



Dear Director Kremer,

Thank you for meeting with us. We appreciate the clarity from our chat today. We understand that you want current, to date enrollment figures as well as information on the line of credit from Learning Matters Educational Group to ThrivePoint Academy of Utah, the budget and breakeven analysis, and information about our MOUs.

In addition to the information here, we are also attaching the draft minutes from ThrivePoint's board meeting where the line of credit and budget were approved, and the MOUs that were written with each school.

Enrollment

Enrollment as of June 23rd stands at 54 students (~77% of break-even analysis) with 39 additional students in the enrollment pipeline and 180+ prospective families engaged with enrollment specialists. ThrivePoint Academy of Utah operates as the educational equivalent of urgent care, serving families requiring immediate academic solutions rather than scheduled placements, creating predictable demand surges during summer transitions and mid-year educational crises (August-September, January-March). Conservative projections indicate 160+ enrolled students by October 1, with internal models forecasting 300+ enrollments based on historical performance across 12 campus locations.

Line of Credit

Attached is the Promissory Note regarding the Line of Credit (loan) between LMEG and ThrivePoint Academy of Utah that was approved during the most recent board meeting on June 18, 2025. Key details are listed below and as mentioned in our conversation this morning, the Line of Credit exists solely to ensure the success of ThrivePoint Academy of Utah by bridging any funding gaps. The terms in this Promissory Note can be renegotiated by the Board of ThrivePoint Academy of Utah, if necessary, to maintain financial stability. For example, a similar Line of Credit was provided to ThrivePoint Academy of Nevada, and during the first year of operation, all payments were deferred without any accrual of interest for more than 6 months while waiting on the results of an expected enrollment audit for first-year schools.

Line of Credit Terms for ThrivePoint Academy of Utah:

- Line of Credit Amount: Up to \$1,300,000.00
- Interest Rate:
 - 0% until December 1, 2025
 - Applicable Federal Rate (AFR) plus twenty-five basis points (0.25%) after December 1, 2025
- Duration: through July 1, 2027

Break-Even Analysis

Attached is the revised break-even analysis for ThrivePoint Academy of Utah that is based on enrollment of 70 students. As mentioned in our conversation this morning, this is a marked



change from the original budget analysis and that is due to clarification on the budget expectation (budget vs break-even) and changes in the level of support and systems provided by LMEG since the original Charter application in 2023. A foundational benefit of LMEG as a CMO and of the operational model of ThrivePoint Academy of Utah is the ability to scale based on enrollment. You'll see in the break-even analysis that ThrivePoint Academy of Utah is stable at 70 students, and we expect to have more than double that number of students enrolled before October 1st.

MOU

ThrivePoint Academy of Utah has entered into two MOUs. One is with Mountain Heights Academy, and one is with Itineris Early College High School. Mountain Heights Academy is a fully online charter school serving students in grades 7-12. They lead in digital education with a mission to develop connected and successful learners. Itineris Early College High School serves students in grades 9-12 in an in-person model that supports students seeking to earn college credit while still in high school. These are both powerful partnerships because we serve similar grade bands, and we meet different student needs. In SY 24 Itineris Early College High School had approximately 8% of its students transfer out. Mountain heights Academy had approximately 22% of its students transfer out. Transfer rate is a good indication of students having different needs than the school provides. This means that potentially 233 students could enroll in ThrivePoint Academy of Utah from these two partnerships alone.

A third MOU with Roots Charter High School is in draft. While nothing has been signed, this MOU was initiated by the Roots Charter High School director.

Comparative Analysis

A comparison to our Grovers campus in Arizona (50-75 enrollments year-over-year)

Proven Success:

The answer to whether our educational model can succeed with smaller enrollment numbers lies in over a decade of documented success at our Arizona Grovers campus, which has consistently operated with 50-75 students while delivering exceptional educational outcomes and maintaining full operational sustainability, exactly the enrollment range ThrivePoint Academy of Utah currently has – with the confidence that number will grow to capacity throughout the first year.

Blueprint for Utah Success:

Grovers' campus proves that excellence doesn't require large numbers, and ThrivePoint Academy of Utah is currently set to replicate this model. With five dedicated staff members serving 50-75 students, Grovers has maintained financial viability and educational effectiveness for over a decade. Utah will launch with identical staffing: one Campus Leader who maintains a direct student caseload as needed, two Subject Matter Expert Teachers (ELA/Social Studies and relevant electives + Math/Science and relevant



electives), one student success coach, and one administrative assistant - a proven team structure that delivers comprehensive educational services at our target scale.

ThrivePoint's Educational Model:

The foundation of ThrivePoint's scalable success lies in our innovative approach that maximizes educational impact while optimizing resource efficiency. Students access our comprehensive online curriculum and instructional staff throughout the week, providing flexible learning opportunities that accommodate diverse schedules and learning styles. This digital foundation is enhanced by strategically scheduled in-person or online small group sessions - two hours, twice weekly - where students receive intensive, personalized academic support and monitoring. These small group settings, typically consisting of 5-6 students per session, allow our Subject Matter Expert Teachers and Student Success Coach to provide individualized attention, track academic progress in real-time, and address specific learning needs immediately. This model ensures every student receives both the independence of self-paced online learning and the accountability of regular face-to-face academic coaching, creating an educational experience that delivers exceptional outcomes whether we're serving 50 students or 400+ students per campus.

Learning Matters EMO Advantage for Utah:

As ThrivePoint Academy of Utah's EMO, Learning Matters Educational Group will provide the critical "district-level" infrastructure that makes small-scale operations sustainable. Just as Arizona's district office supports Grovers with specialized services like Special Education, Academic Counseling, and Wellness Support, etc. Learning Matters will ensure Utah students receive comprehensive services regardless of campus size. This partnership eliminates the financial burden of maintaining full specialist staff at a single location while guaranteeing service quality.

Utah's Path to Multi-Campus Success:

As ThrivePoint Academy of Utah grows in enrollment and capacity, Learning Matters will scale district support accordingly. When Utah expands to multiple campuses - following our proven model - Learning Matters will transition from supporting one Utah campus to managing a local Utah "district," replicating the operational excellence that has made our Arizona network successful.

History of Success:

Our proven track record speaks definitively - ThrivePoint's educational model delivers exceptional results whether serving 50 students at our smallest Arizona campus or approaching 1,000 students at our largest locations. This isn't a theoretical promise; it's documented performance across decades and multiple markets. With Learning Matters Educational Group providing robust EMO support and our innovative educational model ensuring personalized attention at any scale, ThrivePoint Academy of Utah is positioned not just to succeed, but to fill a critical educational gap in Utah communities. Our confidence stems from reality: we've already proven this model works at Utah's current



enrollment levels, and we've demonstrated sustainable growth to meet increasing community demand.

EMO and ThrivePoint Relationships

Based on the ThrivePoint Academy of Utah breakeven budget of 70 students, the Learning Matters Educational Group management fees, or fees related to the curriculum and technology services provided by the contract, are not included for the school to be sustainable. To ensure the school can function and meet all financial obligations, Learning Matters will agree to waive the Management fees and the Curriculum and Technology fees for the 2025-2026 Fiscal Year. If, as of October 1st, 2025, the enrollment is higher than the breakeven number, Learning Matters will work with ThrivePoint Academy of Utah governing board to determine a fee structure, provided these fees do not affect the school's fiscal stability.

Thank you again for meeting with us. We are confident that the information provided will meet staff and the SCSB's threshold to certify ThrivePoint Academy's opening. We look forward to a successful inaugural year and a lasting partnership as an SCSB authorized school.

Sincerely,
William Evans, Ed.D.