

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY [], 2022**NEW ISSUE
BOOK-ENTRY-ONLY****CHARTER SCHOOL CREDIT ENHANCEMENT PROGRAM RATING: S&P Global Ratings “[]”
CHARTER SCHOOL’S CREDIT RATING: S&P Global Ratings “BBB-”
(See: “MISCELLANEOUS – Ratings”)**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Series 2022A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion based on existing laws of the State of Utah as enacted and construed that the interest on the Series 2022A Bonds and the Series 2022B Bonds is exempt from individual income taxation by the State of Utah. Interest on the Series 2022B Bonds is included in gross income for federal income tax purposes. See “TAX MATTERS” in this Official Statement.



**\$(PAR-A)*
UTAH CHARTER SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(SYRACUSE ARTS ACADEMY PROJECT)
SERIES 2022A**

**\$(PAR-B)*
UTAH CHARTER SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(SYRACUSE ARTS ACADEMY PROJECT)
SERIES 2022B (FEDERALLY TAXABLE)**

Dated: Date of Delivery**Due: As shown on the inside cover**

The Series 2022 Bonds will be issued by the Utah Charter School Finance Authority (the “Authority”) as fully registered bonds pursuant to a Trust Indenture, dated as of February 1, 2017 (the “Original Indenture”), as supplemented by a First Supplement to Trust Indenture, dated as of March 1, 2022 (the “First Supplement to Trust Indenture” and together with the Original Indenture, the “Indenture”), each between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the “Trustee”). The Series 2022 Bonds will be issued in Authorized Denominations and bear interest payable semiannually on April 15 and October 15 of each year, commencing [April/October] 15, [2022]*, until maturity or earlier redemption. DTC will act as securities depository for the Series 2022 Bonds, and the Series 2022 Bonds will be registered in the name of Cede & Co., as nominee of DTC. Capitalized terms used on this cover page are defined in APPENDIX E and in the Introduction to this Official Statement.

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

The proceeds derived from the sale of the Series 2022 Bonds will be loaned by the Authority to Syracuse Arts Academy (the “Charter School”) pursuant to the Loan Agreement, dated as of February 1, 2017 (the “Original Loan Agreement”), as amended by a First Amendment to Loan Agreement, dated as of August 1, 2021 (the “First Amendment to Loan Agreement”), as further amended by a Second Amendment to Loan Agreement, dated as of March 1, 2022 (the “Second Amendment to Loan Agreement” and together with the Original Loan Agreement and the First Amendment to Loan Agreement, the “Loan Agreement”), each by and between the Authority and the Charter School to (a) finance the costs of certain improvements (collectively, the “Series 2022 Improvements”) to the charter school facilities located at 2893 West 1700 South in Syracuse, Utah (the “Antelope Campus”) and 357 South 1550 West in Syracuse, Utah (the “North Campus”), (b) reimburse the Charter School for a portion of the costs associated with the acquisition of an approximately 15 acre piece of additional land located adjacent to the Antelope Campus (together with the Series 2022 Improvements, the “Series 2022 Facilities”), (c) fund the Debt Service Reserve Fund Requirement for the Series 2022 Bonds as set forth herein, (d) fund a capitalized interest account as set forth herein, and (e) pay certain issuance expenses (collectively, the “Series 2022 Project”). *The Series 2022 Bonds are being issued as Additional Bonds under the Indenture on parity with the Outstanding Series 2017 Bonds previously issued by the Authority pursuant to the Original Indenture and the Original Loan Agreement as further described herein.*

The Series 2022 Bonds are subject to optional, extraordinary and mandatory sinking fund redemption prior to maturity as set forth herein.

The Series 2022 Bonds constitute limited obligations of the Authority and except to the extent payable from Series 2022 Bond proceeds, investment income, certain funds held under the Indenture, and amounts that may be appropriated by the State of Utah pursuant to the Act, are payable solely from certain payments, revenues and other amounts derived by the Authority pursuant to the Loan Agreement. The Series 2022 Bonds are secured solely by the Trust Estate, which is limited to (a) the rights and interests of the Authority under the Loan Agreement, except the Authority’s Unassigned Rights, (b) the Project and all rights and interests of the Authority in the Project, subject to Permitted Encumbrances, except the Authority’s Unassigned Rights, (c) the Pledged Revenues and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except the Authority’s Unassigned Rights, (d) the rights and interests of the Authority and the Charter School under the Mortgage and the Promissory Notes, and (e) all Funds created in the Indenture (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund), except for moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Series 2022 Bonds that are no longer deemed to be Outstanding, and all trust accounts containing all insurance and condemnation proceeds and all revenues payable to the Trustee by or for the account of the Authority pursuant to the Loan Agreement and the Indenture, subject to the provisions of the Indenture.

Pursuant to the Indenture, the Authority has covenanted to request appropriations from the State Legislature under the Charter School Credit Enhancement Program by certifying by December 1 of each year to the Governor of the State the amount, if any, required to restore amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

THE SERIES 2022 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DO NOT GIVE RISE TO A GENERAL OBLIGATION OR LIABILITY OF THE AUTHORITY OR CHARGE AGAINST ITS GENERAL CREDIT AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY. THE SERIES 2022 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE STATE OF UTAH OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2022 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE AUTHORITY, THE STATE OF UTAH OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY DOES NOT HAVE ANY TAXING POWER.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement, including the Appendices hereto, 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 2022 Bonds are offered when, as, and if issued by the Authority subject to the approval of legality and certain other matters by Gilmore & Bell, P.C., Salt Lake City, Utah, as Bond Counsel. Gilmore & Bell, P.C., Salt Lake City, Utah, is also acting as disclosure counsel to the Authority, and in such capacity has assisted in the preparation of this Official Statement. Certain legal matters will be passed upon for the Charter School by its counsel Dorsey & Whitney LLP, Salt Lake City, Utah, and for the Authority by its general counsel, the Attorney General of the State of Utah, and Orrick, Herrington & Sutcliffe LLP, San Francisco, California. Zions Public Finance, Inc. is acting as financial advisor to the Authority in connection with the issuance of the Series 2022 Bonds. Lewis Young Robertson & Burningham, Inc. is acting as financial advisor to the Charter School in connection with the issuance of the Series 2022 Bonds. It is expected that the Series 2022 Bonds will be available for delivery through the facilities of DTC on or about February [], 2022*.

D.A. Davidson & Co.**This Official Statement is dated _____, 2022.**

* Preliminary, subject to change.

MATURITY SCHEDULE*

**UTAH CHARTER SCHOOL FINANCE AUTHORITY
Charter School Revenue Bonds
(Syracuse Arts Academy Project)**

\$(PAR-A)* Series 2022A

TERM BONDS

\$(_____) * [_____] % Term Bond maturing [_____] 15, 20[_____] *, Yield: [_____] %, Price: [_____] %
CUSIP: _____[®]

\$(_____) * [_____] % Term Bond maturing [_____] 15, 20[_____] *, Yield: [_____] %, Price: [_____] %
CUSIP: _____[®]

\$(_____) * [_____] % Term Bond maturing [_____] 15, 20[_____] *, Yield: [_____] %, Price: [_____] %
CUSIP: _____[®]

\$(PAR-B)* Series 2022B (Federally Taxable)

TERM BONDS

\$(PAR-B) * [_____] % Term Bond maturing [_____] 15, 20[_____] *, Yield: [_____] %, Price: [_____] %
CUSIP: _____[®]

* Preliminary, subject to change.

[®] CUSIP is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of ABA, and is set forth herein for convenience for reference only. None of the Charter School, the Authority, or the Underwriter are responsible for the selection of CUSIP numbers and none of them make any representation as to their correctness on the Series 2022 Bonds or as set forth in this Official Statement.

Authority

Utah Charter School Finance Authority
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Sophia DiCaro, Vice-Chair
Scott Jones, Secretary

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Bond and Disclosure Counsel to the Authority

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Nathan Schow, Vice Chair
Mary Johnston, Secretary
Rene Dreiling, Financial Coordinator
Jerrad Pullum, CSBBO

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Salt Lake City, Utah

Financial Advisor to the Charter School

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Salt Lake City, Utah

Underwriter

D.A. Davidson & Co.
Denver, Colorado

Trustee and Paying Agent

U.S. Bank Trust Company, National Association
Salt Lake City, Utah

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 2022 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, 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 or the Underwriter since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

EXCEPT FOR THE INFORMATION CONTAINED UNDER THE CAPTIONS “INTRODUCTION – THE AUTHORITY,” “THE AUTHORITY” AND “LEGAL MATTERS – PENDING AND THREATENED LITIGATION – NO PROCEEDINGS AGAINST THE AUTHORITY,” THE AUTHORITY NEITHER HAS NOR WILL ASSUME ANY RESPONSIBILITY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION IN THIS OFFICIAL STATEMENT.

Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Series 2022 Bonds or this Official Statement. Any representation to the contrary is unlawful.

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INTRODUCTION

The purpose of this Official Statement is to provide certain information concerning the issuance and sale by the Utah Charter School Finance Authority (the “Authority”) of its \$[PAR-A]* aggregate principal amount of Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A (the “Series 2022A Bonds”) and its \$[PAR-B]* aggregate principal amount of Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable) (the “Series 2022B Bonds” and together with the Series 2022A Bonds, the “Series 2022 Bonds”) being issued on parity basis with the Authority’s Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2017 in the original aggregate principal amount of \$29,270,000 (the “Series 2017 Bonds”). The Series 2022 Bonds are being issued pursuant to a Trust Indenture, dated as of February 1, 2017 (the “Original Indenture”), as supplemented by a First Supplement to Trust Indenture, dated as of March 1, 2022 (the “First Supplement to Trust Indenture” and together with the Original Indenture, the “Indenture”), each by and between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee thereunder (the “Trustee”), and the proceeds thereof will be loaned by the Authority to Syracuse Arts Academy (the “Charter School”) pursuant to a Loan Agreement, dated as of February 1, 2017 (the “Original Loan Agreement”), as amended by a First Amendment to Loan Agreement, dated as of August 1, 2021 (the “First Amendment to Loan Agreement”), as further amended by a Second Amendment to Loan Agreement, dated as of March 1, 2022 (the “Second Amendment to Loan Agreement” and together with the Original Loan Agreement and the First Amendment to Loan Agreement, the “Loan Agreement”), each by and between the Authority and the Charter School. Capitalized terms used but not defined in this Official Statement have the meanings assigned to them in APPENDIX E hereto. The offering of the Series 2022 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 2022 Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement and the appendices hereto, the words “estimate,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

Purpose of the Issue Proceeds of the Series 2022 Bonds will be used to (a) finance the costs of certain improvements (collectively, the “Series 2022 Improvements”) to the charter school facilities located at 2893 West 1700 South in Syracuse, Utah (the “Antelope Campus”) and 357 South 1550 West in Syracuse, Utah (the “North Campus”), (b) reimburse the Charter School for a portion of the costs associated with the acquisition of an approximately 15 acre piece of additional land located adjacent to the Antelope Campus (the “Additional Antelope Campus Parcel”) (together with the Series 2022 Improvements, the “Series 2022 Facilities”), (c) fund the Debt Service

* Preliminary, subject to change.

