the Insurance Consultant finds that the existing coverage is inadequate, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance, and the effect of such terms and such cost upon the Charter School's costs and charges for its services. The insurance coverage required by this Section, and modification thereof permitted or required by this paragraph, shall at all times be adequate and customary for facilities of like size and type, and the Insurance Consultant shall so certify in the report required by this paragraph.

ARTICLE IX
DAMAGE, DESTRUCTION OR CONDEMNATION; USE OF NET PROCEEDS

Section 9.01. Damage, Destruction or Condemnation. If, during the Lease Term, (a) the Leased Property, or any portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty; (b) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof or the estate of the Charter School, the Authority, the Corporation or the Trustee in the Leased Property or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; (c) breach of warranty or any material defect with respect to the Leased Property shall become apparent; or (d) title to or the use of all or any portion of the Leased Property shall be lost by reason of defect in the title thereto, then, the Charter School shall be obligated, subject to the provisions of Section 9.03 hereof, to continue to pay the amounts specified in Section 9.02 hereof and, to the extent of amounts specifically appropriated by the Charter School, to pay the amounts specified in Section 6.02 hereof.

Section 9.02. Obligation of the Charter School to Repair and Replace the Leased Property. Except as set forth in Section 9.03 hereof, all Net Proceeds of any insurance,

performance bonds or condemnation awards shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Charter School upon receipt of requisitions by the Trustee signed by the Authorized Representative of the Charter School and setting forth: (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due or has been made; (c) the amount to be paid or reimbursed; and (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee may conclusively rely on such requisitions as to the completeness and accuracy of all statements therein if such requisition is signed by the Authorized Representative of the Charter School, and the Trustee shall not be required to make an independent investigation in connection therewith. The Corporation and the Trustee shall cooperate with the Charter School in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of Net Proceeds shall be the property of the Corporation, subject to the Agreement, this Lease and the Indenture, and shall be included as part of the Leased Property under this Lease, the Agreement and the Indenture. Subject to the provisions of Section 9.03 hereof, the Charter School (and, to the extent such Net Proceeds are within their control, the Corporation and the Trustee) shall cause all Net Proceeds, if such proceeds are in excess of $350,000, to be deposited in a separate trust fund held by the Trustee. The balance of any such Net Proceeds remaining in such separate trust fund after such repair, restoration, modification, improvement or replacement has been completed shall be deposited into the Bond Principal Fund pursuant to Section 7.01 of the Agreement.

Section 9.03. Insufficiency of Net Proceeds. If there occurs an event described in Section 9.01 hereof, and if any Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 9.02 hereof, the Charter School shall elect one of the following options:

(a) The Charter School may, in accordance with Section 9.02 hereof, repair, restore, modify or improve the Leased Property or replace the Leased Property (or portion thereof) with property of a value equal to or in excess of the Leased Property, and pay as Additional Rents any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, and the Charter School agrees that, if by reason of any such insufficiency of the Net Proceeds, the Charter School shall make any Additional Rent payments pursuant to the provisions of this paragraph, the Charter School shall not be entitled to any reimbursement therefor from the Corporation, the Authority, the Trustee or the Registered Owners, nor shall the Charter School be entitled to any diminution of the Base Rents and Additional Rents payable under Section 6.02 hereof.

(b) If, by June 30 of the Fiscal Year in which an event described in Section 9.01 hereof occurs (or June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property become apparent), the Charter School has not appropriated amounts sufficient to proceed under clause (a) of this Section, an Event of Nonappropriation shall be deemed to have occurred.

Unless such Event of Nonappropriation is cured as provided in Section 6.05 hereof, the Corporation or the Trustee may then pursue remedies as provided in Sections 6.05 and 12.02 hereof.

Section 9.04. Cooperation of the Corporation. The Corporation shall cooperate fully with the Charter School and the Trustee in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 9.01 hereof, in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof, and in the prosecution of any action relating to defaults or breaches of warranty under any contract relating to the Leased Property, and hereby assigns to the Trustee its interests in such policies solely for such purposes. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to defaults or breaches of warranty under any contract relating to the Leased Property or any portion thereof without the written consent of the Trustee and the Charter School. The Charter School shall pay to the Corporation and Trustee as Additional Rents all reasonable fees and expenses incurred by the Corporation and Trustee under this Section, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such fees and expenses. This Section shall not be construed to obligate the Corporation to advance its own funds in order to take any action hereunder.

ARTICLE X
DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 10.01. Disclaimer of Warranties. NONE OF THE AUTHORITY, THE CORPORATION OR THE TRUSTEE MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. The Charter School hereby acknowledges and declares that the Charter School has fully participated in, and will fully participate in, the design, construction, maintenance and operation of the Leased Property, and that none of the Authority, the Trustee or the Registered Owners has any responsibility therefor. In no event shall the Authority, the Corporation, the Trustee or the Registered Owners be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the Charter School of any item, product or service provided for herein. The Charter School shall, at the expiration or sooner termination of the Lease Term, promptly surrender the Leased Property in good order and condition and in conformity with the applicable provisions of this Lease, excepting only normal wear and tear.

Section 10.02. Further Assurances and Corrective Instruments. The Corporation and the Charter School agree that so long as this Lease is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Corporation and the Charter School shall have full power to carry out the acts and agreements provided herein and they will, so far as it may be authorized by law, from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as

may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Lease. This Section shall not be construed to obligate the Corporation to advance its own funds, other than proceeds of the Series 2019 Bonds, in order to take any action hereunder.

Section 10.03. The Corporation, Charter School or Trustee Representatives. Whenever under the provisions hereof the approval of the Corporation, the Charter School or the Trustee is required, or the Charter School, the Corporation or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Corporation by the Authorized Representative of the Corporation, for the Charter School by the Authorized Representative of the Charter School and for the Trustee by an authorized officer of the Trustee, and the Corporation, the Charter School and the Trustee shall be authorized to act on any such approval or request.

Section 10.04. Granting of Easements. As long as no Event of Nonappropriation or Event of Default shall have happened and be continuing, the Corporation, the Authority (as needed) and the Trustee shall at any time, but only upon the request of the Charter School, consent to the grant of easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property included in the Leased Property, free from this Lease, the Deed of Trust, the Agreement and the Indenture and any security interest or other encumbrance created hereunder or thereunder; the Corporation and the Trustee shall release existing easements, licenses, rights-of-way and other rights and privileges with respect to the real property included in the Leased Property, free from this Lease, the Deed of Trust, the Agreement and the Indenture and any security interest or encumbrance created hereunder or thereunder, with or without consideration; and the Corporation and the Trustee agree to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other grant or privilege upon receipt of: (a) a copy of the instrument of grant or release; (b) a written certificate signed by the Authorized Representative of the Charter School requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Leased Property; (c) an updated ALTA Survey indicating the location of such easement, license, right-of-way or other grant or privilege; and (d) an opinion of Bond Counsel to the effect that the grant or release will not cause an adverse impact on the tax-exempt status of the Series 2019A Bonds. Provided however, nothing in this Section shall be deemed to permit the granting of easements which materially, adversely affect the enjoyment and intended use of the Leased Property by the Charter School.

Section 10.05. Compliance with Requirements of Law. During the Lease Term, the Charter School and the Corporation shall observe and comply promptly with all current and future Requirements of Law applicable to the Leased Property or any portion thereof and all current and future requirements of all insurance companies writing policies covering the Leased Property or any portion thereof.

Section 10.06. Charter School Acknowledgement of the Series 2019 Bonds; Assignment and Subordination of Lease. The Charter School acknowledges and consents to the assignment by the Corporation to the Authority, pursuant to the Agreement, and the subsequent assignment by the Authority to the Trustee, pursuant to the Indenture, and to the Trustee, pursuant

to the Deed of Trust, of all rights, title and interest of the Corporation in, to and under this Lease (other than the rights of the Authority, the Trustee and the Corporation with respect to payments for or reimbursement of certain fees and expenses under Section 6.02 hereof and indemnity rights under Section 13.01 hereof). The Charter School acknowledges and consents to the issuance and sale of the Series 2019 Bonds pursuant to the Indenture. The Charter School acknowledges and approves the form of the Series 2019 Bonds contained in the Indenture, and the authentication of the Series 2019 Bonds by the Trustee is hereby approved, authorized and directed.

This Lease is expressly subordinated to the lien of the Deed of Trust given by the Corporation to secure the Agreement and the Series 2019 Bonds issued under the Indenture. This Lease shall be subordinate to the lien of the Agreement and the Deed of Trust and any liens or security interests created under the Indenture and any other mortgage, deed of trust (now or hereafter placed upon the Leased Property) and to any and all advances made under any mortgage or deed of trust and to all renewals, modifications, replacements or extensions thereof. The Charter School agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. Notwithstanding the foregoing, upon the written request of the Corporation, the Authority or the Trustee, the Charter School agrees to deliver a Subordination, Non-Disturbance and Attornment Agreement reasonably acceptable to the Corporation, to the holder of the Deed of Trust or to any other holder of any debt incurred in connection with a refinancing of the debt evidenced by the Agreement and the Indenture.

Section 10.07. Tax Covenants.

(a) The Charter School covenants for the benefit of the Registered Owners from time to time that the Charter School (i) shall not make any use of the Leased Property; and (ii) shall not take (or omit to take) any other action with respect to the Series 2019A Bonds, the proceeds thereof or otherwise, if such use, action or omission would, under the Code, cause the interest on the tax-exempt Series 2019A Bonds to be included in gross income for federal income tax purposes or to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, including, but not limited to, any actions that would cause the Internal Revenue Service to revoke the Charter School's status as a 501(c)(3) exempt organization under the Code (except, with respect to corporations, as such interest is required to be taken into account in determining "adjusted net book income" or "adjusted current earnings" for the purpose of computing the alternative minimum tax imposed on such corporations).

(b) In particular, the Charter School hereby covenants for the benefit of the Authority and the Registered Owners from time to time that it shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same would cause the Series 2019A Bonds to be (i) "arbitrage bonds" within the meaning of Section 148 of the Code; or (ii) "private activity bonds" within the meaning of Section 141 of the Code.

(c) The Charter School agrees that no portion of the Leased Property financed with the proceeds of the Series 2019A Bonds shall be used primarily for sectarian purposes. The Charter School will comply with all applicable state and federal laws concerning discrimination on the basis of race, creed, color, sex, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of persons working for the

Charter School. The Charter School agrees that the Leased Property will not be used exclusively or predominantly for religious worship or sectarian instruction (other than the academic or comparative study of various religions or religious philosophies).

(d) The covenants set forth in this Section shall remain in full force and effect notwithstanding the defeasance of the Series 2019A Bonds pursuant to Article VII of the Indenture or any other provisions thereof.

Section 10.08. Reserved.

Section 10.09. Provision of Financial and Related Information. The Charter School agrees to provide the Trustee, the Underwriter and the Authority (with respect to (c) only unless otherwise requested by the Authority) the following information during each Renewal Term: (a) quarterly unaudited financial information, including student enrollment counts and actual income and expenses as compared to the annual budget, as described in the Continuing Disclosure Agreement; (b) annual budgets within 30 days of adoption thereof; (c) audited financial statements by October 31 after the end of such Fiscal Year. With the exception of item (b), such financial information and operating data will be provided on or prior to the dates agreed by the Charter School in its Continuing Disclosure Agreement. Upon the request of the Authority, the Charter School shall also provide to the Authority additional information concerning the operations, financial condition and any pending material transactions of the Charter School. The Trustee shall have no duty to review any of the content of any information provided pursuant to this Section.