Reserve Fund Requirement for the Series 2022 Bonds as set forth herein, (d) fund a capitalized interest account as set forth herein, and (e) pay certain issuance expenses (collectively, the “Series 2022 Project”).

The Series 2022 Bonds are being issued on parity with the Outstanding Series 2017 Bonds previously issued by the Authority pursuant to the Original Indenture and the Original Loan Agreement. The Series 2017 Bonds were issued for the purposes of (i) refinancing the costs of the acquisition and equipping of the Antelope Campus; (ii) financing the acquisition of certain charter school facilities located at 357 South 1550 West in Syracuse, Utah (the “North Campus” and together with the Antelope Campus, the “Series 2017 Facilities”); (iii) funding the Debt Service Reserve Fund Requirement for the Series 2017 Bonds; and (vii) paying certain issuance expenses relating to the Series 2017 Bonds.

The Authority..... The Authority is an independent public body politic and corporate constituting a public instrumentality and political subdivision of the State of Utah (the “State” or “Utah”). The Authority, pursuant to Title 53G, Chapter 5, Part 6, Utah Code Annotated 1953, as amended, and the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (together, the “Act”), is empowered to issue the Series 2022 Bonds to provide funds for the financing of the costs of the Series 2022 Project. See “THE AUTHORITY.”

Under the Loan Agreement, the Charter School will agree to provide the Authority with certain ongoing reports and certificates from time to time as described herein under the heading “APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT – Audits; Financial Statements; Reports; Annual Certificate.” However, the Authority has not monitored and is under no obligation to monitor the financial condition of the Charter School, the operation of the Facilities or otherwise monitor payment of the Series 2022 Bonds or compliance with the documents relating thereto. The responsibility for the operation of the Facilities will rest entirely with the Charter School.

The Authority is not pledging its general credit to the Series 2022 Bonds. The Series 2022 Bonds are limited obligations of the Authority. No recourse by any holder of a Series 2022 Bond will be had for the payment of the principal of, premium, if any, or interest on any of the Series 2022 Bonds or for any claim based thereon or upon any obligation, covenant, or agreement in the Indenture or the Loan Agreement, against any past, present or future officer, member, counsel, advisor or agent of the Authority or any successor thereto, as such, directly or through the Authority or any successor thereto, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, member, counsel, advisor or agent as such has been expressly waived as a condition of and in consideration of the execution of the Indenture, the Loan Agreement and the issuance of the Series 2022 Bonds.

The Charter School..... The Charter School is a Utah public charter school and a Utah nonprofit corporation organized under the laws of the State. The Charter School received a 501(c)(3) determination letter from the Internal Revenue Service on February 4, 2008, effective as of November 8, 2006, 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 income taxation under Section 501(a) of the Code (except with respect to “unrelated business taxable income” within the meaning of Section 512(a) of the Code). The Charter School was incorporated on November 8, 2006, and is organized under Title, 16, Chapter 6a, Utah Code Annotated, and in accordance with Title 53G, Chapter 5, Utah Code Annotated, as amended (the “Charter Schools Act”).

The Charter School operates under a charter school agreement (the “Charter Contract”) which has a perpetual term and will continue unless terminated by either the Charter School’s governing board or the Utah State Charter School Board (the “State Charter School Board”) for the grounds set forth in the Charter Contract or the Charter Schools Act. See “RISK FACTORS – Revocation of Charter Contract” and “APPENDIX B – THE CHARTER SCHOOL.”

The State Payments (defined below) made by the Utah State Treasurer to the Charter School pursuant to the Charter Schools Act which are principally based on the Charter School’s average daily membership for the prior school year plus a growth factor determined on October 1 of the current school year are the primary source of revenues for the Charter School.

School Facilities..... The Charter School currently owns and operates the Antelope Campus and the North Campus. The Charter School refinanced the costs of the acquisition and equipping of the Antelope Campus and financed the costs of the acquisition of the North Campus with the proceeds of the Series 2017 Bonds.

The Antelope Campus consists of an elementary school building and a junior high building located on an approximately 21.57 acre site (which was approximately 6.48 acres prior to the acquisition of the Additional Antelope Campus Parcel) located at 2893 West 1700 South, Syracuse, Utah. The North Campus consists of an elementary school building located on an approximately 8.40 acre site located at 357 South 1550 West, Syracuse, Utah.

On August 11, 2021, the Charter School acquired the Additional Antelope Campus Parcel to compensate for the loss of an approximately 0.40 acre piece of land relating to the expansion of Utah Department of Transportation’s West Corridor.

The elementary school building located at the Antelope Campus currently consists of approximately 41,616 square feet on one level. The existing building includes classrooms, a kitchen, a library, an office area, a multi-purpose room and common areas.

The junior high school building located at the Antelope Campus currently consists of approximately 54,326 square feet on two levels. The existing building includes classrooms, office areas, an auditorium, a kitchen, gymnasium and common areas.

The elementary school building located at the North Campus currently consists of approximately 57,000 square feet on two levels. The existing building includes classrooms, a library, an office area, a cafeteria, a kitchen, a multi-purpose room and common areas. The property also contains an amphitheater consisting of approximately 4,838 square feet.

The Charter School will use a portion of the proceeds of the Series 2022 Bonds to finance the costs of the Series 2022 Improvements. The Series 2022 Improvements will include [_____].

See “APPENDIX B – THE CHARTER SCHOOL” for a more detailed description of the Charter School and the Facilities.

Charter School Credit

Enhancement Program The Charter School has been designated a “qualifying charter school” by the Authority pursuant to the Act and the guidelines of the Authority promulgated thereunder, and accordingly, the Series 2022 Bonds are to be issued under the Charter School Credit Enhancement Program (the “Credit Enhancement Program”), codified as Section 53G, Chapter 5, Part 6, Utah Code Annotated 1953, as amended (the “Utah Code”).

Security The Series 2022 Bonds constitute limited obligations of the Authority and except to the extent payable from Series 2022 Bond proceeds, investment income, certain funds held under the Indenture, and amounts that may be appropriated by the State pursuant to the Act, are payable solely from certain payments, revenues and other amounts derived by the Authority pursuant to the Loan Agreement. The Series 2022 Bonds are secured solely by the Trust Estate, which is defined in the Indenture to include (a) the rights and interests of the Authority under the Loan Agreement, except the Authority’s Unassigned Rights (as defined in the Indenture), (b) the Project and all rights and interests of the Authority in the Project, subject to Permitted Encumbrances, except the Authority’s Unassigned Rights, (c) the Pledged Revenues (defined below) and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except the Authority’s Unassigned Rights, (d) the rights and interests of the Authority under the Mortgage and the Promissory Notes, and (e) all Funds created in the Indenture (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund), except for moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Series 2022 Bonds that are no longer deemed to be Outstanding, and all trust accounts containing all insurance and condemnation proceeds and all Revenues payable to the Trustee by or for the account of the Authority pursuant to the Loan Agreement and the Indenture, subject to the provisions of the Indenture (collectively, the “Trust Estate”).

As defined in the Indenture, the Pledged Revenues consist of State Payments received by the Charter School plus all revenues, rentals, fees, third-party payments, receipts, donations, contributions or other income of the Charter School, to the extent permitted thereby and by law, including accounts receivables or other rights to receive such revenues, including, without limitation, proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Charter School; and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent permitted by the terms thereof and by law (collectively the “Pledged Revenues”). The State Payments generally included in the Pledged Revenues consist of any and all payments made by the State to the Charter School pursuant to the Charter Schools Act which are permitted to be used as Pledged Revenues (the “State Payments”).

Payments received by the Authority from the Charter School under the Loan Agreement are expected to be the Authority’s sole source of Pledged Revenues. The pledge of the Charter School’s Loan Payments with respect to the Series 2022 Bonds under the First Amendment to Loan Agreement is on a parity with the Charter School’s pledge of Loan Payments with respect to the Series 2017 Bonds under the Original Loan Agreement. See “SECURITY FOR THE SERIES 2022 BONDS” in this Official Statement.

The obligations of the Charter School to make the payments required under the Loan Agreement and observe the other agreements on its part contained therein are absolute and unconditional and are a recourse obligation of the Charter School; such obligations are further secured by the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of February 1, 2017 as supplemented by the First Amendment to Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated August 6, 2021 as further amended by the Second Amendment to Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated February [], 2022 (collectively, the “Mortgage”).

The Charter School is using the Credit Enhancement Program, codified as Section 53G, Chapter 5, Part 6 of the Utah Code, for the Series 2022 Bonds. On or before December 1 of each year, the Authority must, pursuant to Section 53G-5-606(9)(a) of the Utah Code, certify to the Governor of the State the amount required, if any, to restore amounts on deposit in the debt service reserve funds with respect to all bonds issued under the Credit Enhancement Program, including the Debt Service Reserve Fund established in connection with the Series 2022 Bonds, to the respective debt service reserve fund requirements. The Governor must then request from the State Legislature an appropriation of the certified amount to restore such debt service reserve funds to the respective debt service reserve fund requirements. The State Legislature may, but shall not be required to, appropriate moneys from amounts on deposit in the Charter School Reserve Account created pursuant to Section 53F-9-303 of

the Utah Code or other available funds to restore amounts on deposit in any such debt service reserve fund to the respective debt service reserve fund requirement. See “SECURITY FOR THE SERIES 2022 BONDS” and “APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT.”

Debt Service

Reserve Account..... A portion of the Series 2022 Bonds will be deposited into the Debt Service Reserve Fund established pursuant to the Original Indenture in an amount equal to \$[_____] (which amount, together with the Maximum Annual Debt Service for the Series 2017 Bonds in an amount equal to \$1,881,500, represents the “Debt Service Reserve Fund Requirement”), which is equal to the Maximum Annual Debt Service on the Series 2022 Bonds and is pledged for the repayment of the Bonds. Upon the issuance of the Series 2022 Bonds, the Debt Service Reserve Requirement relating to the Series 2022 Bonds will be fully funded from proceeds of the Series 2022 Bonds. The Debt Service Reserve Fund is established for the purpose of securing the payment of the principal of and interest on the Bonds in the event moneys in the Bond Principal Fund and Bond Interest Fund are not sufficient to make such payments when due. See “SECURITY FOR THE SERIES 2022 BONDS.”