Section 10.10. State Education Fund Capital Construction Moneys. In the event that the Charter School qualifies for and receives moneys pursuant to Section 22-30.5-112.3, Colorado Revised Statutes, to be used solely for capital construction as defined in Section 22-54-124(1)(a), Colorado Revised Statutes, the Charter School covenants to deposit said moneys received each Fiscal Year by June 30 of each such Fiscal Year to be applied to the payment of Base Rents pursuant to Section 6.02(a) hereof; provided, however, in the event that, upon written confirmation of the Trustee that the balance of moneys in the Bond Principal Fund and the Bond Interest Fund is equal to or greater than the moneys received pursuant to Section 22-30.5-112.3, Colorado Revised Statutes and the Charter School is current in the payment of Base Rents pursuant to Section 6.02(a) hereof, the Charter School may, at its option, retain the capital construction moneys without the further requirement that they be deposited with the Trustee. In the event of non-renewal or other termination of the Lease Term upon the occurrence of the event described in Section 4.01(b) hereof, any moneys deposited by the Charter School pursuant to this Section which are in excess of the amount necessary to pay the Base Rents required pursuant to Section 6.02(a) hereof through the end of such current Lease Term shall be returned by the Trustee to the Charter School within 30 days following the end of the Lease Term.

Section 10.11. Liquidity Covenant. The Charter School hereby covenants and agrees that it will maintain Days Cash on Hand equal to at least forty-five (45) as of June 30, 2020, and as of each June 30 thereafter.

The Charter School will provide the Trustee and the Underwriter not later than October 31 after each June 30, commencing June 30, 2020, with a certificate stating the Days Cash on Hand as of the applicable June 30. In the event that Days Cash on Hand falls below the requirement set

forth above as of any testing date, the Charter School shall retain a Management Consultant within forty-five (45) days following the related reporting date at the Charter School's expense. Registered Owners of the Series 2019 Bonds then Outstanding shall have the right to object the Charter School's selection of a Management Consultant and direct the Charter School to select an alternate Management Consultant pursuant to Section 10.16 herein. The Management Consultant shall make appropriate recommendations in order to bring the Charter School into compliance with the provisions of this Section.

Copies of such recommendations shall be filed with the Corporation, the Underwriter, the Authority and the Trustee. The Charter School agrees that promptly upon the receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, or to the extent practical, it shall revise its methods of operation and shall take such other reasonable actions as shall be in conformity with the recommendations. So long as the Charter School shall retain a Management Consultant and complies with such Management Consultant's recommendations to the extent practical or not prohibited by law, no default or Event of Default shall be declared solely by reason of a violation of the requirements of this Section.

Section 10.12. Coverage Ratio. The Charter School will deliver annually, no later than October 31, to the Trustee and the Underwriter a certificate stating the Coverage Ratio for the Fiscal Year then ended, commencing with the Fiscal Year ending June 30, 2020. The Coverage Ratio shall be 1.20 to 1 or above for the Fiscal Year ending June 30, 2020 and each Fiscal Year thereafter; provided, however, that if the Charter School has Days Cash on Hand equal to at least 75 on June 30 of any Fiscal Year, the Coverage Ratio is required to be at or above 1.10 to 1 for such Fiscal Year. Commencing with the Fiscal Year ending June 30, 2020, if such Coverage Ratio is below the applicable level, the Charter School shall retain, at its expense, a Management Consultant to submit a written report and make recommendations within forty-five (45) days of being retained (a copy of such report and recommendations shall be filed with the Underwriter, the Authority and the Trustee) with respect to increasing revenues, decreasing Operating Expenses or other financial matters of the Charter School which are relevant to increasing the Coverage Ratio to at least the required level. Registered Owners of the Series 2019 Bonds then Outstanding shall have the right to object to the Charter School's selection of a Management Consultant and direct the Charter School to select an alternate Management Consultant pursuant to Section 10.16 herein. The Charter School will, subject to the exceptions in the next sentence, adopt and follow the recommendations of the Management Consultant and will thereafter calculate the Coverage Ratio for each succeeding year. So long as the Trustee and the Management Consultant determine that the Charter School is demonstrating reasonable diligence to comply with the appropriate recommendations (excepting certain limited instances when an Opinion of Counsel is obtained excusing such actions by the Charter School or where the Charter School makes a good faith determination in a statement to the Trustee that the Management Consultant's recommendations would violate State or federal law, the educational or charitable purpose of the Charter School or the Charter) and the Coverage Ratio does not fall below 1.00 in any fiscal year, the Charter School will be deemed to have complied with its covenants hereunder. The Charter School shall continue to retain the Management Consultant until the Charter School has achieved a Coverage Ratio of at least the required level for at least two (2) consecutive fiscal years.

Section 10.13. Reserved.

Section 10.14. Additional Leases. The Charter School shall not enter into any capital leases or leases for additional facilities, unless the Corporation has satisfied the requirements of Section 8.13 of the Loan Agreement relating to additional Indebtedness.

Section 10.15. Reserved.

Section 10.16. Selection of Management Consultant. Upon the selection of a Management Consultant as required by Sections 10.12 or 10.13 of this Lease Agreement, the Charter School shall cause a notice of the selection of such Management Consultant (the "Management Notice"), including the name of such Management Consultant and a brief description of such Management Consultant to be filed with EMMA. The Management Notice must also state each Registered Owner of the Series 2019 Bonds then Outstanding shall be deemed to have consented to the selection of such Management Consultant unless a majority of such Registered Owners of the Series 2019 Bonds then Outstanding submits to the Trustee a written objection to the Management Consultant in a manner acceptable to the Trustee (an "Objection Notice") within thirty days of the date the Management Notice is posted to EMMA (the "Objection Period"). If an Objection Notice is received by the Trustee within the Objection Period, then the Corporation shall select an alternate Management Consultant and shall post a new Management Notice with respect to the newly selected Management Consultant, which may be objected to by the Registered Owners as set forth in this Section 10.16. The objection rights of the Registered Owners set forth in this Section 10.16 shall be ongoing until the Objection Period expires.

ARTICLE XI
ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.01. Assignment by the Corporation. The Corporation's rights under this Lease (other than its rights with respect to certain fees and expenses under Section 6.02(b) hereof), including rights to receive and enforce payments hereunder, have been assigned to the Authority pursuant to the Agreement and subsequently assigned by the Authority to the Trustee (other than rights of the Authority with respect to payments for or reimbursement of certain fees and expenses under Section 6.02(b) hereof and indemnity rights under Section 13.01 hereof) pursuant to the Indenture. The Corporation shall not assign any rights it may have under this Lease or the Agreement without the prior written consent of the Authority and the Trustee.

Section 11.02. Assignment and Subleasing by the Charter School. This Lease may not be assigned by the Charter School for any reason. However, the Leased Property may be subleased, as a whole or in part, by the Charter School, only with the prior written consent of the Trustee and the Corporation; and provided, further, that a nationally recognized bond counsel acceptable to the Authority delivers an opinion addressed to the Authority and the Trustee stating that such sublease will not cause an adverse impact on the tax-exempt status of the Series 2019A Bonds.

Section 11.03. Restrictions on Mortgage or Sale of the Leased Property. The Charter School and the Corporation agree that, subject to the Corporation's rights set forth in Section 8.15 of the Agreement, and except for (a) the Corporation's assignment of this Lease and the encumbrance of the lien against the Leased Property granted to or for the benefit of the Authority and the Trustee, pursuant to the Agreement and the Deed of Trust, respectively; (b) any exercise by the Corporation or the Trustee of the remedies afforded by Section 12.02 hereof; (c) the Charter

School's right to sublease pursuant to Section 11.02 hereof; (d) any granting of easements pursuant to Section 10.04 hereof; (e) any substitutions or modifications the Leased Property pursuant to Section 8.02 hereof; (f) any replacement of Leased Property pursuant to Section 9.02 or 9.03 hereof; and (g) Permitted Encumbrances, neither the Corporation nor the Charter School will mortgage, sell, assign, transfer or convey the Leased Property or any portion thereof during the Lease Term.

ARTICLE XII
EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default Defined. Any one of the following shall constitute an "Event of Default" under this Lease:

(a) failure by the Charter School to pay any specifically appropriated Base Rents during the Lease Term on or before the applicable Base Rent Payment Date or to pay Additional Rents which become due during the Lease Term, up to the amount specifically appropriated for the payment of Additional Rents in accordance with the provisions of Section 6.02(b) hereof; provided, however, that a failure by the Charter School to pay the Base Rent on the Base Rent Payment Date specified for such payment on **Exhibit B** hereto shall not constitute an Event of Default if such payment of Base Rents is received by the Trustee within five (5) days following such Base Rent Payment Date;

(b) failure by the Charter School to vacate the Leased Property by the thirtieth (30) calendar day following an Event of Nonappropriation, as provided in Section 6.05 hereof;

(c) failure by the Charter School to maintain its charter pursuant to the Charter Schools Act; provided, however, that if the Charter School has filed a timely appeal of the termination of its charter pursuant to the Charter Schools Act, an Event of Default shall not be deemed to occur until the earlier of the following: (i) the appeals process pursuant to the Charter Schools Act has concluded or (ii) a period of sixty (60) days, which period may be extended only with the further written consent of the holders of all of the Series 2019 Bonds then Outstanding;

(d) failure by the Charter School to timely pay any other amounts due to be paid by the Charter School as and when due under this Lease following ten (10) days written demand therefor by the Corporation or any assignee of the Corporation;

(e) failure of the Charter School to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a), (b), (c) or (d) above, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied shall be given to the Charter School by the Trustee or the Corporation (any notice sent by the Trustee to the Charter School shall also be sent to the Corporation and the Authority and any notice sent by the Corporation to the Charter School shall also be sent to Trustee and the Authority), unless the Trustee shall agree in writing, prior to the expiration of the thirty (30) day period, to an extension of no more than sixty (60) days; provided, however, that if the failure stated in

the notice cannot be corrected within the original thirty (30) day period, the Trustee and the Corporation shall not withhold their consent to an extension of up to ninety (90) days if corrective action shall be instituted by the Charter School within such time period and diligently pursued until the default is corrected;

(f) the Charter School shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of its creditors, or shall fail to pay its debts as they become due, or shall take any action in furtherance of any of the foregoing;

(g) an involuntary case or other proceeding shall be commenced against the Charter School seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of one hundred twenty (120) days; or

(h) the estate or interest of the Charter School in the Leased Property shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within ninety (90) days after such levy or attachment, unless such levy or attachment is a Permitted Encumbrance or the Charter School shall be contesting such levy or attachment in accordance with the requirements of Sections 7.02 or 8.03 hereof.

The foregoing provisions of this Section are subject to the following limitations: (i) the Charter School shall be obligated to pay the Base Rents and Additional Rents only during the Lease Term, except as otherwise expressly provided in this Lease; and (ii) if, by reason of Force Majeure, the Charter School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the Charter School contained in Article VI hereof and until the expiration or end of the Lease Term pursuant to Section 4.01 hereof, the Charter School shall not be deemed in default during the continuance of such inability so long as the Charter School has provided written notice to the Corporation and the Trustee and r the Trustee concurs with the conclusion that an event of Force Majeure has occurred. The Charter School agrees to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the Charter School from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Charter School.

Section 12.02. Remedies on Default. Whenever any Event of Default referred to in Section 12.01 hereof shall have happened and be continuing, the Trustee, acting for the Corporation, may, or at the request of the Registered Owners of a majority in aggregate principal amount of the Series 2019 Bonds Outstanding shall, without any further demand or notice, exercise one or any combination of the following remedies:

(a) terminate the Lease Term and give notice to the Charter School to vacate the Leased Property, in the manner provided in Section 6.05 hereof, within ten (10) calendar days from the date of such notice;

(b) without further demand or notice, reenter and take possession of the Leased Property in accordance with applicable law, repossess the same, expel the Charter School and those claiming through or under the Charter School, and remove the effects of both or either, using such force for such purposes as may be lawful and necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Base Rents, Additional Rents or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions;

(c) to pursue any and all other rights and remedies available under Colorado law, in law or in equity, including, without limitation, taking possession and selling any and all of Charter School's real or personal property upon which the Corporation or its assignees has a Lien hereunder or under the Agreement or the Deed of Trust;

(d) acting for the Corporation, lease all or any portion of the real property included in the Leased Property;

(e) acting for the Corporation, recover from the Charter School:

(i) to the extent the recovery thereof is permitted by law, and only for so long as the Charter School remains in possession of the Facilities, the fair rental value of the use of the Leased Property during any period beyond the thirtieth (30^{th}) calendar day following the occurrence of the Event of Default; and

(ii) Base Rents and Additional Rents, to the extent amounts for such Additional Rents have been specifically appropriated in accordance with the provisions of Section 6.02 hereof, which would otherwise have been payable by the Charter School hereunder after the Charter School vacates the Leased Property through the remainder of the Lease Term which occurs during the current Fiscal Year in which such Event of Default occurs.

(f) Acting for the Corporation, take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease, the Agreement, the Deed of Trust and the Indenture, subject, however, to the limitations contained in this Lease with respect to the Charter School's obligations upon the occurrence of an Event of Nonappropriation.

Section 12.03. Limitations on Remedies. A judgment requiring a payment of money may be entered against the Charter School by reason of an Event of Default only as to the Charter School's liabilities described in Section 12.02(e) hereof. A judgment requiring a payment of money may be entered against the Charter School by reason of an Event of Nonappropriation only to the extent that the Charter School fails to vacate the Leased Property as required by Section 6.05 hereof, and only as to the unpaid liabilities described in Section 12.02(e)(i) hereof. The remedy described in Section 12.02(e)(ii) hereof shall not be available for an Event of Default consisting of

failure by the Charter School to vacate the Leased Property by the tenth (10^{th}) calendar day following an Event of Nonappropriation.

Section 12.04. No Remedy Exclusive. Subject to Section 12.03 hereof, no remedy herein conferred upon or reserved to the Trustee on behalf of the Corporation, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee, on behalf of the Corporation, to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 12.05. Waivers.

(a) Subject to the terms of the Indenture, the Trustee may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(b) In view of the assignment of the Corporation's rights under this Lease to the Authority pursuant to the Agreement and the Authority's subsequent assignment to the Trustee pursuant to the Indenture, the Corporation shall have no right to waive any Event of Default hereunder without the prior written consent of the Trustee; and the waiver of any Event of Default hereunder by the Trustee shall constitute a waiver of such Event of Default by the Corporation, without the necessity of any action of or consent by the Corporation.

ARTICLE XIII
MISCELLANEOUS

Section 13.01. Indemnification Covenants. To the extent permitted by law and subject to the limits of liabilities and immunities provided under the Colorado Governmental Immunity Act, Article 10, Title 24, Colorado Revised Statutes, as amended, the Charter School shall and hereby agrees to indemnify and hold the Authority, the Corporation and the Trustee harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the issuance of the Series 2019 Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Series 2019 Bonds and the conduct or management of, or from any work or thing done on or with respect to, the Leased Property during the Lease Term from: (a) any conditions of the Leased Property; (b) any action of negligence of the Charter School or any of its agents, contractors or employees or any violation of law by the Charter School or breach of any covenant or warranty by the Charter School hereunder, or any claim or allegation of any of the foregoing; (c) any act or omission of the Charter School or any of its agents, members, officers or directors, which act or omission shall include any and all claims or potential claims arising at law or in equity which are or may be asserted against the Authority or the Corporation, their agents, officers or directors, including, but not limited to claims of negligence, breach of

contract, breach of fiduciary duty and any alleged violation of any law, ordinance or regulation; and (d) any claims arising from Section 8.06 of the Agreement. To the extent permitted by law, the Charter School shall indemnify and hold the Authority, the Corporation and the Trustee harmless from any such claim arising from (a), (b), (c) or (d) above or in connection with any action or proceeding brought thereon and, upon notice from the Authority, the Corporation or the Trustee, shall defend the Authority, the Corporation or the Trustee in any such action or proceeding. The Charter School shall, to the extent permitted by law, indemnify and hold harmless the Corporation, the Trustee and the Authority and their officers, directors, agents and employees in their official and personal capacity, for any and all actions related to the Leased Property and the authorization, issuance and delivery of the Series 2019 Bonds. Notwithstanding the foregoing, the Charter School shall have no obligations under this Section 13.01 to the degree any of the foregoing (a), (b), (c), or (d) were caused by gross negligence or willful or wanton conduct or misconduct of any of the Corporation, or Trustee, or as to the Authority if caused any intentional misrepresentation or any wanton and willful misconduct of the Authority.

Section 13.02. Manner of Giving Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) mailed by certified or registered mail, postage prepaid; (b) deposited with any nationally recognized overnight delivery service that routinely issues receipts; or (c) personally delivered by any courier service that routinely issues receipts: if to the Charter School, to West Ridge Academy Charter School, 6905 West 8th Street, Greeley, Colorado 80634; Attention: President, Board of Directors; if to the Corporation, to WRA Building Corporation, 6905 West 8th Street, Greeley, Colorado 80634; Attention: President, Board of Directors; if to the Authority, to the Colorado Educational and Cultural Facilities Authority, 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director; and if to the Trustee, to UMB Bank, n.a., 1670 Broadway, Denver, Colorado 80202; Attention: Corporate Trust & Escrow Services. The Charter School, the Corporation, the Authority and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Corporation and the Charter School and their respective successors and assigns, subject, however, to the limitations contained in Article XI hereof.

Section 13.04. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the Charter School or the Corporation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Charter School or the Corporation, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Charter School or the Corporation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation (including, without limitation, any obligations relating to payment of principal of, redemption premium, if any, or interest on the Series 2019 Bonds), or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Charter School or the Corporation or any natural person executing this Lease, the Agreement or any related document or instrument.

Section 13.05. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or the Indenture, subsequent to the issuance of the Series 2019 Bonds and prior to the

discharge of the Indenture, this Lease may not be effectively amended, changed, modified or altered without the written consent of the Trustee and the Authority as provided in the Indenture and other than by the execution of a subsequent document in the same manner as this Lease is executed which may be evidenced by a recorded document in the real property records of the Clerk and Recorder of the county in which the Leased Property is located.

Section 13.06. Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right under this Lease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 13.07. Severability. In the event that any provision of this Lease, other than the requirement of the Charter School to pay Base Rents, the requirement of the Corporation to provide quiet enjoyment of the Leased Property and the requirement that the obligations of the Charter School to pay Base Rents and Additional Rents under this Lease are conditioned upon the prior specific appropriation by the Charter School of amounts for such purposes in accordance with the requirements of State law, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.08. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.09. Applicable Law. The laws of the State and rules and regulations issued pursuant thereto, as the same may be amended from time to time, shall be applied in the interpretation, execution and enforcement of this Lease. Any provision of this Lease whether or not incorporated herein by reference which provides for arbitration by an extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this Lease to the extent that this Lease is capable of performance.

Section 13.10. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 13.11. Retention of Records. The Charter School will maintain or cause to be maintained records relating to the use of the proceeds of the Series 2019 Bonds and the use and operation of the Leased Property for a period of four (4) years after the later of (i) payment in full of the Series 2019 Bonds or (ii) payment in full of any bonds issued to refund the Series 2019 Bonds.

Section 13.12. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall

be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 13.13. Estoppels. Each party hereto agrees that at any time and from time to time during the Term of this Lease, it shall promptly, but in any event not later than fifteen (15) days after request by the other party hereto, execute, acknowledge and deliver to such other party or to any prospective purchaser, assignee, transferee, or the Authority or the Trustee or to any third party designated by such other party, a certificate stating, if true, that, to the actual knowledge of the signor (a) that this Lease is unmodified and in force and effect (or if there have been modifications, that this Lease is in force and effect as modified, and identifying the modification agreements); (b) the date to which Base Rents and Additional Rents have been paid; (c) to the knowledge of the signer after due inquiry and investigation, whether or not there is any existing Event of Default by the Charter School in the payment of any Base Rents, Additional Rents, or other sums payable hereunder beyond any applicable grace period, and to the actual knowledge of the signer, whether or not there is any other existing default by either party hereto with respect to which a notice of default has been served, and, if there is any such default, specifying the nature and extent thereof; and (d) whether or not there are any setoffs, defenses or counterclaims against enforcement of the obligations to be performed hereunder existing in favor of the party executing such certificate.

Section 13.14. Effective Date. This Lease has been dated for convenience purposes only. Notwithstanding the stated date of this Lease, this Lease shall be effective on the date of funding of the Loan.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Corporation and the Charter School have executed this Lease as of the date first written above.

WRA BUILDING CORPORATION, as Lessor

By: _____
President

Attest:

By: _____
Secretary

WEST RIDGE ACADEMY CHARTER SCHOOL, as Lessee

By: _____
President

Attest:

By: _____
Secretary

[Signature Page to Lease Agreement]

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019 by _____, as President and _____, as Secretary of WRA Building Corporation, a Colorado nonprofit corporation.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____, as President and _____, as Secretary of West Ridge Academy Charter School, a Colorado public charter school.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

_____
Notary Public

EXHIBIT A

DESCRIPTION OF THE REAL PROPERTY

The legal description of the real property is as follows:

EXHIBIT B

BASE RENTS PAYMENT SCHEDULE

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

Dated as of June 1, 2019

WRA BUILDING CORPORATION
("Grantor")

to

THE PUBLIC TRUSTEE OF WELD COUNTY, COLORADO

for the benefit of

UMB BANK, N.A.
("Beneficiary")

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

Prepared by and after recording, return to:
Ballard Spahr LLP
Attn: Hester M. Parrot, Esq.
1225 Seventeenth Street, Suite 2300
Denver, Colorado 80202

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

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") is given as of June 1, 2019, by the Grantor named below to the Trustee named below, for the use and benefit of the Beneficiary named below.