Limited Obligations..... The Series 2022 Bonds constitute limited obligations of the Authority and except to the extent payable from Series 2022 Bond proceeds, investment income, certain funds held under the Indenture, and amounts that may be appropriated by the State pursuant to the Act, are payable solely from certain payments, revenues and other amounts derived by the Authority pursuant to the Loan Agreement. The Series 2022 Bonds are secured solely by the Trust Estate. Payments to be received by the Authority from the Charter School will be the Authority’s sole expected source of the Pledged Revenues. THE SERIES 2022 BONDS DO NOT GIVE RISE TO A GENERAL OBLIGATION OR GENERAL LIABILITY OF THE AUTHORITY OR A CHARGE AGAINST ITS GENERAL CREDIT AND SHALL NEVER CONSTITUTE A DEBT, LIABILITY OR LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2022 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE AUTHORITY, THE STATE, OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION THEREOF, TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY DOES NOT HAVE ANY TAXING POWER. See “SECURITY FOR THE SERIES 2022 BONDS.”

Risk Factors..... A prospective purchaser is advised to read this entire Official Statement and the Appendices attached hereto in their entirety, particularly the section entitled “RISK FACTORS” herein, for a discussion of certain risk factors, which should be considered in connection with an investment in the Series 2022 Bonds.

Payment Provisions The Series 2022 Bonds mature and bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the inside cover page hereof. Interest on the Series 2022 Bonds is payable semiannually on April 15 and October 15 each year, commencing [April/October] 15, [2022]*.

Book-Entry-Only

Registration The Series 2022 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 (“DTC”), a securities depository. Beneficial ownership interests in the Series 2022 Bonds may be acquired in Authorized Denominations through participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for which Participants acquire interests in the Series 2022 Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Series 2022 Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2022 Bonds. So long as DTC or its nominee is the Registered Owner of the Series 2022 Bonds, payments of principal, premium, if any, and interest on the Series 2022 Bonds, as well as notices and other communications made by or on behalf of the Authority, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX H – 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 2022 Bonds are subject to optional, extraordinary and mandatory sinking fund redemption prior to maturity as set forth in “THE SERIES 2022 BONDS – Prior Redemption.”

Registration

and Denominations The Series 2022 Bonds are issued in fully registered form in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof.

Exchange and Transfer While the Series 2022 Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described in “APPENDIX H – BOOK–ENTRY–ONLY SYSTEM.”

No Acceleration without

Authority consent..... So long as the Series 2022 Bonds remain outstanding and there has not been a Non-Appropriation that is continuing the following provisions shall apply: (a) the maturity of the Bonds shall not be accelerated or the Bonds redeemed as a result of a default under the Loan Agreement, nor shall the maturity of the Loan be accelerated pursuant to the Loan Agreement

* Preliminary, subject to change.

without the prior written consent of the Authority, (b) if there has been an appropriation under the Credit Enhancement Program for the benefit of the Charter School that has not been reimbursed by the Charter School, the Authority shall be deemed to be the sole Owner of the Series 2022 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2022 Bonds are entitled to take pursuant to the Loan Agreement, the Mortgage and any other document related thereto, (c) to the extent not otherwise required, the Charter School shall pay or reimburse the Authority any and all charges, fees, costs and expenses which the Authority may reasonably pay or incur in connection with (i) the administration, enforcement, defense, or preservation of any rights or security in the Indenture or Loan Agreement, (ii) the pursuit of any remedies under the Indenture or any other related document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture, the Loan Agreement or any other related document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture, the Loan Agreement or the transactions contemplated thereby, and (d) the Indenture shall not be discharged and the Loan Agreement shall not be terminated until all obligations of the Charter School owing to the Authority or the State under the Credit Enhancement Program or otherwise shall have been paid in full. The Charter School's obligation to pay such amounts shall expressly survive payment in full of the Bonds. See "SECURITY FOR THE SERIES 2022 BONDS – Charter School Credit Enhancement Program" herein.

Tax Status..... In the opinion of Gilmore & Bell, P.C., Salt Lake City, Utah, Bond Counsel to the Authority, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2022A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion based on existing laws of the State of Utah as enacted and construed that interest on the Series 2022 Bonds is exempt from Utah individual income taxes. Interest on the Series 2022B Bonds is included in gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2022 Bonds. See "TAX MATTERS" and "APPENDIX F – FORM OF BOND COUNSEL OPINION" herein.

Authority for Issuance..... The Series 2022 Bonds are issued in full conformity with the constitution and laws of the State, and pursuant to the Act, to provide funds for the financing of the Series 2022 Project.

Delivery Information..... The Series 2022 Bonds are offered when, as, and if issued by the Authority and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel and certain other conditions. It is expected

that the Series 2022 Bonds will be available for delivery through the facilities of DTC on or about February [___], 2022*.

Financial Statements The Charter School’s audited financial statements for the fiscal years ended June 30, 2021, 2020, and 2019 by Eide Bailly, Ogden, Utah, are attached as APPENDIX C hereto.

Projections The projections of revenue, expenditures and debt service coverage for the Charter School attached as APPENDIX D hereto are projections of the future financial performance of the Charter School based upon certain assumptions made by the Charter School and contained therein. Such projections have been prepared and provided solely by the Charter School and have not been independently verified by any other party. No assurances can be given that the operations of the Charter School will equal or exceed the projections set forth in APPENDIX D.

Agents and Advisors Gilmore & Bell, P.C., Salt Lake City, Utah is acting as Bond Counsel to the Authority. Gilmore & Bell, P.C., Salt Lake City, Utah is also acting as disclosure counsel to the Authority and in such capacity has assisted in the preparation of this Official Statement. Certain legal matters will be passed upon for the Charter School by its counsel, Dorsey & Whitney LLP, Salt Lake City, Utah, and for the Authority by its general counsel, the Attorney General of the State of Utah, and Orrick, Herrington & Sutcliffe LLP, San Francisco, California. Zions Public Finance, Inc. is acting as financial advisor to the Authority in connection with the issuance of the Series 2022 Bonds. Lewis Young Robertson & Burningham, Inc. is acting as financial advisor to the Charter School in connection with the issuance of the Series 2022 Bonds. D.A. Davidson & Co. (the “Underwriter”) is serving as the underwriter for the Series 2022 Bonds. See “MISCELLANEOUS – Underwriting.” U.S. Bank Trust Company, National Association, Salt Lake City, Utah will serve as the Trustee for the Series 2022 Bonds. Certain fees that are payable with respect to the Series 2022 Bonds to various counsel, the Underwriter and the Trustee are contingent upon the issuance and delivery of the Series 2022 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 offices at 2893 West 1700 South, Syracuse, Utah 84075, Telephone (801) 784-5211, or from the Underwriter’s offices at 1550 Market Street, Suite 300, Denver, Colorado 80202.

* Preliminary, subject to change.

THE AUTHORITY

The Authority is a body politic and corporate of the State. Pursuant to the Act, the Authority is empowered to issue the Series 2022 Bonds to provide funds for the financing of the costs of the Series 2022 Project.

The Authority is not pledging its general credit to the Series 2022 Bonds. The Authority has not monitored and is under no obligation to monitor the financial condition of the Charter School, the operation of the Facilities or otherwise monitor payment of the Series 2022 Bonds or compliance with the documents relating thereto. The responsibility for the operation of the Facilities will rest entirely with the Charter School.

The Series 2022 Bonds are limited obligations of the Authority. No recourse by any holder of a Series 2022 Bond will be had for the payment of the principal of, premium, if any, or interest on any of the Series 2022 Bonds or for any claim based thereon or upon any obligation, covenant, or agreement in the Indenture or the Loan Agreement, against any past, present or future officer, member, counsel, advisor or agent of the Authority or any successor thereto, as such, directly or through the Authority or any successor thereto, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, member, counsel, advisor or agent as such has been expressly waived as a condition of and in consideration of the execution of the Indenture, the Loan Agreement and the issuance of the Series 2022 Bonds.

All payments made pursuant to the Loan Agreement will be made directly to the Trustee for disbursement to the Registered Owners. None of the revenues to pay the Series 2022 Bonds will come from the Authority and therefore the Authority's financial information and status is irrelevant to any investment decision with respect to the Series 2022 Bonds. As a result, no information regarding the Authority will be provided in respect of any continuing disclosure requirement relating to the Series 2022 Bonds. The Authority has not assumed responsibility for any information in this Official Statement, except for the information under this caption and the caption "LEGAL MATTERS – Pending and Threatened Litigation – *No Proceedings Against the Authority.*"

THE CHARTER SCHOOL

Syracuse Arts Academy is a Utah public charter school and a nonprofit corporation organized under the laws of the State. The Charter School received a 501(c)(3) determination letter from the Internal Revenue Service on February 4, 2008, effective as of November 8, 2006, 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 income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code). The Charter School was incorporated on November 8, 2006, and began operating under its Charter Contract in the 2006-07 school year with approximately 532 students in grades K-6. As of October 1, 2021, the Antelope Campus had an enrollment of 1,011 students in grades K-9 and the North Campus had an enrollment of 733 students in grades K-6, equaling a combined enrollment of 1,744 students for the 2021-22 school year.

The Charter School is governed by the Board of Directors for the Charter School (the "Board"), which is responsible for the academic and operations programs of the Charter School.

See "APPENDIX B – THE CHARTER SCHOOL" for a more detailed description of the Charter School.

THE MANAGER

Academica West, LLC, a Utah limited liability company (the “Manager”), Kaysville, Utah, is the manager of the Charter School. The Charter School and Academica West initially executed a Charter School Management Agreement on December 12, 2006, which was amended and restated pursuant to an Amended and Restated Charter School Services Agreement dated April 11, 2013 (the “Management Agreement”). Pursuant to the Management Agreement, Academica West provides services relating to the management, operation and performance of the Charter School. The Manager currently serves 21 charter schools and over 16,900 students throughout Utah, including the Charter School. The Manager has provided management services to the Charter School since its formation.

Pursuant to the Management Agreement, the Manager agrees to coordinate certain management and administrative duties required to operate the Charter School, including, among others: scheduling and maintaining records of Board meetings; ensuring compliance with all federal and state requirements for record keeping; providing bookkeeping services and ensuring accurate and timely financial reporting; identifying and proposing qualified teachers, para-professionals, administrators and other staff members and education professionals for positions in the Charter School; preparing the annual budget and financial forecasts; coordinate and prepare State Board reports; prepare soliciting grants and other available funds for the Charter School when available; coordinating with the Board to identify facilities needs and assist the Charter School in planning the design of new facilities or in the expansion of existing ones; and additional services as requested by the Board. The Board conducts annual reviews of the Manager and has the right to terminate the Management Agreement for cause by providing 60 days’ notice to the Manager.

See “APPENDIX B – THE CHARTER SCHOOL AND THE FACILITIES – Governance and Administration – *Management Agreement*” in this Official Statement for a further description of the Management Agreement, the Manager and the key employees of the Manager.

THE SERIES 2022 BONDS

Description of the Series 2022 Bonds

The Series 2022 Bonds will be dated as of their date of delivery, will be issued in the aggregate principal amounts, will bear interest at the rates and will mature on the dates, subject to redemption as described below, set forth on the inside front cover page hereof. The Series 2022 Bonds will be issuable as fully registered bonds without coupons in Authorized Denominations. Interest on the Series 2022 Bonds is payable semiannually on April 15 and October 15 of each year, commencing [April/October] 15, [2022]* (each an “Interest Payment Date”) by check or draft mailed to the Registered Owners of the Series 2022 Bonds. Interest on the Series 2022 Bonds shall be paid on each Interest Payment Date until the principal thereof shall have been paid or provided for. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2022 Bonds are being issued as Additional Bonds under the Indenture on parity with the Series 2017 Bonds previously issued by the Authority in the original aggregate principal amount of \$29,270,000, with an outstanding principal amount of \$[_____] as of [_____] , 2022.

Amounts due with respect to the Series 2022 Bonds will be payable in lawful money of the United States. Payment of principal, premium, if any, and interest on the Series 2022 Bonds will be paid by check mailed to the Registered Owner thereof at his or her address as it appears on the Series 2022 Bond

* Preliminary, subject to change.

registration books on the Record Date. Payments for the principal of and interest on the Series 2022 Bonds will be made as described in “APPENDIX H – BOOK-ENTRY-ONLY SYSTEM.”

Prior Redemption*

Optional Redemption. The Series 2022A Bonds are subject to redemption at the option of the Authority (which option shall be exercised upon the written direction of an Authorized Representative of the Charter School) from prepayment of the Series 2022 Note made by the Charter School pursuant to the Loan Agreement, in whole or in part on any Business Day on or after _____ 15, 20__*, as more specifically provided in the Indenture, at a redemption price of 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

[The Series 2022B Bonds are not subject to optional redemption].

Mandatory Sinking Fund Redemption. The Series 2022A Bonds maturing on [_____] 15, 20[___]* are subject to mandatory sinking fund redemption on the dates set forth below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Principal Fund on [_____] 15* in the years and in the principal amounts specified in the sinking fund redemption schedule set forth below:

[_____] 15 of the Year*	Principal Amount*
20[___]	\$[_____]
20[___]	\$[_____]
20[___]	\$[_____]
20[___]	\$[_____]
20[___]	\$[_____]
20[___]	\$[_____]
20[___]**	\$[_____]

** Maturity Date.

The Series 2022A Bonds maturing on [_____] 15, 20[___]* are subject to mandatory sinking fund redemption on the dates set forth below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Principal Fund on [_____] 15* in the years and in the principal amounts specified in the sinking fund redemption schedule set forth below:

* Preliminary, subject to change.

[_____] 15 of the Year*	Principal Amount*
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]**	\$_[]

** Maturity Date.

The Series 2022A Bonds maturing on [_____] 15, 20[]* are subject to mandatory sinking fund redemption on the dates set forth below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Principal Fund on [_____] 15* in the years and in the principal amounts specified in the sinking fund redemption schedule set forth below:

[_____] 15 of the Year*	Principal Amount*
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]	\$_[]
20[]**	\$_[]

** Maturity Date.

The Series 2022B Bonds are subject to mandatory sinking fund redemption on the dates set forth below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Principal Fund on [_____] 15* in the years and in the principal amounts specified in the sinking fund redemption schedule set forth below:

[_____] 15 of the Year*	Principal Amount*
20[]	\$_[]
20[]**	\$_[]

* Preliminary, subject to change.

** Maturity Date.

Redemption of Bonds Upon Occurrence of Certain Events. The Series 2022 Bonds are redeemable at the option and upon the written direction of an Authorized Representative of the Charter School to the Authority and the Trustee, in whole or in part on any Business Day 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 2022 Bond to be redeemed plus 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, either (i) the Facilities cannot reasonably be restored within a period of 12 consecutive months to the condition thereof immediately preceding such damage or destruction, (ii) the Charter School is thereby prevented from carrying on its normal operations for a period of 12 consecutive months, (iii) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of the Loan Agreement or (iv) the final maturity of the Bonds is within five years of the date of such damage or destruction.

(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 issuer, 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 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 Charter School in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement. Redemption as described in this paragraph shall be in whole only.

Only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of the Series 2022 Bonds as described in (a) and (b) above.

Redemption of Bonds Upon Default Under Loan Agreement. Subject to the provisions of the Indenture, all or a portion of the Series 2022 Bonds, as applicable, are subject to redemption at par, in whole or in part, as soon as is practicable following the Trustee's receipt of notice of an uncured default under the Loan Agreement in an amount equal to the extent of the Charter School's obligation thereunder from amounts received from the foreclosure or nonjudicial sale of the Facilities and, if necessary, amounts on deposit in the Debt Service Reserve Fund. The Owners of at least a majority of the Bonds Outstanding must direct the Trustee to redeem the Series 2022 Bonds upon Default pursuant to this paragraph. In such event, the Series 2022 Bonds, in an amount equal to the Charter School's loan obligation, shall be called for redemption as set forth in the Indenture. To the extent there is a deficiency in the amount of monies received from the foreclosure or nonjudicial sale when added to amounts on deposit in the Debt Service Reserve Fund to redeem such amount of the Series 2022 Bonds, the Charter School undertakes pursuant to the Loan Agreement to promptly provide to the Trustee any additional funds required to redeem the necessary amount of remaining Bonds Outstanding and to the extent there still remains a deficiency, the Trustee shall redeem Bonds as set forth in the Indenture.

Redemption Upon Failure to Reimburse the Authority under the Charter School Credit Enhancement Program. The Bonds are subject to redemption at par, in whole, from amounts deposited by or on behalf of the Authority as soon as is practicable following the Trustee's receipt of notice from the

Authority of an uncured default under the Agreement for failure by the Charter School to reimburse the Authority for any appropriation received on behalf of the Charter School from the State under the Credit Enhancement Program. In such event, the Bonds, in an amount equal to the Charter School's loan obligation, shall be called for redemption as set forth in the Indenture.

Notices of Redemption. All or a portion of the Series 2022 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 of a certificate of the Authorized Representative of the Charter School specifying the principal amount of the Series 2022 Bonds to be called for redemption, the applicable redemption price or prices, and the provision or provisions of the Indenture pursuant to which such Series 2022 Bonds are to be called for redemption, provided that such certificate shall not be required with respect to a sinking fund redemption. In the case of every redemption, the Trustee shall cause notice of such redemption by mailing by first class mail a copy of the redemption notice to the Registered Owners of the Series 2022 Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 60 nor less than 20 days prior to the redemption date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2022 Bonds. The Trustee shall not mail any notice of optional redemption as first set forth under "*Optional Redemption*" above unless it has received from the Charter School, at least 45 days before the redemption date specified in the notice of redemption, sufficient evidence of the Charter School's ability to deliver Protected Funds to redeem all such Series 2022 Bonds called for redemption on the anticipated redemption date. If adequate Protected Funds are not received by the Trustee on the redemption date, no Series 2022 Bonds shall be redeemed.

Each notice of redemption shall specify conditions precedent to redemption, if any, 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 2022 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 2022 Bonds or portions thereof to be redeemed.

Purchase in Lieu of Redemption. If, at any time, Series 2022 Bonds are subject to redemption, the Charter School may direct the Trustee to purchase Series 2022 Bonds which would otherwise be subject to redemption from money available for such redemption under the Indenture or other money provided to the Trustee by the Charter School and deposited by the Trustee in a separate account to be established by the Trustee at such time. The purchase price of such Series 2022 Bonds shall not exceed the then applicable redemption price thereof. Written notice of such election must be given to the Trustee not less than five (5) Business Days prior to the date the Trustee must send notice of redemption.

Acceleration. Upon the occurrence of an Event of Default under the Indenture, the Trustee (i) may by notice in writing given to the Authority and the Charter School, or (ii) shall, upon the written request of the Owners of a majority of all Bonds 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. See "APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT."

Notwithstanding the foregoing, so long as the Bonds remain outstanding and there has not been a Non-Appropriation that is continuing the following provisions shall apply: (a) the maturity of the Bonds shall not be accelerated or the Bonds redeemed as a result of default under the Loan Agreement, nor shall the maturing of the Loan be accelerated pursuant to the Loan Agreement without the prior written consent of the Authority, (b) if there has been an appropriation under the Credit Enhancement Program for the benefit of the Charter School that has not been reimbursed by the Charter School, the Authority shall be

deemed to be the sole Owner of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Bonds are entitled to take pursuant to the Loan Agreement, the Mortgage and any other document related thereto, (c) to the extent not otherwise required, the Charter School shall pay or reimburse the Authority any and all charges, fees, costs and expenses which the Authority may reasonably pay or incur in connection with (i) the administration, enforcement, defense, or preservation of any rights or security in the Indenture or Loan Agreement, (ii) the pursuit of any remedies under the Indenture or any other related document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture, the Loan Agreement or any other related document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture, the Loan Agreement or the transactions contemplated thereby, and (d) the Indenture shall not be discharged and the Loan Agreement shall not be terminated until all obligations of the Charter School owing to the Authority or the State under the Credit Enhancement Program or otherwise shall have been paid in full. The Charter School's obligation to pay such amounts shall expressly survive payment in full of the Bonds. See "SECURITY FOR THE SERIES 2022 BONDS – Charter School Credit Enhancement Program" herein.

Use of Series 2022 Bond Proceeds

Improvements being constructed. A portion of the proceeds of the Series 2022 Bonds will be used by the Charter School to finance the costs of the Series 2022 Improvements. See "APPENDIX B – THE CHARTER SCHOOL – Facilities" for a description of the Series 2022 Improvements.

Charter School being reimbursed. A portion of the proceeds of the Series 2022 Bonds will be used to reimburse the Charter School for a portion of the costs associated with the acquisition of the Additional Antelope Campus Parcel.

Additional uses being financed. In addition to the uses described above, a portion of the proceeds of the Series 2022 Bonds will be used by the Charter School to fund the Debt Service Reserve Fund Requirement relating to the Series 2022 Bonds as set forth herein, to fund capitalized interest on the Series 2022 Bonds and to pay certain issuance expenses.

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

Sources of Funds*

Par Amount of the Series 2022A Bonds.....	\$ _____
Par Amount of the Series 2022B Bonds.....	\$ _____
Original issue [premium][discount]	\$ _____
Total.....	\$ _____

Uses of Funds*

Deposit to Project Fund	\$ _____
Deposit to Debt Service Reserve Fund.....	\$ _____
Deposit to Capitalized Interest Account.....	\$ _____
Costs of Issuance Fund (including underwriting discount)	\$ _____
Authority’s Administration Fee.....	\$ _____
Total	\$ _____

Source: Financial Advisor to the Charter School (Lewis Young Robertson & Burningham, Inc.)