ARTICLE 1
PARTIES, PROPERTY AND DEFINITIONS

Capitalized terms used in this Deed of Trust shall have the meanings given such terms where parenthetically defined or as set forth in this Article 1 and if not defined herein, shall have the meanings set forth in the Loan and Security Agreement, dated as of June 1, 2019 (the "Agreement"), by and between the Colorado Educational and Cultural Facilities Authority (the "Authority") and WRA Building Corporation. The following terms and references shall have the meanings indicated:

1.1 **Grantor**: WRA Building Corporation, a Colorado nonprofit corporation, whose notice address is 6905 West 8th Street, Greeley, Colorado 80634 and whose Colorado organizational identification number is 20151791692, and whose tax identification number is 81-0804029, together with any future owner of the Premises or any part thereof or interest therein.

1.2 **Beneficiary**: UMB Bank, n.a., a national banking association duly organized and existing under the laws of the United States of America, as trustee under the Indenture of Trust, dated as of June 1, 2019 (the "Indenture"), by and between the Authority and UMB Bank, n.a.

1.3 **Trustee**: The Public Trustee of Weld County, State of Colorado.

1.4 **Evidence of Debt**: Grantor's Secured Obligations under the Agreement dated as of their date of execution and delivery, in the original principal amount of _____ THOUSAND DOLLARS ($[PRINCIPAL]). All terms and provisions of the Secured Obligations under the Agreement are incorporated by this reference in this Deed of Trust.

1.5 **Premises**: The Premises shall mean all of Grantor's right, title and interest in and to real property located in Weld County, State of Colorado more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference, including the Improvements financed or refinanced with proceeds of the Series 2019 Bonds, subject to the Permitted Encumbrances listed in **Exhibit B** hereto, and that are hereby accepted in accordance with subsection (l) of that defined term in the Agreement (the "Real Property"), together with the following:

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

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

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

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

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

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

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

1.5.8 All water and water rights, contracts with water districts, ditches and ditch rights, reservoir rights, stock or interests in irrigation or ditch companies, minerals, oil and gas rights, royalties, lease or leasehold interests owned by Grantor, now or hereafter used or useful in connection with, appurtenant to or related to the Real Property.

1.5.9 All right, title and interest of Grantor now owned or hereafter acquired in an to all streets, roads, alleys and public places, and all easements and rights of way, public or private, now or hereafter used in connection with the Real Property.

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

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

1.8 **Loan Documents**: The Agreement, the Indenture, the Series 2019 Bonds issued under and pursuant to the Indenture, this Deed of Trust, the Lease Agreement, dated as of June 1, 2019, by and between the Grantor and West Ridge Academy Charter School (the "Lease"), any financing statements executed or otherwise authorized in connection herewith, and each other document executed or delivered by Grantor as security for the Secured Obligations under the Agreement or in connection with the transactions under the Agreement have been completed and the Series 2019 Bonds issued under the Indenture have been executed and delivered. The term "Loan Documents" also includes all modifications, extensions, renewals, and replacements of each document referred to above.

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

ARTICLE 2
GRANTING CLAUSE

2.1 **Grant to Trustee**. As security for the Secured Obligations, Grantor hereby irrevocably grants, bargains, sells, conveys, and assigns to Trustee, with power of sale, all of Grantor's present and future estate, right, title and interest in, to and under the Premises, in trust for the use and benefit of Beneficiary, and subject to all provisions of this Deed of Trust and the Agreement.

ARTICLE 3
GRANTOR'S TITLE AND AUTHORITY; REPRESENTATIONS AND WARRANTIES

3.1 **Warranty of Title**. Grantor represents and warrants to Beneficiary that (a) it is the owner of good and marketable title in fee simple to the Premises and is the lawful owner of the Premises; (b) that the Premises are subject only to the matters of record; and (c) that no interest in the Premises, Chattels and Intangible Personalty has been leased, or conveyed to any third party other than the Permitted Encumbrances. The warranties contained in this section shall survive

foreclosure of this Deed of Trust, and shall inure to the benefit of and be enforceable by any person who may acquire title to the Premises pursuant to any such foreclosure and Grantor and its successors and assigns shall forever warrant and defend the same unto Beneficiary, its successors and assigns, against all claims whatsoever, subject to the Permitted Encumbrances.

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

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

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

3.5 **Representations and Warranties**. Grantor makes the following representations and warranties to Beneficiary:

(a) Grantor is duly organized, validly existing and in good standing under the laws of the state in which it is organized. Grantor is qualified to do business and is in good standing under the laws of the state in which the Property is located and in each state in which it is doing business. Grantor has full power and authority to own its properties and assets and to carry on its business as now conducted. Grantor is fully authorized and permitted to execute and deliver this Deed of Trust. The execution, delivery and performance by Grantor of this Deed of Trust and all other documents and instruments relating to the Obligation will not result in any breach of the terms or conditions or constitute a default under any agreement or instrument under which Grantor is a party or is obligated. Grantor is not in default in the performance or observance of any covenants, conditions or provisions of any such agreement or instrument.

(b) The liens, security interests and assignments created hereby will be valid, effective, properly perfected and enforceable liens, security interests and assignments.

(c) All financial statements, profit and loss statements, statements as to ownership and other statements or reports previously or hereafter given to Beneficiary by or on behalf of Grantor are and shall be true, complete and correct as of the date thereof.

(d) Grantor has filed all federal, state and local tax returns and has paid all of its current obligations before delinquent, including all federal, state and local taxes and all other payments required under federal, state or local law.

(e) The Premises is not in violation of the Americans with Disabilities Act of 1990, as amended (the "ADA") and is not subject to any existing, pending or threatened investigation in connection with the ADA.

(f) All representations and warranties made herein shall survive the execution hereof, the execution and delivery of all other documents and instruments in connection with the Secured Obligations, and until the Secured Obligations have been fully paid and performed.

ARTICLE 4
GRANTOR'S AFFIRMATIVE COVENANTS

4.1 **Payment of Secured Obligations under the Agreement; Future Advances**. Grantor will pay all principal, interest, and other Secured Obligations payable under the Agreement, on the date when each such payment is due, without notice or demand. This Deed of Trust also secures all future advances allowed pursuant to Section 38-39-106, C.R.S. For the purpose of this Deed of Trust, the maximum principal amount secured hereby (whether based on obligatory or optional advances), shall be $_____ (120% of the par amount of the Series 2019 Bonds).

4.2 **Maturity Date**. If not earlier paid in full, the Secured Obligations under the Agreement shall be paid in full on or before [June 1, 20__] (the "Maturity Date").

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

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

4.5 **Payment of Taxes**.

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

4.5.2 Intangible Taxes. If by reason of any statutory or constitutional amendment or judicial decision adopted or rendered after the date hereof, any tax, assessment, or similar charge is imposed against the Beneficiary as a result of this Deed of Trust, or against any interest of Beneficiary in any real or personal property encumbered hereby, Grantor will pay such tax, assessment, or other charge before delinquency and will indemnify Beneficiary against all loss, expense, or diminution of income in connection therewith. In the event Grantor is unable to do so, either for economic reasons or because the legal provision or decision creating such tax, assessment, or charge forbids Grantor from doing

so, then the Secured Obligations under the Agreement will, at Beneficiary's option, become due and payable in full upon thirty (30) days' notice to Grantor.

4.6 **Maintenance of Insurance**.

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

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

4.7 **Maintenance and Repair of Premises and Chattels**. Grantor will cause the Premises and the Chattels to be maintained in good condition and repair. Grantor will operate the Premises and the Chattels in compliance with all applicable laws, building codes and zoning requirements.

4.8 **Reserved**.

4.9 **Mechanics' Liens**. Except for Permitted Encumbrances, Grantor will keep the Premises free and clear of all liens and claims of liens by contractors, subcontractors, mechanics, laborers, materialmen, and other such persons directed to perform services or provide materials by Grantor, and will cause any recorded statement of any such lien arising by or through Grantor to be released of record within thirty (30) days after the recording thereof. Notwithstanding the preceding sentence, however, to the extent allowed under the Agreement, Grantor will not be deemed to be in default under this section if and so long as Grantor (a) contests in good faith the validity or amount of any asserted lien and diligently prosecutes or defends an action appropriate to obtain a binding determination of the disputed matter; and (b) provides Beneficiary with such security as Beneficiary may require to protect Beneficiary against all loss, damage, and expense, including reasonable attorneys' fees, which Beneficiary might incur if the asserted lien is determined to be valid, but in no event in excess of one hundred fifty percent (150%) of such lien amount.

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

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

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

4.13 **Further Assurances; Estoppel Certificates**. Grantor will, at its sole cost and expense, do, execute, acknowledge and deliver to Beneficiary upon demand, all and every such further acts, documents and assurances which Beneficiary may reasonably request to confirm or perfect the liens and security interests created or intended to be created hereby, or to confirm or perfect any evidence of the Secured Obligations, including, without limitation, financing statements and other security instruments. Beneficiary is hereby expressly authorized to file any and all financing statements deemed necessary by Beneficiary to perfect the security interests granted to Beneficiary hereunder. Grantor will also, within fifteen (15) Business Days (as defined in the Indenture) after any request by Beneficiary, deliver to Beneficiary a signed and acknowledged statement certifying to Beneficiary, or to any proposed transferee of the Secured Obligations, (a) the principal and interest payments, and other sums made by Grantor under the Secured Obligations under the Agreement, and (b) whether Grantor claims to have any defenses with respect to the Secured Obligations and, if so, the nature of such offsets or defenses. Grantor's failure to provide such a statement within such fifteen (15) day period will result in Grantor's being conclusively bound by any representation which Beneficiary may make as to those matters so long as that representation is consistent with Beneficiary's records of this transaction.

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

ARTICLE 5
GRANTOR'S NEGATIVE COVENANTS

5.1 **Waste and Alterations**. Grantor will not commit or permit any waste with respect to the Premises or the Chattels. Grantor shall conduct only those uses permitted on the Premises as allowed by Applicable Laws (defined below) or Permitted Encumbrances. Grantor shall not cause or permit any improvements that may be constructed upon the Premises including, but not limited to, any building, structure, parking lot, driveway, landscape scheme, or other ground improvement, to be removed, demolished, or materially altered without the prior written consent of Beneficiary, which shall not be unreasonably withheld, conditioned or delayed.

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

Grantor will not cause or permit such use to be discontinued or abandoned without the express written consent of Beneficiary.

5.3 **Interference with Lease**. Grantor will not, without the prior written consent of Beneficiary other than the Permitted Encumbrances (a) collect rent from all or any part of the Premises for more than two months in advance; (b) assign the rents from the Premises or any part thereof other than to Beneficiary; (c) consent to the cancellation or surrender of all or any part of the Lease, except that Grantor may in good faith and with the consent of Beneficiary terminate any such Lease for nonpayment of rent or other material breach by the tenant thereunder; or (d) in any other manner impair the value of the Premises or the security of this Deed of Trust.

5.4 **Transfer of Premises**. Grantor will not sell, transfer, convey, lease, assign, or otherwise dispose of, or further encumber, either voluntarily or involuntarily, by operation of law or otherwise, the Premises or any part thereof or interest therein, without the prior written consent of Beneficiary, which consent may be granted or denied in Beneficiary's sole discretion. If Beneficiary consents, any such transfer shall be subject to this Deed of Trust and any other documents which evidence or secure the loan secured hereby, and any such transferee shall assume all of Grantor's obligations hereunder and thereunder and agree to be bound by all provisions and perform all obligations contained herein and therein. Consent to one such transfer shall not be deemed to be a waiver of the right to require consent to future or successive transfers. As used herein, "transfer" shall include, without limitation, any sale, assignment (including, without limitation, any collateral or security assignment or transfer), ground lease or conveyance except leases entered into after the date hereof for occupancy subordinate to this Deed of Trust. Any permitted transfer by the Grantor shall also comply with any private covenants and restrictions of record or binding upon the Grantor or the Premises.

5.5 **Further Encumbrance of Premises**. Grantor will neither create nor permit any encumbrance, either voluntarily or involuntarily, against the Premises or any part thereof or interest therein, without the prior written consent of Beneficiary, which consent may be granted or denied in Beneficiary's sole discretion. If Beneficiary consents, any such encumbrance shall be subject to this Deed of Trust and any other documents which evidence or secure the Secured Obligations. Consent to one such encumbrance shall not be deemed to be a waiver of the right to require consent to future or successive encumbrances. As used herein, "encumber" shall include, without limitation, the placing or permitting the placing of any mortgage, deed of trust, assignment of rents or other security device.

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

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

5.8 **Inclusion in District**. Without obtaining the prior written consent of Beneficiary, Grantor shall not consent to, or vote in favor of, the inclusion of all or any part of the Premises in

any special improvement or similar district (a "District"). Grantor shall immediately give notice to Beneficiary of any notification or advice that Grantor may receive from any municipality or other third party of any intent or proposal to include all or any part of the Premises in a District. Beneficiary shall have the right to file a written objection to the inclusion of all or any part of the premises in a District, either in its own name or in the name of Grantor, and to appear at, and participate in, any hearing with respect to the formation of any District.

ARTICLE 6
EVENTS OF DEFAULT

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

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

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

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

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

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

6.1.6 Dissolution, Insolvency, or Bankruptcy. The dissolution, termination, or liquidation of Grantor or of any other person or entity directly or indirectly liable for the

Secured Obligations, or the making by any such person of any assignment for the benefit of creditors, or the appointment of a receiver, liquidation, or trustee of the property of any such person, or the filing of any petition for the bankruptcy, reorganization, or arrangement of any such person pursuant to the federal Bankruptcy Code or any similar state or federal statute, or the adjudication of any such person as bankrupt or insolvent;

6.1.7 Default Under Any Other Encumbrance or Obligation under the Loan Documents. Grantor's breach or default under any other covenant, condition, restriction, obligation or encumbrance affecting the Property, including, without limitation any event of default or breach under the Loan Documents;

6.1.8 Abandonment. The abandonment by Grantor of all or any part of the Premises;

6.1.9 Encroachment. The existence of any encroachment upon the Premises that has occurred without the approval of Beneficiary that is not removed or corrected within thirty (30) days after its creation; or

6.1.10 Destruction or Demolition of Premises or Personal Property. The demolition or destruction of, or any substantial damage to, any portion of the Premises that is not adequately covered by insurance, or the loss, theft or destruction of, or any substantial damage to, any portion of the personal property or any other collateral or security for the Secured Obligations, that is not adequately covered by insurance.

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

ARTICLE 7
BENEFICIARY'S REMEDIES

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

7.1 **Performance of Defaulted Obligations**. If Grantor fails to perform any of its covenants and agreements herein or in the Secured Obligations under the Agreement or any Loan Documents, and such failure is not remedied prior to the expiration of any grace and cure period provided in the document at issue, Beneficiary may, but shall not be obligated to, make any payment or perform any other obligation required by Grantor in any form and manner deemed expedient. Grantor hereby irrevocably appoints Beneficiary as the true and lawful attorney-in-fact for Grantor to make any such payment and perform any such obligation in the name of Grantor.

All payments made and expenses (including reasonable attorneys' fees) incurred by Beneficiary in this connection, together with interest thereon at the "Default Rate" (as defined in the Secured Obligations under the Agreement), from the date paid or incurred until repaid, will be part of the Secured Obligations and will be immediately due and payable by Grantor to Beneficiary. In lieu of advancing Beneficiary's own funds for such purposes, Beneficiary may use any funds of Grantor which may be in Beneficiary's possession including, but not limited to, insurance or condemnation proceeds and amounts deposited for taxes, insurance premiums or other purposes.

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

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

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

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

7.6 **Foreclosure Against Premises**. Subject to the cure rights contained in the Secured Obligations under the Agreement and this Deed of Trust, upon an Event of Default by Grantor, at Beneficiary's option, all of the sums secured by this Deed of Trust shall be immediately due and payable ("Acceleration"). To exercise this option, Beneficiary may invoke the power of sale and any other remedies permitted by law. Beneficiary shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Deed of Trust, including, but not limited to, reasonable attorney's fees and all Trustee's fees. If Beneficiary invokes the power of sale, Beneficiary shall give written notice to Trustee of such election in accordance with the laws then in effect in the State of Colorado. Trustee shall give such notice to Grantor of Grantor's cure rights as is then provided by Colorado law. Trustee shall record a copy of such notice as required

by Colorado law. Trustee shall advertise the time and place of the sale of the Premises in a newspaper of general circulation in each county in which the Premises is situated, and shall mail copies of such notice of sale to Grantor and other persons, all as may be now or in the future prescribed by Colorado law. After the lapse of such time as may be required by law, Trustee, without demand on Grantor, shall sell the Premises at public auction to the highest bidder for cash at the time and at the place then authorized by law as may be specified in the notice of sale, in one or more parcels as Beneficiary may think best and in such order as Beneficiary may determine. Unless otherwise required under Colorado law, under the Indenture or under the Agreement, Trustee shall apply the proceeds of the sale in the following order: (a) to all costs of sale as set forth in the Colorado statutes governing foreclosures in the State of Colorado, (b) reasonable costs for Beneficiary's attorney's fees and costs of title evidence; (c) to reduce or discharge the Secured Obligations in such order as Beneficiary may elect; and (d) the excess, if any, to the person or persons legally entitled thereto. Upon abandonment of the Premises or upon the order of a court of competent jurisdiction, Beneficiary or the holder of the Trustee's certificate of purchase shall be entitled to a receiver for the Premises after Acceleration, and shall also be so entitled during the time covered by foreclosure proceedings and the period of redemption, if any, in accordance with Section 7.7 below. Nothing in this section dealing with foreclosure procedures or specifying particular actions to be taken by Beneficiary or by Trustee or any similar officer shall be deemed to contradict or add to the requirements and procedures now or hereafter specified by State of Colorado law, and any such inconsistency shall be resolved in favor of State of Colorado law applicable at the time of foreclosure.

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

thereon at the default rate allowed under the Agreement from the date incurred until repaid, next to the payment of the costs of preservation and management of the Premises, and then the balance shall be applied toward the Secured Obligations or in such other manner as the court may direct. Beneficiary and the receiver shall be liable to account only for those rents actually received. Unless sooner terminated with the express consent of Beneficiary, any such receivership will continue until the Secured Obligations have been discharged in full, or until title to the Premises has passed after foreclosure sale and all applicable periods of redemption have expired, or until a court of competent jurisdiction orders the receiver discharged.

7.8 **Exercise of Rights**. All rights, powers and remedies granted Beneficiary herein, or otherwise available to Beneficiary, are for the sole benefit and protection of Beneficiary, and Beneficiary may exercise any such right, power or remedy at its option and in its sole and absolute discretion without any obligation to do so. In addition, if, under the terms hereof, Beneficiary is given two or more alternative courses of action, Beneficiary may elect any alternative or combination of alternatives, at its option and in its sole and absolute discretion. All moneys advances by Beneficiary under the terms hereof and all amounts paid, suffered or incurred by Beneficiary in exercising any authority granted herein, including reasonable attorneys' fees, shall be added to the Secured Obligations, shall be secured by this Deed of Trust, shall bear interest at the highest rate payable on any of the Secured Obligations until paid, and shall be due and payable by Grantor to Beneficiary immediately without demand.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.1 **Assignment of Rents**.

(a) To facilitate and secure payment and performance of the Secured Obligations, Grantor hereby absolutely and presently transfers and assigns to Beneficiary all right, title and interest of Grantor in and to: (i) all existing and future leases, subleases, licenses and other agreements for the use, occupancy or possession of all or any part of the Premises, whether written or oral and whether for a definite term or month to month, including without limitation, the Lease, together with all guarantees of the lessee's obligations thereunder and together with all extensions, modifications and renewals thereof (hereinafter called the "Leases"); and (ii) all income, receipts, revenues, rents, issues and profits now or hereafter arising from or out of the Leases or from or put of the Premises or any part thereof, including, without limitation, room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation premiums, claims for damages arising from any breach of the Leases, proceeds from any sale or other disposition of all or any portion of the Premises, and all other benefits arising from the use or enjoyment of, or the lease, sale or other disposition of, all or a portion of the Premises, together with the immediate and continuing right to receive all of the foregoing (hereinafter called the "Rents"). The aforesaid assignment shall be effective immediately upon the execution of this Deed of Trust and is not conditioned upon the occurrence of any Event of Default hereunder or any other contingency or event; provided, however, Beneficiary hereby grants to Grantor a license to collect and retain Rents prior to the occurrence of any Event of Default hereunder, which license shall be revocable by Beneficiary without notice

to Grantor at any time after the occurrence of an Event of Default, and immediately upon any such revocation, Beneficiary shall be entitled to receive, and Grantor shall deliver to Beneficiary, any and all Rents theretofore collected which remain in the possession or control of Grantor. In furtherance of the agreement in this Deed of Trust, and not in lieu hereof, Beneficiary may require a separate assignment of rents and leases and/or separate specific assignments or rents and leases covering one or more of the Leases; the terms of all such assignments are incorporated herein by reference.

(b) Grantor hereby authorizes and directs the lessees and tenants under the Leases that, upon written notice from Beneficiary, all Rents shall be paid directly to Beneficiary as they become due. Grantor hereby relieves the lessees and tenants from any liability to Grantor by reason of the payment of the Rents to Beneficiary. Nevertheless, Grantor shall be entitled to collect the Rents until Beneficiary notifies the lessees and tenants in writing to pay the Rents to Beneficiary. Beneficiary is hereby authorized to give such notification upon the occurrence of an Event of Default and at any time thereafter while such Event of Default is continuing. Receipt and application of the Rents by Beneficiary shall not constitute a waiver of any right of Beneficiary under this Deed of Trust or applicable law, shall not cure any Event of Default hereunder, and shall not invalidate or affect any act done in connection with such Event of Default, including, without limitation, foreclosure proceedings.

(c) All Rents collected by Grantor shall be applied in the manner set forth in the Loan Documents.