SECURITY FOR THE SERIES 2022 BONDS

General

The Series 2022 Bonds are limited obligations of the Authority payable solely from the Loan Payments to be made by the Charter School and other funds pledged therefor under the Indenture, do not give rise to a general obligation or general liability of the Authority or a charge against its general credit and shall never constitute a debt, liability or loan of credit or a pledge of the full faith and credit or taxing power of the State of Utah or of any political subdivision thereof. The issuance of the Series 2022 Bonds shall not directly, indirectly or contingently obligate the Authority, the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Authority does not have any taxing power.

The pledge of the Charter School’s Loan Payments with respect to the Series 2022 Bonds under the First Amendment to Loan Agreement is on a parity with the Charter School’s pledge of Loan Payments with respect to the Series 2017 Bonds under the Original Loan Agreement.

The Issuance of the Series 2022 Bonds

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2022 Bonds against any past, present, or future officer, member, counsel, advisor, or agent of the Authority, or of any successor to the Authority, as such, either directly or through the Authority or any successor to the Authority, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, counsel, advisors, or agents, as such, is expressly waived and released as a condition of and consideration for the execution and issuance of the Series 2022 Bonds.

* Preliminary, subject to change.

Covenant to Maintain Tax-Exempt Status of the Series 2022A Bonds

The excludability from gross income for federal income taxation purposes of the interest on the Series 2022A Bonds is based on the continuing compliance by the Charter School, the Trustee, and the Authority with certain covenants contained in the Indenture, the Loan Agreement and the Tax Compliance Agreement, dated as of the date of delivery of the Series 2022 Bonds (the “Tax Certificate”), by and among the Authority, the Trustee, and the Charter School. These covenants relate generally to restrictions on the use of the Facilities financed with proceeds of the Series 2022 Bonds, 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 2022A Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2022A Bonds.

Dependence Upon Tax-Exempt Status

The Charter School is generally not subject to income or property taxes. This treatment affects the revenues available to the Charter School to meet financial obligations, including the payment of principal of, premium, if any, and interest on the Series 2022 Bonds. While the Charter School has covenanted in the Loan Agreement to maintain its tax-exempt status for federal tax purposes and the tax-exempt status of the Series 2022A Bonds, there can be no assurance that such tax-exempt status will be maintained.

Charter School Credit Enhancement Program

Generally. The operation of the Credit Enhancement Program centers on the Debt Service Reserve Fund held by the Trustee under the Indenture. The Credit Enhancement Program requires that the amount on deposit in the Debt Service Reserve Fund be not less than the maximum annual debt service on the Series 2022 Bonds (which amount includes both the principal of and interest on the Series 2022 Bonds due in any calendar year).

Pursuant to the Loan Agreement, the Charter School covenants to make pro rata monthly Loan Payments on the fifth day of each calendar month which are sufficient to pay the interest on the Series 2022 Bonds (due semi-annually on April 15 and October 15 of each year) and the principal of the Series 2022 Bonds (due or subject to sinking fund redemption on [_____] 15* of each year).

In the event that the amount on deposit in the Bond Interest Fund or the Bond Principal Fund are not sufficient to pay the interest on and principal of the Series 2022 Bonds when due, the Trustee is required to transfer money from the Debt Service Reserve Fund to cover any insufficiency in the Bond Interest Fund or the Bond Principal Fund. By November 1 of each year, the Trustee is required to notify the Authority of the amount, referred to hereafter as the “Shortfall Replenishment”, which is necessary to restore the Debt Service Reserve Fund to the required amount (which amount is the maximum annual debt service on the Series 2022 Bonds). The Authority has covenanted to certify, by December 1, the Shortfall Replenishment amount to the Governor of Utah and the Governor is required, under the Act, to request from the State Legislature an appropriation of the amount to be deposited into the Debt Service Reserve Fund. Under the Act, the State Legislature may, but is not required, to appropriate sufficient moneys for the Shortfall Replenishment.

Annual general sessions of the State Legislature begin on the fourth Monday in January and, with certain exceptions, do not exceed 45 calendar days. The enabling legislation for the Credit Enhancement Program created a Charter School Reserve Account and initially funded the account in the amount of

* Preliminary, subject to change.

\$3,000,000. Moneys in the Charter School Reserve Account are, among other purposes described hereafter, available for appropriation by the State Legislature for the funding of the Shortfall Replenishment.

Upon appropriation by the State Legislature for any Shortfall Replenishment, the Charter School is required to repay the State in the time and manner required by the Authority. Additionally, until such time as that the obligations of the Charter School owing to the Authority and the State for any Shortfall Replenishment have been repaid in full, the Authority may exercise certain rights, including the acceleration and redemption at par, in whole, of the Series 2022 Bonds, but only to the extent that there are sufficient moneys on deposit with the Trustee for such redemption.

The State's most recent Comprehensive Annual Financial Report of the State (the "CAFR") and the State's most current continuing disclosure information may be found on the internet at www.emma.msrb.org and on the State Treasurer's Investor Information website at www.utah.gov/treasurer/investor-overview.html. Such information, however, is not incorporated by reference and is not a part of this Official Statement.

The Credit Enhancement Program

The Charter School has been designated a "qualifying charter school" by the Authority pursuant to Section 53G, Chapter 5, Part 6 of the Utah Code and the guidelines of the Authority promulgated thereunder, and accordingly, the Series 2022 Bonds are to be issued under the Credit Enhancement Program.

As described above, by December 1 of each year, the Authority is required, pursuant to Section 53G-5-606(9)(a) of the Utah Code, to certify to the Governor of the State the amount required, if any, to restore amounts on deposit in the debt service reserve funds with respect to all bonds issued under the Credit Enhancement Program, including the Debt Service Reserve Fund established in connection with the Series 2022 Bonds, to the respective debt service reserve fund requirements. The Governor is then required to request from the State Legislature an appropriation of the certified amount to restore such debt service reserve funds to the respective debt service reserve fund requirements. The State Legislature may, but is not required to, appropriate moneys, including from amounts on deposit in the Charter School Reserve Account created pursuant to Section 53G-5-607 of the Utah Code, to restore amounts on deposit in any such debt service reserve fund to the respective debt service reserve fund requirement. Moneys on deposit in the Charter School Reserve Account may also be appropriated by the State Legislature to pay fees and expenses of the Authority, pay the principal of and interest on bonds issued under the Credit Enhancement Program, or otherwise provide financial assistance to a qualifying charter school participating in the Credit Enhancement Program. The Charter School Reserve Account held by the State has been and will be funded from a one-time appropriation by the State Legislature in 2012 of \$3,000,000, certain interest earnings, and amounts to be contributed by the qualifying charter schools that participate in the Credit Enhancement Program in amounts determined by the Authority. Amounts in the Charter School Reserve Account are to be available to replenish, at the discretion of the State Legislature, the Debt Service Reserve Fund, and any other debt service reserve fund created to secure bonds issued pursuant to the Credit Enhancement Program, if depleted and not replenished.

The total par amount of bonds that may be issued by the Authority under the Credit Enhancement Program is limited as set forth in Section 53G-5-609 of the Utah Code. On or before January 1 of each year, the Authority is required to determine the bond issuance limitation pursuant to Section 53G-5-609(1) of the Utah Code, and the Authority may not issue bonds under the Credit Enhancement Program if the total par amount outstanding under the Credit Enhancement Program would exceed such limitation. As of January 1, 2022, the total par amount of bonds that could be issued by the Authority under the Credit Enhancement Program was \$[_____].

Provisions in the Indenture and the Loan Agreement Relating to the Credit Enhancement Program

Notwithstanding any other provision of the Indenture or Loan Agreement to the contrary, so long as the Series 2022 Bonds remain outstanding and there has not been a Non-Appropriation that is continuing the following provisions shall apply:

(a) The maturity of the Bonds shall not be accelerated or the Bonds redeemed as a result of a default under the Loan Agreement, nor shall the maturity of the Loan be accelerated pursuant to the Loan Agreement without the prior written consent of the Authority.

(b) If there has been an appropriation under the Credit Enhancement Program for the benefit of the Charter School that has not been reimbursed by the Charter School, the Authority shall be deemed to be the sole Owner of the Series 2022 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2022 Bonds are entitled to take pursuant to the Loan Agreement, the Mortgage, and any other document related thereto.

(c) To the extent not otherwise required, the Charter School shall pay or reimburse the Authority any and all charges, fees, costs and expenses which the Authority may reasonably pay or incur in connection with (i) the administration, enforcement, defense, or preservation of any rights or security in the Indenture or Loan Agreement, (ii) the pursuit of any remedies under the Indenture, the Loan Agreement, or any other related document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture, the Loan Agreement or any other related document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture, the Loan Agreement or the transactions contemplated thereby.

(d) The Indenture shall not be discharged and the Loan Agreement shall not be terminated until all obligations of the Charter School owing to the Authority or the State under the Credit Enhancement Program or otherwise shall have been paid in full. The Charter School's obligation to pay such amounts shall expressly survive payment in full of the Series 2022 Bonds.

The Indenture

The Indenture provides that all Bonds (including the Series 2017 Bonds and the Series 2022 Bonds) will be equally and ratably secured thereby, 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 thereunder will have the same right, lien and preference under and by virtue of the Indenture.

As security for the Bonds, the Indenture grants, assigns and pledges to the Trustee for the benefit of the Registered Owners of the Bonds, the Trust Estate, which is limited to (a) the rights and interests of the Authority under the Loan Agreement, except the Authority's Unassigned Rights, (b) the Project and all rights and interests of the Authority in the Project, subject to Permitted Encumbrances, except the Authority's Unassigned Rights, (c) the Pledged Revenues and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except the Authority's Unassigned Rights, (d) the rights and interests of the Authority under the Mortgage and the Promissory Note, and (e) all Funds created in the Indenture (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and 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, and all trust accounts containing all insurance and condemnation proceeds and all Revenues payable to the Trustee by or for the account of the Authority

pursuant to the Loan Agreement and the Indenture, subject to the provisions of the Indenture. See “APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT – REVENUES AND FUNDS – *Pledge of Trust Estate.*”

Flow of Funds. Under the Indenture, there is to be deposited in the Revenue Fund as and when received, all Loan Payments and all other monies deposited into the Revenue Fund, including all State Payments, pursuant to the Loan Agreement or the Indenture.

Under the Indenture, commencing after the date of issuance of the Bonds all monies held on deposit in the Revenue Fund are to be disbursed by the Trustee, on each “Disbursement Date” (which is not later than two Business Days after receipt by the Trustee of State Payments transferred by the State and in no event later than the 10th day of each month) in the following order of priority:

FIRST: on each Disbursement Date commencing after the date of issuance of the Bonds, for deposit in the Bond Interest Fund (after taking into consideration earnings or capitalized interest amounts then on deposit in the Bond Interest Fund), an amount equal to a fraction of the interest due on the Bonds on the next Interest Payment Date where the numerator is the amount of interest due on the Bonds on the next Interest Payment Date and the denominator is the number of Disbursement Dates that will occur during the period beginning on the last Interest Payment Date (or, if an Interest Payment Date has not yet occurred, the Closing Date) and ending on the day preceding the next Interest Payment Date, plus all amounts due as to interest on the Bonds on the immediately preceding Disbursement Date as described in this paragraph which have not otherwise been credited or transferred to the Bond Interest Fund;

SECOND: on each Disbursement Date commencing after the date of issuance of the Bonds, for deposit in the Bond Principal Fund, an amount equal to a fraction of the principal due on the Bonds on the next Principal Payment Date where the numerator is the amount of principal due on the Bonds on the next Principal Payment Date and the denominator is the number of Disbursement Dates that will occur during the period beginning on the last Principal Payment Date (or, if a Principal Payment Date has not yet occurred, the 12th month preceding the first Principal Payment Date) and ending on the day preceding the next Principal Payment Date, plus all amounts due as to principal on the Bonds on the immediately preceding Disbursement Date as described in this paragraph which have not otherwise been credited or transferred to the Bond Principal Fund;

THIRD: (i) first, to the Debt Service Reserve Fund, the amount required, if any, under the Indenture to restore the balance in the Debt Service Reserve Fund to the Debt Service Reserve Requirement prior to November 1 of each year in equal installments, and (ii), to the Authority, the amount required, if any, to reimburse the State for appropriations made or other amounts paid to or by the Authority under the Credit Enhancement Program for the benefit of the Charter School;

FOURTH: on the Disbursement Date following the last Business Day of every Rebate Year and continuing on each Disbursement Date thereafter until the full amount is so paid, to the Rebate Fund, any amount, as directed by Charter School to the Trustee, required of the Charter School to be deposited in the Rebate Fund;

FIFTH: (i) to the Expense Fund, an amount equal to a fraction of the Trustee’s Fees and Trustee’s Expenses where the numerator is the Trustee’s Fees and Trustee’s Expenses and the denominator is the number of monthly Disbursement Dates that will occur during the period between the last date on which such fees were paid or, if such fees have not yet been paid, the Closing Date and the next Interest Payment Date, plus (ii) to the Expense Fund, an amount equal to one-twelfth of the Authority’s Annual Fee due on the next invoiced date, plus (iii) to the Expense

Fund, an amount equal to one-twelfth of the annual Rating Agency surveillance fee, if any, due on the next invoiced date, plus, (iv) any amount previously due as described under clauses (i), (ii) or (iii) of this paragraph but that remains unpaid because of an insufficiency in Pledged Revenues available therefor;

SIXTH: to the Tax and Insurance Escrow Fund, an amount equal to (i) the payment required to be made pursuant to the Loan Agreement, plus (ii) all amounts that were previously due under (i) of this paragraph but were not transferred because of an insufficiency in Revenues available therefor;

SEVENTH: to the Repair and Replacement Fund, the amount required, if any, under the Loan Agreement, to fund or to restore the balance in the Repair and Replacement Fund Requirement to the Repair and Replacement Fund Requirement;

EIGHTH: to the Expense Fund, an amount equal to a fraction of any amount, as directed by the Charter School to the Trustee, owed as payment for the services of the Rebate Analyst where the numerator is such amount and the denominator is the number of Disbursement Dates that will occur during the period between the last date on which such amounts were paid or, if such fees have not yet been paid, the Closing Date and the next time the Rebate Analyst payment is due;

NINTH: to any third-party lender, any amount, as directed by the Charter School to the Trustee, to make principal and interest payments on any outstanding Short-Term Debt; and

TENTH: all amounts remaining on deposit in the Revenue Fund after the Trustee has made the disbursements required in FIRST through NINTH above, to the Charter School, if not in default under the Loan Agreement.

Debt Service Reserve Fund. The Indenture provides for the creation of the Debt Service Reserve Fund in the custody of the Trustee which 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 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. Upon the occurrence of an Event of Default under the Indenture and the exercise by the Trustee of the remedy specified in the Loan Agreement and Indenture, any moneys in the Debt Service 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 the Indenture. On the final maturity date of the Bonds any moneys in the Debt Service Reserve Fund may be used to pay the principal of and interest on the Bonds on such final maturity date. The Debt Service Reserve Fund is required to be maintained in an amount equal to the Debt Service Reserve Fund Requirement (as defined in APPENDIX E hereto). Upon the issuance of the Series 2022 Bonds, Series 2022 Bond proceeds in the amount of the Debt Service Reserve Requirement relating to the Series 2022 Bonds will be deposited into the Debt Service Reserve Fund.

In the event of the redemption of the Bonds in whole (or in part pursuant to the Indenture), any moneys in the Debt Service 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 Debt Service Reserve Fund on each Interest Payment Date at the lesser of their market value plus accrued interest to the valuation date or cost. The weighted average maturity of the Investment Obligations in the Debt Service Reserve Fund shall not exceed two (2) years. If on any valuation date the amount in the Debt Service Reserve Fund (determined pursuant to the Indenture) is greater than the Debt

Service Reserve Fund Requirement, such excess shall be transferred by the Trustee to the Bond Interest Fund and credited in accordance with the Indenture. If on any valuation date the amount in the Debt Service Reserve Fund (determined pursuant to the Indenture) is less than the Debt Service Reserve Fund Requirement, the Trustee shall immediately notify the Charter School in writing of the amount of such deficit and request that the Charter School deposit with the Trustee such amount in twelve (12) equal monthly installments to be paid on the next succeeding Disbursement Dates such that the amount on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement prior to November 1 of each year.

Within five (5) Business Days of any transfer of funds from the Debt Service Reserve Fund to the Bond Principal Fund or the Bond Interest Fund because of a deficiency therein, the Trustee shall give written notice to the Charter School of such transfer and of the amount of the deficiency, if any, of amounts then on deposit in the Debt Service Reserve Fund as of such date and request that the Charter School deposit with the Trustee an amount equal to such deficiency in twelve (12) equal installments to be paid beginning on the next succeeding Disbursement Dates such that the amount on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement prior to November 1 of each year.

Additional Bonds. The Indenture provides for the issuance of Additional Bonds secured by and payable solely from the Trust Estate on a basis which is on a parity with the Series 2017 Bonds and the Series 2022 Bonds provided the following conditions, among others, are met: the Trustee has received a certificate of an Authorized Representative of the Charter School to the effect that the Charter School is not in default under the Loan Agreement or the Indenture, is not aware of any Events of Default under the Loan Agreement or the Indenture and that such Indebtedness may be issued under Loan Agreement (as described below); the Trustee will receive from the proceeds of the Additional Bonds or otherwise on the date of delivery of the Additional Bonds an amount equal to the additional Debt Service Reserve Fund Requirement for deposit into the Debt Service Reserve Fund; and the Trustee has received written certification from the Charter School that, after taking into consideration the Additional Bonds, it meets the requirements for Long-Term Indebtedness set forth in the Loan Agreement. For the terms and conditions for the issuance of Additional Bonds secured by and payable from the Trust Estate, see “APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT – THE INDENTURE – Additional Bonds Authorized.”

The Loan Agreement

Loan Payments and Pledge by the Charter School. Under the Loan Agreement, the Authority agrees to loan the proceeds of the Series 2022 Bonds to the Charter School for the purpose of financing the cost of the Series 2022 Project, and the Charter School agrees to make payments into the Revenue Fund as repayment of the Loan until the principal of, premium, if any, and interest on the Bonds have been paid. In fulfillment of its obligations under the Loan Agreement, the Charter School pledges to the payment of the Loan, the following: (i) all of the Charter School’s right, title and interest in and to the Facilities, including all related additions, replacements, substitutions and proceeds for the purposes of securing such Loan; (ii) all Pledged Revenues; and (iii) 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 by the Charter School or by anyone on its behalf. See “APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT – *Pledge by Charter School.*”

Direction to the State. Under the Indenture, all Loan Payments made by the Charter School shall be deposited in the Revenue Fund as and when received. In support of its obligation to make Loan Payments, the Charter School covenants in the Loan Agreement to direct the State to transfer all of the Charter School’s State Payments (commencing after the Closing Date) directly to the Trustee for deposit

in the Revenue Fund and the Charter School shall not modify or revoke such direction so long as any obligation of the Charter School remains outstanding under the Loan Agreement. In the event any State Payments are disbursed directly to the Charter School the Charter School shall immediately transfer such State Payments to the Trustee for deposit in the Revenue Fund.

Obligations Unconditional. The obligations of the Charter School to make the payments required under the Loan Agreement and to perform and observe the other agreements on its part contained therein are absolute and unconditional and are a recourse obligation of the Charter School. The Loan Agreement provides that the Charter School will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for therein; will perform and observe all of its other agreements contained in the Loan Agreement, the Mortgage and the Promissory Note; and, except as otherwise provided therein, will not terminate the Loan Agreement for any cause.

Covenant as to Cash on Hand. Under the Loan Agreement, the Charter School covenants to maintain a cash, liquid investment, or accounts receivable balance (provided such accounts receivable are from the State) sufficient to cover at least 45 days of the sum resulting from the Operating Expenses less any Management Fee. Such covenant is to be tested annually based upon the results of the annual audited financial statements of the Charter School distributed pursuant to the Loan Agreement.

In the event that the Charter School is unable to comply with the requirements of the above covenant within 12 months of the initial non-compliance, then the Beneficial Owners of 2/3rds of the Outstanding Bonds or the Authority have the right to direct the Trustee to require the Charter School to engage, at the Charter School's expense, a Management Consultant, which shall deliver a written report within 75 days of engagement to the Trustee, the Beneficial Owners, the Authority and the Charter School containing recommendations concerning the Charter School's:

- (a) operations;
- (b) financing practices and activities, including Short-Term Debt, lease financing, and investment activities;
- (c) management practices, including the use of consultants, budgeting practices, and ongoing financial systems and monitoring of the Charter School's financial condition;
- (d) governance and administration practices; and
- (e) other factors relevant to maintaining such compliance.

Upon submission of the Management Consultant's report, the Charter School is required to arrange for payment of the amount owed to the Management Consultant and issue a written certificate to the Trustee and the Authority indicating its acceptance or rejection of all or any material portion of the recommendations of the Management Consultant within 30 days of receiving the report of the Management Consultant. The Beneficial Owners of 2/3rds of the Outstanding Bonds or the Authority, as applicable, shall have the right to require the Charter School to comply with any reasonable recommendation of the Management Consultant with respect to items (a) through (e) above. The Charter School shall work with the Beneficial Owners or the Authority to follow the recommendations.