(d) Grantor represents and warrants that: (i) Grantor has delivered to Beneficiary all Leases that have been executed as of the date of this Deed of Trust, and such Leases are in full force and effect and have not been modified or amended, except as previously disclosed to Beneficiary; (ii) the Rents have not been waived, discounted, compromised, setoff or paid more than one month in advance, except as previously disclosed to Beneficiary; (iii) there are no other assignments, transfers, pledges or encumbrances of any Leases or Rents; and (iv) neither Grantor nor the lessees and tenants are in default under any executed Leases.

(e) Grantor shall: (i) fulfill or perform each and every term, covenant and provision of the Leases to be fulfilled or performed by the lessor thereunder; (ii) give prompt notice to Beneficiary of any notice received by Grantor of default thereunder or of any alleged default or failure of performance that could become a default thereunder, together with a complete copy of any such notice; and (iii) enforce, short of termination thereof, the performance or observance of each and every term, covenant and provision of each Lease to be performed or observed by the lessees and tenants thereunder.

(f) Grantor, without the prior written consent of Beneficiary, shall not: (i) cancel, modify or alter, or accept the surrender of any Lease; (ii) assign, transfer, pledge or encumber, the whole or any part of the Leases and Rents to anyone other than Beneficiary; (iii) accept any Rents more than one month in advance of the accrual thereof; (iv) do or permit anything to be done, the doing of which, or omit or refrain from doing

anything, the omission of which, could be a breach or default under the terms of any Lease or a basis for termination thereof; or (v) enter into any new tenant leases.

(g) Beneficiary does not assume and shall not be liable for any obligation of the lessor under any of the Leases and all such obligations shall continue to rest upon Grantor as though this assignment had not been made. Beneficiary shall not be liable for the failure or inability to collect any Rents.

(h) Neither the assignment of rents and leases contained herein or in any separate assignment nor the exercise by Beneficiary of any of its rights or remedies thereunder or in connection therewith, prior to Beneficiary obtaining actual possession of the Property, shall constitute Beneficiary a "mortgagee in possession" or otherwise make Beneficiary responsible or liable in any manner with respect to the Premises or the occupancy, operation or use thereof.

8.2 **Security Agreement**. This Deed of Trust constitutes a security agreement under the applicable provisions of the Code, as the same may be amended from time to time, with respect to the Goods, Chattels, the Intangible Personalty and such other of the Premises which is personal property or otherwise governed by the Code. Grantor has additionally granted security interests securing the Secured Obligation as specified in the Agreement.

In addition to the right and remedies granted to Beneficiary by other applicable law or by this Deed of Trust, Beneficiary shall have all of the rights and remedies with respect to the Chattels, the Intangible Personalty, and such other personal property as are granted to a secured party under the Code, including, without limitation, taking possession of, holding and selling the Goods, Chattels, the Intangible Personalty and such other personal property. After an Event of Default and upon Beneficiary's request, Grantor shall promptly and at its expense assemble the Goods, Chattels, the Intangible Personalty and such other personal property and make the same available to Beneficiary at a convenient place acceptable to Beneficiary. Grantor shall pay to Beneficiary on demand, with interest at the Default Rate, any and all expenses, including reasonable attorneys' fees, incurred by Beneficiary in protecting its interest in the Goods, Chattels, the Intangible Personalty and such other personal property and in enforcing its rights with respect thereto. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Goods, Chattels, the Intangible Personalty, and such other personal property sent to Grantor in accordance with the provisions hereof at least ten (10) days prior to such action shall constitute reasonable notice to Grantor. The proceeds of any such sale or disposition, or any part thereof, may be applied by Beneficiary to the Secured Obligations in accordance with the terms of the Agreement. This Deed of Trust is a "construction mortgage" as defined in the Uniform Commercial Code.

8.3 **Indemnification**. Grantor shall defend, indemnify and hold harmless Beneficiary, any successors to Beneficiary's interest in the Premises, any purchaser of the Premises upon foreclosure, and all shareholders, directors. officers, employees and agents of all of the foregoing and their heirs, personal representatives, successors and assigns from and against all claims, costs, expenses, actions, suits, proceedings, losses, damages and liabilities of any kind whatsoever, including but not limited to all amounts paid in settlement of, and all costs and expenses (including reasonable attorneys' fees) incurred in defending or settling, any actual or threatened claim, action, suit or proceeding, directly or indirectly arising out of or relating to the Secured Obligations, this

Deed of Trust, or the Premises, including but not limited to (i) any violation of or claim of violation of the ADA with respect to the Premises; (ii) any violation of applicable environmental laws, rules, regulations, and court or administrative orders; or (iii) any breach of any of the warranties, representations and covenants contained herein. This indemnity provision shall continue in full force and effect and shall survive the payment and performance of the Obligation, the release of record of the lien of this Deed of Trust, any foreclosure (or deed in lieu of foreclosure) of this Deed of Trust, the exercise by Beneficiary of any other remedy under this Deed of Trust or any other document or instrument evidencing or securing the Secured Obligations, and any suit, proceeding or judgment against Grantor by Beneficiary hereon.

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

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

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

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

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

8.9 **No Third Party Rights**. No person shall be a third party beneficiary of any provision of any of the Loan Documents. All provisions of the Loan Documents favoring Beneficiary or the Authority are intended solely for the benefit of Beneficiary and the Authority, and no third party shall be entitled to assume or expect that Beneficiary or the Authority will not waive or consent to modification of any such provision in Beneficiary's and the Authority's sole discretion.

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

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

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

8.13 **No Merger of Estates**. Unless expressly provided otherwise, in the event that ownership of this Deed of Trust and title to the estate in the Premises encumbered hereby shall become vested in the same person or entity, this Deed of Trust shall not merge in said title but shall continue to be and remain a valid and subsisting lien and/or trust deed on said estates in the Premises for the amount secured hereby.

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

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

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

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

8.18 **No Partnership or Joint Venture**. Nothing contained herein and no acts of the parties hereto, shall be construed to create a partnership or joint venture between Grantor and Beneficiary. The relationship between Grantor and Beneficiary is the relationship of "debtor" and "creditor."

8.19 **Inspection**. Beneficiary shall have the right to inspect the Premises at all reasonable times

[SIGNATURE PAGES FOLLOW]

Signed and delivered as of the date first referenced above.

GRANTOR:

WRA BUILDING CORPORATION

By: _____
President

Attest:

By: _____
Secretary

STATE OF COLORADO)
) ss.
WELD COUNTY)

The foregoing instrument was acknowledged before me this ___ day of _____, 2019, by _____, as President, and by _____, as Secretary of WRA Building Corporation, a Colorado nonprofit corporation.

Witness my hand and official seal.

(SEAL)

_____
Notary Public for the State of Colorado

EXHIBIT A

LEGAL DESCRIPTION OF ENCUMBERED PROPERTY

EXHIBIT B

PERMITTED ENCUMBRANCES

APPENDIX E

FORM OF BOND COUNSEL OPINION

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Ballard Spahr LLP

1225 17th Street, Suite 2300
Denver, CO 80202-5596
TEL 303.292.2400
FAX 303.296.3956
www.ballardspahr.com

June __, 2019

Colorado Educational and Cultural Facilities Authority
Denver, Colorado

George K. Baum & Company, as Underwriter
Denver, Colorado

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
Charter School Refunding and Improvement Revenue Bonds
(West Ridge Academy Charter School Project)

$9,975,000*	**$290,000***
Series 2019A	**Federally Taxable Series 2019B**

Ladies and Gentlemen:

We have acted as bond counsel to the Colorado Educational and Cultural Facilities Authority (the "**Authority**") in connection with the issuance of its (a) Charter School Refunding Revenue Bonds (West Ridge Charter School Project), Series 2019A in the original aggregate principal amount of $9,975,000* (the "**Series 2019A Bonds**") and (b) Charter School Refunding Revenue Bonds (West Ridge Charter School Project), Federally Taxable Series 2019B in the original aggregate principal amount of $290,000* (the "**Series 2019B Bonds**" and, together with the Series 2019A Bonds, the "**Bonds**"). The Bonds are being issued under and pursuant to the provisions of the Colorado Educational and Cultural Facilities Authority Act, Article 15, Title 23, Colorado Revised Statutes, as amended (the "**Act**"), the Supplemental Public Securities Act, Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the "**Supplemental Public Securities Act**"), and an Indenture of Trust dated as of June 1, 2019 (the "**Indenture**"), by and between the Authority and UMB Bank, n.a., as trustee (the "**Trustee**"). Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Indenture.

The Bonds are being issued at the request of WRA Building Corporation, a Colorado nonprofit corporation (the "**Corporation**") and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "**Code**"), to provide funds that will be used, together with other monies, to finance a project (the "**Project**") consisting generally of (a) refunding the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Series 2017A, issued in the original aggregate principal amount of $9,345,000 and the Public Finance Authority Charter School Revenue Bonds (West Ridge Academy Charter School Project) Taxable Series, issued in the original aggregate principal amount of $145,000; (b) financing improvements to existing educational facilities located at 6905 West 8th

* Preliminary, subject to change.

Street, Greeley, Colorado (the "**Facilities**"); (c) funding capitalized interest, if any; (d) funding a bond reserve fund; and (e) paying the costs of issuance of the Bonds.

The Bonds are being issued initially as fully registered bonds in denominations of $5,000 or any multiple thereof. The Bonds will bear interest at the rates and will mature in the amounts and on the dates as set forth on the inside front cover of the Limited Offering Memorandum dated June __, 2019 relating to the Bonds.

Concurrently with the issuance of the Bonds, the Authority and the Corporation are entering into a Loan and Security Agreement dated as of June 1, 2019 (the "**Loan Agreement**"), providing for the loan of the proceeds of the Bonds to the Corporation to pay certain costs of the Project. The Corporation will hold title to the Facilities and will lease the Facilities to West Ridge Charter School, a public charter school and Colorado nonprofit corporation (the "**Charter School**") pursuant to the terms of a Lease Agreement dated as of June 1, 2019 (the "**Lease**"), by and between the Corporation and the Charter School.

The Charter School has represented that it is an organization described in Section 501(c)(3) of the Code, is not a "private foundation" within the meaning of Section 509(a) of the Code, and is exempt from federal income tax under Section 501(a) of the Code. The Charter School has covenanted that it will maintain its status as a 501(c)(3) organization under the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

The Corporation has represented that it is an organization described in Section 501(c)(3) of the Code, is not a "private foundation" within the meaning of Section 509(a) of the Code, and is exempt from federal income tax under Section 501(a) of the Code. The Corporation has covenanted that it will maintain its status as a 501(c)(3) organization under the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2019A Bonds for interest thereon to remain excludable from the gross income of the owners of the Series 2019A Bonds for federal income tax purposes. The Authority, the Charter School and the Corporation have covenanted to comply with such requirements. Noncompliance with such requirements may cause the interest on the Series 2019A Bonds to be includible in the gross income of the owners of the Series 2019A Bonds for federal income tax purposes, retroactive to the date of issue of the Series 2019A Bonds or as of some later date. Under the Loan Agreement, the Corporation has covenanted that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2019A Bonds under Section 103(a) of the Code. For the purposes of the opinions set forth below, we have assumed that the Authority and the Corporation will comply with the covenants set forth in the Indenture and Loan Agreement relating to the tax-exempt status of the Series 2019A Bonds.