Coverage Ratio Covenant. Under the Loan Agreement, so long as the Bonds remain outstanding and are subject to the requirements of the Credit Enhancement Program, the Charter School covenants to maintain Net Income Available for Debt Service in an amount equal to at least 1.05 times Maximum Annual Debt Service on all Indebtedness then outstanding. Such covenant is to be tested annually based upon the

results of the annual audited financial statements of the Charter School distributed pursuant to the Loan Agreement.

In the event the Charter School's Net Income Available for Debt Service is less than 1.05 but greater than or equal to 1.0 times the Maximum Annual Debt Service on all Indebtedness then outstanding on any testing date as set forth above, the Charter School shall give notice of such event to the Beneficial Owners of the Outstanding Bonds and the Authority and the Beneficial Owners of 2/3rds of the Outstanding Bonds or the Authority shall have the right, to direct the Trustee to require the Charter School to engage, at the Charter School's expense, a Management Consultant, which shall deliver a written report within 75 days of engagement to the Trustee, the Authority, and the Charter School containing the recommendations set forth in (a) through (e) in "– Covenant as to Cash on Hand" above.

Upon submission of the Management Consultant's report, the Charter School is required to arrange for payment of the amount owed to the Management Consultant and issue a written certificate to the Trustee and the Authority indicating its acceptance or rejection of all or any material portion of the recommendations of the consultant within 30 days of receiving the report of the Management Consultant. The Beneficial Owners of 2/3rds of the Outstanding Bonds and the Authority shall have the right to require the Charter School to comply with any reasonable recommendation of the Management Consultant. The Charter School shall work with the Beneficial Owners of 2/3rds of the Outstanding Bonds or the Authority, as applicable, to follow the recommendations.

If, however, the Charter School's Net Income Available for Debt Service is less than 1.0 times the Maximum Annual Debt Service on all Indebtedness then outstanding on any testing date, the Charter School shall give notice of such event to the Beneficial Owners of 2/3rds of the Outstanding Bonds and the Authority and shall have 12 months to cure such noncompliance. In the event such noncompliance is not cured within such 12 month period, an Event of Default shall be deemed to have occurred under the Loan Agreement.

Limitations on Incurrence of Long-Term Indebtedness. The Charter School will not incur, assume, guarantee, or otherwise become liable for any Long-Term Indebtedness other than:

- (a) Upon satisfaction of the following:
 - (i) No Default: Delivery of a certificate signed by an Authorized Representative of the Charter School stating that no Event of Default is then existing under the Indenture or any debt outstanding or any agreement entered into by the Charter School in conjunction with such debt;
 - (ii) Satisfaction of Authority's Coverage Requirement: An independent management consultant selected by the Charter School provides a written report setting forth projections which indicate that the estimated Net Income Available for Debt Service for each of the three consecutive Fiscal Years beginning in the earlier of the first full Fiscal Year following the estimated date of completion and initial use of all revenue-producing facilities to be financed with such Indebtedness, based upon a certified written estimated completion date by the consulting engineer for such facility or facilities, is equal to at least 1.05 times Maximum Annual Debt Service on all Indebtedness then outstanding during each such respective Fiscal Year plus the additional Annual Debt Service Requirements for the Long-Term Indebtedness to be issued. The Authority may, in its sole discretion, waive the requirement contained in this subsection (ii).
- (b) Refunding Debt. If Long-Term Indebtedness is being issued for the purpose of refunding any outstanding Indebtedness, such Indebtedness may be issued upon the delivery of a certificate signed by an Authorized Representative of the Charter School referenced in

subsection (a)(i) of this Section and stating that the Annual Debt Service Requirement of the Charter School will be reduced after the refunding of such Indebtedness; or

- (c) **Completion Debt.** In the event such Indebtedness is being issued or incurred for the purpose of completing any related project, such Indebtedness may be issued in amounts not to exceed 10% of the principal amount of the Indebtedness originally issued for such related project upon delivery of a certificate signed by an Authorized Representative of the Charter School that such Long-Term Indebtedness is required to fund the costs of completion.

The satisfaction of the conditions set forth in subsections (a)(i), (a)(ii), (b) and (c) of this Section shall be evidenced to the Trustee by delivery of a certificate signed by an Authorized Representative of the Charter School.

The Trustee shall have no duty regarding such information delivered in accordance with this Section other than to retain any such information that it receives and transmit same in accordance herewith.

Repair and Replacement Fund Deposits. Under the Loan Agreement and subject to the limitations set forth therein, the Charter School covenants to maintain a balance on deposit in the Repair and Replacement Fund at an amount not less than the Repair and Replacement Fund Requirement. Under the Indenture, the Repair and Replacement Fund Requirement means an amount equal to \$250,000.

[On the Closing Date of the Series 2017 Bonds, the Charter School paid to the Trustee \$247,767 for deposit into the Repair and Replacement Fund. In addition, the Charter School shall pay or cause to be paid to the Trustee equal monthly amounts of at least \$187 until the Repair and Replacement Fund Requirement is met. Once the Repair and Replacement Fund Requirement is met, any draws made on the Repair and Replacement Fund will be replenished in substantially equal monthly payments within one year of making such draw.]

Debt Service Requirements

Set forth in the table below are the debt service requirements for the Series 2022 Bonds and the Series 2017 Bonds on a fiscal year basis. The debt service figures do not include the Authority's Annual Fee, the annual Rating Agency surveillance fee, and certain other fees paid from the Loan Payments.

TABLE I
Debt Service Requirements*

Fiscal Year Ending (June 30)	Series 2022A Bonds		Series 2022B Bonds		Series 2017 Bonds		Annual Debt Service	Net Annual Debt Service ⁽¹⁾
	Principal Amount*	Interest Amount	Principal Amount*	Interest Amount	Principal Amount	Interest Amount		
2022	\$	\$	\$		\$	\$	\$	\$
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
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2047								
2048								
2049								
2050								
2051								
2052								
2053								
Totals	\$(PAR-A).00	\$	\$(PAR-B).00	\$	\$()	\$()	\$()	\$()

⁽¹⁾ Net of capitalized interest on the Series 2022 Bonds and amounts released from the Debt Service Reserve Fund in the final years of scheduled debt service for the Series 2017 Bonds and the Series 2022 Bonds.

Source: Financial Advisor to the Charter School (Lewis Young Robertson & Burningham, Inc.)

* Preliminary, subject to change.

RISK FACTORS

This Official Statement contains summaries of pertinent portions of the Series 2022 Bonds, the Indenture, the Loan Agreement and the Mortgage. Such summaries and references are qualified in their entirety by reference to the full text of such documents. The following discussion of some of the risk factors associated with the Series 2022 Bonds is not, and is not intended to be, exhaustive, and such risks are not necessarily presented in the order of their magnitude. The Series 2022 Bonds should only be purchased by investors who have adequate experience to evaluate the merits and risks of an investment in the Series 2022 Bonds. In addition, the COVID-19 pandemic (including the federal, state, and local governmental responses and the broad economic impacts and market disruptions associated therewith) has created heightened risks for prospective investors, as further described herein.

Sufficiency of Revenues

The Series 2022 Bonds are secured by and payable from funds of the Charter School under the terms and conditions of the Loan Agreement and as otherwise described therein. Based on present circumstances, the Charter School believes it will generate Pledged Revenues sufficient to make payments under the Loan Agreement and the Promissory Note representing debt service on the Series 2022 Bonds. However, the Charter School's Charter Contract may be terminated, subject to the mutual agreement of the Authority and the chartering entity, or the basis of the assumptions utilized by the Charter School to formulate its beliefs regarding its operations may otherwise change. No representation or assurance can be made that the Charter School will continue to generate sufficient revenues to meet such obligations.

Dependence on State Payments

The Charter School may not charge tuition and has no taxing authority. The primary source of revenues for the Charter School is the State Payments which are principally based on the Charter School's average daily membership for the prior school year plus a growth factor determined on October 1 of the current school year. The State Legislature provides funding for such State Payments by appropriating for them. The State may experience downturns in its economy and tax revenues in the future, and there is a risk that the State Legislature may not appropriate funds for State Payments, or may not appropriate funds in a sufficient amount, to enable the Charter School to meet its general operating expenses and to make payments under the Loan Agreement representing debt service on the Series 2022 Bonds. In addition to general State economic conditions, State budget considerations may also adversely affect appropriations for charter school funding. State Payments could be reduced or not keep pace with expenses such that the Charter School's revenues are inadequate to allow it to pay its operating expenses and to make payments under the Loan Agreement. No liability would accrue to the Authority, the State or any other party in that event, nor would any such party be obligated or liable for any future payments or any damages. See "RISK FACTORS – Risks related to COVID-19 and other Infectious Diseases."

Delay in, Reduction, or Termination of State School Aid

Any event that would cause a delay, reduction or termination of State Payments would have a material adverse effect on the ability of the Charter School to make payments under the Loan Agreement representing debt service on the Series 2022 Bonds.

Ratings

While the Series 2022 Bonds have received a rating of "[]" from S&P Global Ratings ("S&P") and S&P has also assigned the Charter School an underlying issuer credit rating of "BBB-" based on the

credit quality of the Charter School, such ratings are not a recommendation to buy, hold, or sell the Series 2022 Bonds. 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 such rating agency. Any such downward revision or withdrawal of such ratings can be expected to have an adverse effect on the market price for and marketability of the Series 2022 Bonds. See “MISCELLANEOUS – Ratings” herein.

Reliance on Projections

The Charter School’s projections of revenue and expenditures for the fiscal year ending June 30, 2022 and the projections of future revenues and expenses contained in “APPENDIX D – PROJECTIONS OF REVENUE, EXPENDITURES AND DEBT SERVICE COVERAGE FOR THE CHARTER SCHOOL” herein were prepared by the Charter School and have not been independently verified by any other party. The projections are forward-looking statements and are subject to the general qualifications and limitations described under “INTRODUCTION” above. Neither the Underwriter nor the Authority has independently verified such projections, and makes no representations nor gives any assurances that such projections, or the assumptions underlying them, are complete or correct. Further, the projections relate only to the Charter School’s fiscal years through 2026, and consequently do not cover the entire period that the Series 2022 Bonds will be outstanding.