Under the Loan Agreement, the Corporation is obligated to make loan payments in the amounts and at the times necessary to pay, when due, the principal of, premium, if any, and interest on the Bonds. Under the Indenture, the Authority has assigned certain of its rights and interests under the Loan Agreement, including its right to receive the payments under the Loan Agreement in respect of the Bonds, to the Trustee for the benefit of the holders of the Bonds.

Under the Indenture and the Loan Agreement, respectively, the Authority and the Corporation have covenanted that they will comply with the requirements of Section 148 of the Code pertaining to arbitrage bonds. In addition, an officer of the Authority responsible for issuing the Series 2019A Bonds and authorized officers of the Corporation and the Charter School have executed certificates stating the reasonable expectations of the Authority, the Corporation and the Charter School on the date of issue of the Series 2019A Bonds as to future events that are material for the purposes of such requirements of the Code. The Authority also has delivered to us for filing with the Internal Revenue Service a report of the issuance of the Series 2019A Bonds as required by the Code as a condition of the exclusion from gross income of the interest on the Series 2019A Bonds for federal income tax purposes.

In our capacity as bond counsel we have examined such documents, records of the Authority and other instruments as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the Indenture, the Loan Agreement and the other documents listed in the closing index in respect of the Bonds filed with the Trustee. We also assume that the Indenture and the Loan Agreement have been duly authorized, executed and delivered by, and are valid and binding obligations of, the parties thereto other than the Authority. We also have examined an executed Bond, authenticated by the Trustee, and have assumed that all other Bonds have been similarly executed and authenticated.

In rendering the foregoing opinions, we have relied upon and assumed the accuracy of the opinions, dated this date of counsel to the Charter School and the Corporation, including in connection with the status of the Charter School as a 501(c)(3) organization.

Based on the foregoing, it is our opinion that:

1. The Authority has been created and is a public body politic and corporate constituting a public instrumentality, validly organized and existing under the laws and constitution of the State of Colorado (the "**State**"), with full power and authority to undertake the financing of the Project, to execute, deliver and perform its obligations under the Loan Agreement and the Indenture, and to issue and sell the Bonds.

2. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally.

3. All conditions precedent to the issuance of the Bonds pursuant to the Indenture have been satisfied.

4. The issuance and sale of the Bonds have been duly authorized by the Authority. On the assumption as to execution and authentication stated above, the Bonds have been duly executed and delivered by the Authority and are legal, valid and binding limited obligations of the Authority enforceable against the Authority in accordance with their terms and entitled to the benefit and security of the Indenture, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally.

5. Under the laws of the State as presently enacted and construed, interest on the Bonds is exempt from all taxation and assessments in the State.

6. Interest on the Series 2019A Bonds [(including original issue discount)] 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 2019A Bonds, assuming the accuracy of the certifications of the Authority, the Corporation and the Charter School and continuing compliance by the Authority, the Corporation and the Charter School with the requirements of the Code. Interest on the Series 2019A Bonds is exempt from individual federal alternative minimum tax. We express no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Series 2019A Bonds.

[Certain of the Series 2019A Bonds were 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 2019A Bond through reductions in the holder's tax basis for the Series 2019A Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss.]

7. Interest on the Series 2019B Bonds is not excludable from the included in gross income of the owners for purposes of federal income tax purposes.

We express no opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds or with respect to the accuracy or completeness of any information pertaining to the offering for sale of the Bonds. We are not rendering any opinion with respect to the priority of the lien of the Indenture.

We call your attention to the fact that the Bonds are limited obligations of the Authority payable only out of certain revenues of the Authority including payments to be made by the Corporation pursuant to the Loan Agreement and certain other moneys available therefor as provided in the Indenture, and that the Bonds do not pledge the general credit or taxing power of the State or any political subdivision thereof. The Authority has no taxing power.

Very truly yours,

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement"), dated as of June 1, 2019 among WEST RIDGE ACADEMY CHARTER SCHOOL (the "School"), WRA BUILDING CORPORATION (the "Borrower" and, together with the School, the "Disclosure Parties") and UMB BANK, N.A., as dissemination agent (the "Dissemination Agent"), is executed and delivered in connection with the issuance by the Colorado Educational and Cultural Facilities Authority (the "Authority") of $9,975,000* aggregate principal amount of its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Series 2019A (the "2019A Bonds") and $290,000* aggregate principal amount of its Charter School Refunding and Improvement Revenue Bonds (West Ridge Academy Charter School Project), Federally Taxable Series 2019B (the "2019B Bonds" and together with the 2019A Bonds, the "2019 Bonds").

The 2019 Bonds are being issued pursuant to an Indenture of Trust dated as of June 1, 2019 (the "Indenture") between the Authority and UMB Bank, n.a., as trustee. The proceeds of the 2019 Bonds are being loaned to the Borrower pursuant to a Loan and Security Agreement dated as of June 1, 2019 (the "Loan Agreement") between the Authority and the Borrower . Borrower will lease the facilities financed from the proceeds of the 2019 Bonds (the "Project Facilities") to the School pursuant to a Lease Agreement dated June 1, 2019 (the "Lease Agreement"), and payments required under the Lease Agreement will be calculated to be sufficient to pay the principal of, premium, if any, and interest on the 2019 Bonds. The Indenture, the Loan Agreement and the Lease Agreement are referred to herein as the "Bond Documents." The Disclosure Parties covenant and agree as follows for the benefit of the Bondholders (as defined below):

Section 1. Purpose of Agreement. This Agreement is being executed and delivered by the Disclosure Parties for the benefit of the Bondholders and in accordance with the requirements of the Rule. The Disclosure Parties acknowledge that the Authority and the Dissemination Agent have undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Agreement (except for the Dissemination Agent's obligation to file with the MSRB reports provided by the Disclosure Parties pursuant to this Agreement), including their accuracy and completeness, and have no liability to any Person, including any Bondholder and the Underwriter, with respect to any such reports, notices or disclosures. The Disclosure Parties represent that they are the only "obligated persons" with respect to the Bonds.

Section 2. Definitions. In addition to the definitions set forth in the Bond Documents, which apply to any capitalized term used in this Agreement unless otherwise defined in the first paragraph of this Agreement or in this Section, the following capitalized terms shall have the meanings indicated below.

"Annual Report" shall mean any Annual Report provided by the Disclosure Parties pursuant to Section 4(a) of this Agreement.

"Annual Response to Investors" shall mean any Annual Response to Investors provided by the School pursuant to Section 4(c) of this Agreement.

"Bondholder" or "Holder" of a 2019 Bond shall mean any registered owner of any of the 2019 Bonds or any Person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the 2019 Bonds (including

* Preliminary, subject to change.

Persons holding through any nominee, securities depository or other intermediary), including any beneficial owner, or (ii) is treated as the holder of any of the 2019 Bonds for federal income tax purposes.

"EMMA" means the Electronic Municipal Market Access system of the MSRB as provided at http://www.emma.msrb.org, or any similar system that is acceptable to or as may be prescribed by the MSRB for purposes of the Rule and approved by the SEC from time to time. A current list of such systems may be obtained from the SEC at http://wv.rw.sec.gov/info/municipal/nrmsir.htm.

"Financial Obligation" shall mean:

(i) a debt obligation;

(ii) 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

(iii) a guarantee of (i) or (ii); provided, however, the term "Financial Obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule.[1]

"Fiscal Year" means the fiscal year of the Disclosure Parties ending on June 30 of each calendar year.

"Listed Events" shall mean any of the events listed m Section 4(d) of this Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(l) of the Securities Exchange Act of 1934, as amended, or any successor organization.

"Official Statement" shall mean the Official Statement dated June __, 2019 used in connection with the sale of the 2019 Bonds.

"Quarterly Report" shall mean any Quarterly Report provided by the School pursuant to Section 4(b) of this Agreement.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission. "Underwriter" shall mean George K. Baum & Company.

[1] Numerous other terms contained in these subsections and/or in the definition of "financial obligation" are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term "debt obligation" generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

Section 3. Content of Annual Reports, Quarterly Reports and Annual Response to Investors.

(a) Each Annual Report shall contain:

(i) a copy of the annual financial statements with respect to each of the Disclosure Parties, prepared in accordance with generally accepted accounting principles and audited by a certified public accountant;

(ii) beginning with the Fiscal Year ending June 30, 2018 and only with respect to the School, an update of certain information contained in Appendix A to the Official Statement as set forth on Schedule I attached hereto; provided that if any of such information is not available on or before the date of release of the Annual Report, such information shall be filed as soon thereafter as it is available; and(iii) beginning with the Fiscal Year ending June 30, 2018 and only with respect to the School, an Officer's Certificate from the School certifying as to compliance with the financial covenants set forth in Section 4.16(b) of the Lease Agreement.

(b) Each Quarterly Report shall be provided only with respect to the School and shall contain, for each fiscal quarter:

(i) an unaudited balance sheet and a statement of operations of the School as of the end of such quarter, including a comparison of actual results to budget; and

(ii) with respect to the Quarterly Report for the fiscal quarter ending September 30 only, updated fall enrollment data (as of October 15).

(c) Each Annual Response to Investors shall contain the response to the Bondholder inquiries received as described in Section 4(c) below.

Section 4. Provision of Annual Reports, Quarterly Reports and Other Information, Annual Responses to Investors and Notices of Listed Events.

(a) Within 180 days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2019, the Disclosure Parties shall provide to the Dissemination Agent copies of the Annual Report and written direction to file such Annual Report with the MSRB. In each case, the Annual Report may be submitted by the Disclosure Parties as a single document or as separate documents comprising a package, and may cross-reference other information to the extent permitted by the Rule. Notwithstanding the foregoing, the audited financial statements of the Disclosure Parties may be submitted separately from the balance of the Annual Report when such audited financial statements are available.

(b) Within 45 days after the end of each fiscal quarter commencing with the fiscal quarter ending September 30, 2019, the School shall provide to the Dissemination Agent copies of the Quarterly Report and written direction to file such Quarterly Report with the MSRB.

(c) For 10 days following the publication and posting to EMMA of the Annual Report, Bondholders may e-mail related questions to the School. Within 20 days after such 10-day period or by the 30th day following the publication and posting to EMMA, the School

shall file, or give the Dissemination Agent written direction to file, the Annual Response to Investors and written direction to file such Annual Response to Investors to EMMA.

(d) In a timely manner not in excess of ten (10) Business Days after the occurrence of the event, the Borrower shall deliver or cause to be delivered to the Dissemination Agent for filing with the MSRB notice of any of the following events with respect to the 2019 Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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 2019 Bonds, or other material events affecting the tax status of the 2019 Bonds;

(vii) Modifications to rights of the Holders of the 2019 Bonds, if material;

(viii) Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property, if any, securing repayment of the 2019 Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Disclosure Parties;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Disclosure Parties or the sale of all or substantially all of the assets of the Disclosure Parties, 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; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(e) Either of the Disclosure Parties shall give, or shall cause the Dissemination Agent to give, notice in a timely manner to the MSRB of any failure by the Disclosure Parties to provide any information required pursuant to Section 4(a), (b), (c) or (d) above within the time limit specified therein.

(f) In lieu of providing any information specified in Section 4(a), (b), (c) or (d) to the Dissemination Agent, the Disclosure Parties may file such information directly with the MSRB.

(g) The School shall file on EMMA, or give written direction to the Dissemination Agent to file on EMMA, notice of any material atypical written communication from the Colorado Department of Education, within 14 days of receipt of such communication.

Section 5. Report by Dissemination Agent. Concurrently with the delivery to the MSRB of any information required pursuant to Sections 4(a), 4(b), 4(c) or 4(d) above, the Dissemination Agent shall confirm to the Disclosure Parties that it has filed such information with the MSRB.

Section 6. Termination of Agreement. The obligations of the Disclosure Parties under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2019 Bonds. The Disclosure Parties shall provide the Dissemination Agent with written notice that the obligations of the Disclosure Parties under this Agreement have terminated and a written request that the Dissemination Agent file a copy of such notice with the MSRB. If the obligations of the Borrower under the Loan Agreement or the obligations of either of the Disclosure Parties under the Lease Agreement are assumed in full by another obligated person (as defined in the Rule), such Person shall be responsible for compliance with this Agreement in the same manner as if it were the such Disclosure Party, and the Disclosure Party shall have no further responsibility hereunder.

Section 7. Amendment. The obligations of the Disclosure Parties under this Agreement may be amended, without notice to or consent of the Holders of the 201 7 Bonds, to the extent required or permitted as a result of a change in the legal requirements, or in connection with a change in the identity, nature, corporate organization, or status of the Disclosure Parties, or the type of business conducted by the Disclosure Parties, or in connection with a corporate reorganization of the Disclosure Parties; provided that any such modification of the obligations of the Disclosure Parties under this Agreement shall be done in a manner consistent with the Rule and either (i) does not materially impair the interests of Bondholders, in the determination of the Dissemination Agent (which may be based on an opinion of counsel); or (ii) is approved by the Holders of a majority in aggregate principal amount of the 2019 Bonds. No amendment to this Agreement shall change or modify the rights or obligations of the Trustee or any Dissemination Agent without its written assent

thereto, or with regard to any provision affecting the Authority, without the Authority's written assent thereto.

Section 8. Additional Information. Nothing in this Agreement shall be deemed to prevent the Disclosure Parties from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report, Quarterly Report, Annual Response to Investors or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Disclosure Parties choose to include any information in any Annual Report, Quarterly Report, Annual Response to Investors or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Disclosure Parties shall have no obligation under this Agreement to update such information or include it in any future Annual Report, Quarterly Report, Annual Response to Investors or notice of occurrence of a Listed Event.

Section 9. Transmission of Information and Notices. Unless otherwise required by law, all documents provided by the Disclosure Parties directly to the MSRB, or to the Dissemination Agent for filing with the MSRB, in compliance with Section 4 shall be provided to the MSRB or the Dissemination Agent, as applicable, in an electronic word-searchable PDF format (which requirement extends to all documents to be filed, including financial statements and other externally prepared reports), and shall be accompanied by identifying information, in each case as prescribed by the MSRB. As of the date of this Agreement, the MSRB has established EMMA as its continuing disclosure service for purposes of the Rule, and unless and until otherwise prescribed by the MSRB, all documents provided to the MSRB in compliance with Section 4 shall be submitted through EMMA in the format prescribed by the MSRB.

Section 10. Default. Any Bondholder may enforce the obligations of the Disclosure Parties under this Agreement; provided however that (i) any breach of such obligations shall not constitute or give rise to a default or an Event of Default under the Bond Documents, the 2019 Bonds or any other document or agreement relating to the 2019 Bonds, and (ii) the sole remedy for any such breach shall be to compel specific performance of the obligations of the Disclosure Parties under this Agreement.

Section 11. Beneficiaries. This Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Underwriter, the Disclosure Parties and Bondholders, and shall create no rights in any other Person.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and the Rule.

Section 13. Severability. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 14. Dissemination Agent's Rights and Duties. The Dissemination Agent shall have only such duties as are specifically set forth herein and no implied covenants or obligations shall be read into this Agreement against the Dissemination Agent. The Dissemination Agent (i) shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in

connection therewith, except for its own gross negligence or willful misconduct, (ii) shall not be obligated to take any legal action or other action hereunder, which might in its judgment involve any expense or liability unless it has been furnished with indemnification satisfactory to it, and (iii) shall be entitled to consult with counsel satisfactory to it, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel. The duties and responsibilities of the Dissemination Agent hereunder shall be determined solely by the express provisions of this Agreement, and no further duties or responsibilities shall be implied. The Dissemination Agent shall not have any liability under, or duty to inquire into the terms and provisions of any agreement or instructions, other than as outlined in this Agreement. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Dissemination Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. Any information mentioned in this Agreement, including any Annual Report or any information with respect to any event specified in Section 4(b) of this Agreement, shall be sufficiently authenticated for purposes of dissemination under this Agreement if it is accompanied by a written instrument signed by an authorized officer or employee of the Disclosure Parties. The Dissemination Agent shall not incur any liability for following the instructions herein contained or expressly provided for, or written instructions given by the other parties hereto. In the administration of this Agreement, the Dissemination Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Dissemination Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Dissemination Agent may resign and be discharged of its duties and obligations hereunder by giving notice in writing of such resignation specifying a date when such resignation shall take effect. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent under this Agreement without further act. The Disclosure Parties covenant and agree, jointly and severally, to defend, indemnify and hold the Dissemination Agent and its directors, officers, agents and employees (collectively, the "Indemnitees") harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses, including out-of-pocket, incidental expenses, reasonable legal fees and expenses and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any instruction or other direction upon which the Dissemination Agent is authorized to rely pursuant to the terms of this Agreement. In addition to and not in limitation of the immediately preceding sentence, the Disclosure Parties also covenant and agree, jointly and severally, to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Indemnitees or any of them in connection with or arising out of or in the Dissemination Agent's exercise or performance under this Agreement provided the Dissemination Agent has not acted with gross negligence or engaged in willful misconduct. Anything in this Agreement to the contrary notwithstanding, in no event shall the Dissemination Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits),

even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The Disclosure Parties hereby agree, jointly and severally, to pay reasonable compensation to the Dissemination Agent for, and all costs and expenses (including attorneys' fees) of the Dissemination Agent incurred in, performing the services required of the Dissemination Agent under this Agreement. No provision of this Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under this Agreement or in the exercise of any of its rights or powers. This Section 14 shall survive termination of this Agreement, the resignation or removal of the Dissemination Agent for any reason, and the payment of the Bonds.

Section 15. No Recourse to Authority; Indemnified Parties. No recourse shall be had for the performance of any obligation, agreement or covenant of the Disclosure Parties, the Trustee or the Dissemination Agent under this Agreement against the Authority or against any member, official, employee, counsel, consultant and agent of the Authority or any person executing the Bonds. The Disclosure Parties agree to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant and agent of the Authority, and the Trustee (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the Disclosure Parties' or the Dissemination Agent's failure to perform or observe any of its obligations, agreements or covenants under the terms of this Agreement but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such failure of the Disclosure Parties or the Dissemination Agent to perform. In case any action shall be brought against the Indemnified Parties based upon this Agreement in respect of which indemnity may be sought against the Disclosure Parties, the Indemnified Parties shall promptly notify the Disclosure Parties in writing. Upon receipt of such notification, the Disclosure Parties shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action and the right to negotiate and settle any such action on behalf of such party. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless the employment of such counsel has been specifically authorized by the Disclosure Parties, or unless by reason of conflict of interest determined by the written opinion of counsel shall be borne by the Disclosure Parties. The Disclosure Parties shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Disclosure Parties or if there be a final judgment for the plaintiff in any such action with or without written consent, the Disclosure Parties agree to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Agreement shall require the Disclosure Parties to indemnify and hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence, recklessness or intentional misconduct of the Indemnified Parties in connection with the Disclosure Parties' or the Dissemination Agent's performance of their obligations, agreements and covenants under this Agreement. The indemnification rights under this Section 15 do not limit, and are in addition to, any other indemnification rights of the Indemnified Parties.

Section 16. Execution. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 17. Notices. Unless otherwise provided herein, all notices, certificates, requests or other communications hereunder shall be given by telecopier or electronic transmission and promptly confirmed in writing and shall be deemed given when given by telecopier or electronic transmission or addressed as follows:

School:

West Ridge Academy Charter School
6905 West 8th Street
Greeley, Colorado 80634
Attn: President, Board of Directors
Telephone:
Email:

Borrower:

WRA Building Corporation
6905 West 8th Street
Greeley, Colorado 80634
Attn: President, Board of Directors
Telephone:
Email:

Dissemination Agent:

UMB Bank, n.a.
1670 Broadway
Denver, Colorado 80202
Attn:
Telephone:
Email:

Each of the above parties may, by written notice given hereunder to the others, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications shall be sent. In addition, the parties hereto may agree to any other means by which subsequent notices, certificates, requests or other communications may be sent.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Continuing Disclosure Agreement to be executed in its name and in its behalf, all as of the date and year first above written.

WEST RIDGE ACADEMY CHARTER SCHOOL

By:_____
Name:_____
Title:_____

WRA BUILDING CORPORATION

By:_____
Name:_____
Title:_____

UMB BANK, N.A., as Dissemination Agent

By:_____
Name:_____
Title:_____

[Signature Page to Continuing Disclosure Agreement]

SCHEDULE I

INFORMATION SET FORTH IN APPENDIX A
TO BE UPDATED IN EACH ANNUAL REPORT

Pursuant to Section 3(a)(ii) of this Agreement, each Annual Report shall include an update of the following information set forth in Appendix A to the Official Statement:

1. Figure 4 - Attendance & Retention Rates

2. Figure 28 - Per-Pupil Funding Rate

3. Enrollment data (except to the extent included in the quarterly report provided pursuant to Section 3(b)(ii))

4. Results with respect to state-mandated student assessments (but only to the extent such information is available from the Colorado Department of Education and is authorized for public disclosure)

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APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") New York, New York and DTC's book-entry-only system has been obtained from DTC, and the Authority, Corporation, Charter School, Trustee and Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 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 2019 Bonds in the aggregate principal amount of the Series 2019 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 an S&P Global Inc. 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 and www.dtc.org.

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 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 2019 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 2019 Bonds, except in the event that use of the book entry-system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 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 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 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 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Bond documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 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.

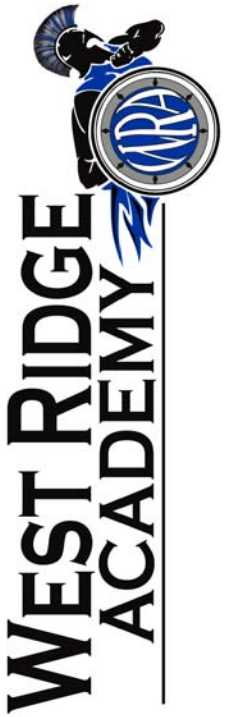
Redemption notices will be sent to DTC. If less than all of the Series 2019 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 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 2019 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 2019 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.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 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 2019 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.



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