The projections are derived from the Charter School’s assumptions about future student enrollment, revenues and expenses. There can be no assurance that the actual enrollment and revenues and expenses for the Charter School will be consistent with the assumptions underlying such projections. Further, no guarantee can be made that such projections of revenues and expenses will correspond with the results actually achieved in the future, because there is no assurance that actual events will correspond with the assumptions made by the Charter School. Actual operating results may be affected by many factors, including, but not limited to, the inability of the Charter School to complete construction of the Series 2022 Improvements, increased costs, lower than anticipated revenues (as a result of insufficient enrollment, reduced State Payments, or otherwise), employee relations, changes in applicable government regulation, changes in demographic trends, changes in education competition and changes in State or local economic conditions. Refer to “APPENDIX B – THE CHARTER SCHOOL” to review certain information relevant to the projections and to consider the various factors that could cause actual results to differ significantly from projected results. Refer to “INTRODUCTION,” above, for qualifications and limitations applicable to forward-looking statements. Refer to “RISK FACTORS – Risks related to COVID-19 and other Infectious Diseases” for a discussion of the potential State budget cuts due to the effects of COVID-19.

Key Personnel and the Manager

The Charter School’s creation, curriculum and educational philosophy reflect the vision and commitment of a few individuals essential to the governance, management and administration of the Charter School (“Key Personnel”). Loss of any such Key Personnel, including termination of the Manager, could adversely affect the Charter School’s operations, its ability to attract and retain students and ultimately its financial results. No assurance can be given that if the Manager is terminated or cancels the Management Agreement, that the Charter School could find a qualified replacement or that the terms of any such replacement management contract would be as beneficial. For more information regarding the Charter School’s Key Personnel, see “APPENDIX B – THE CHARTER SCHOOL – Governance and Administration.” For more information regarding the Manager, see “APPENDIX B – THE CHARTER SCHOOL – Governance and Administration – Management Agreement” in this Official Statement.

Competition for Students

The Charter School competes for students with other public schools, charter schools and private schools. No students are officially assigned to, or required to attend, charter schools. There can be no assurance that the Charter School will attract and retain the number of students needed to produce the revenues that are necessary to make payments under the Loan Agreement representing debt service on the Series 2022 Bonds. There are other public schools and charter schools in the Charter School's immediate service area, in which the Facilities are located. For additional information, see "APPENDIX B – THE CHARTER SCHOOL – Academic Achievement Indicators."

Revocation of Charter Contract

The Charter School's Charter Contract has a perpetual term and will continue unless it is terminated by either the Charter School's Governing Board or the State Charter School Board for the grounds set forth in the Charter Contract or the Charter Schools Act. Such grounds include failure to meet the requirements stated in the Charter Contract; failure to meet generally accepted standards of fiscal management; designation as a low performing school under Title 53E, Chapter 5, Part 3 of the Utah Code Annotated and failure to improve the school's grade under the conditions described therein; violation of the requirements under the Charter Schools Act or another law; or other good cause shown. The chartering entity must notify the governing body of the school of the proposed termination in writing, stating the grounds for the termination. The chartering entity may not terminate the charter of a qualifying charter school with outstanding bonds issued in accordance with the Charter School Credit Enhancement Program, without mutual agreement of the Authority and the chartering entity. In the event that the Charter School's Charter Contract is revoked or not renewed, the ability of the Charter School to make any payments due under the Loan Agreement representing debt service on the Series 2022 Bonds would be adversely affected and the Charter School could be forced to cease operations. For more information regarding conditions under which the Charter Contract may be revoked, and the revocation procedure, see "APPENDIX B – THE CHARTER SCHOOL – Charter Contract."

Changes in Charter School Law

Future changes to the Charter Schools Act by the State Legislature could be adverse to the financial interests of the Charter School and hence could adversely affect the security for the Series 2022 Bonds. There can be no assurance that the State Legislature will not amend the Charter Schools Act in a manner adverse to the interests of the Registered Owners of the Series 2022 Bonds. For additional information regarding the Charter Schools Act, see "APPENDIX A – CHARTER SCHOOLS IN UTAH."

Factors Associated with Education and Economics

There are a number of factors affecting charter schools in general, including the Charter School, that could have an adverse effect on the Charter School's financial position and its ability to make the payments required under the Loan Agreement. These factors include, but are not limited to, the ability to attract a sufficient number of students; increasing costs of compliance with federal or State regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating persons with disabilities; economic developments in the affected service area, including inflation and interest rates; future claims for accidents or other torts at the Charter School; any unionization of the Charter School's work force with consequent impact on wage scales and operating costs of the Charter School; the inability to attract a sufficient number of students; decline of the reputation of the Charter School, the faculty or student body, either generally or with respect to certain academic or extracurricular areas; changes in existing statutes pertaining to the powers of the Charter School and

legislation or regulations which may affect program funding. The Charter School cannot assess or predict the ultimate effect of these factors on its operations or financial results.

Damage or Destruction of the Facilities

The Charter School’s Charter Contract and the Loan Agreement require the Facilities to be insured against certain risks in certain amounts. See “APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT – Insurance” for a description of the required insurance. There can be no assurance that the amount of insurance required to be obtained will be adequate or that the cause of any damage or destruction will be as a result of an insured risk. Further, there can be no assurance of the creditworthiness of the insurance companies from which applicable insurance policies may be obtained. The Charter School may choose not to rebuild if a casualty renders the Facilities totally or partially untenable, unfit for their purposes, or if insurance proceeds are insufficient to restore the Facilities to tenantable condition.

Construction Costs; Completion of the Series 2022 Improvements

The Series 2022 Project includes, among other things, financing the costs of the construction of the Series 2022 Improvements. Although the Charter School has entered into an AIA Document A101-2017 (Standard Form of Agreement between Owner and Contractor) for the construction of the Series 2022 Improvements relating to the Additional Antelope Campus Parcel with a “guaranteed maximum price” equal to \$3,151,138.27 (meant to represent the maximum cost to the Charter School for completion of the Series 2022 Improvements relating to the Additional Antelope Campus Parcel) and expects to enter into an AIA Document A1-1-2017 (Standard Form of Agreement between Owner and Contractor) for the construction of the remaining Series 2022 Improvements [within six months after the Closing Date], and will allocate funds for construction contingencies, if current plans produce a construction cost that exceeds the amount available to pay such costs, the building plans may have to be modified by the Charter School to lower the construction costs to an amount not exceeding the amount deposited into the Project Fund for that purpose. Compliance with city building requirements and environmental regulators, availability of skilled construction trade labor, disruptions associated with COVID-19, and volatile availability and cost of building materials may also impact the cost of construction.

[Pursuant to the Second Amendment to Loan Agreement, the money on deposit in the Project Fund that is to be used in connection with the construction of the Series 2022 Improvements will not be disbursed to the Charter School until the Charter School has delivered certain items including a construction contract relating to such Series 2022 Improvements, a fully executed consent and certification of the general contractor pursuant to which the general contractor consents to the assignment of such construction contract to the Trustee, evidence of the Charter School’s receipt of applicable building permits, and a payment and performance bond in connection with the construction of the related Series 2022 Improvements.][TO TRACK SECOND AMENDMENT]

No assurance can be given that the Series 2022 Improvements will be completed on time or for the amount deposited into the Project Fund for such purpose. See “APPENDIX B – THE CHARTER SCHOOL – Purpose of the Series 2022 Bonds.”

Limited Nature of Real Estate Appraisals; Value of Facilities

In connection with the issuance of the Series 2022 Bonds, the Charter School engaged Larry A. Rigby, MAI of Rigby & Company (the “Appraiser”) to conduct an appraisal, dated January 13, 2022, with respect to the Antelope Campus (the “Antelope Campus Appraisal”). The Antelope Campus Appraisal

states that it is the opinion of the Appraiser that the fee simple value of the subject property in its “as is” condition as of January 5, 2022 was \$21,850,000 (the “Antelope Campus Appraised Value”).

Additionally, in connection with the issuance of the Series 2022 Bonds, the Charter School engaged the Appraiser to conduct an appraisal, dated January 26, 2022, with respect to the North Campus (the “North Campus Appraisal”). The North Campus Appraisal states that it is the opinion of the Appraiser that the fee simple value of the subject property in its “as is” condition as of January 5, 2022 was \$15,400,000 and in its “as completed” condition as of July 1, 2022 is \$17,500,000 (the “North Campus Appraised Value”). [The combined amount of the Antelope Campus Appraised Value and the North Campus Appraised Value is less than the combined amount of the Series 2017 Bonds outstanding and the Series 2022 Bonds to be issued.]

The value of the Facilities at any given time will be directly affected by market and financial conditions that are not in the control of the parties involved in this transaction. The Facilities are designed for use as an educational facility, and there is nothing associated with the Facilities that would suggest that their value would remain stable or would increase if the general values of property in the Charter School’s service areas were to decline. The Facilities will also require ongoing capital repairs and improvements and, although the Charter School intends to maintain the Facilities in good condition, no assurance can be given that the Charter School will have sufficient revenue to maintain a regular capital improvements program for the Facilities in the future. Potential purchasers of the Series 2022 Bonds should refer to a complete copy of the appraisals for additional information. Copies of the Antelope Campus Appraisal and the North Campus Appraisal are available as described under “INTRODUCTION – Additional Information.”

No assurance can be given that any of the Facilities can be sold now or in the future at the amounts appraised or greater, and for the above-described reasons and others, no assurance can be made that the amount realized upon any sale of any of the Facilities will be sufficient to pay and discharge the Charter School’s obligations under the Loan Agreement or to pay debt service on the Series 2022 Bonds in full when due. In particular, there can be no representation that the cost of the Facilities constitutes a realizable amount upon any forced sale thereof.

Foreclosure Delays and Deficiency

If the Pledged Revenues are insufficient to pay the principal of and interest on the Series 2022 Bonds, the Trustee may seek to foreclose on or sell the Facilities. No assurance can be given that the value of the Facilities at the time of such foreclosure or sale would be sufficient to meet all remaining principal and interest payments on the Series 2022 Bonds. In addition, the time necessary to institute and complete such proceedings could substantially delay receipt of funds from a foreclosure or sale. There could also be delays in regaining possession of the Facilities from the Charter School in the event of a default or dispute under the Loan Agreement.

Environmental Regulation

The Facilities are and will be subject to various federal, State and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability to the Charter School and to any beneficiary of the Mortgage, particularly following any sale or foreclosure proceeding, for remediating adverse environmental conditions on or relating to the Facilities, whether arising from preexisting conditions or conditions arising as a result of activities conducted in connection with the ownership and operation of the Facilities. Costs incurred by the Charter School with respect to environmental remediation or liability could adversely affect its financial condition, its ability to own and operate the Facilities, and ultimately its ability to make payments under the Loan Agreement representing

debt service on the Series 2022 Bonds. Excessive costs in connection with any such environmental remediation or any such liability to third parties could also make it difficult to successfully relet the Facilities.

In connection with the issuance of the Series 2022 Bonds, a Phase I Environmental Site Assessment was conducted on the North Campus (the “North Campus Phase I”), by Gordon Geotechnical Engineering, Inc. (the “Environmental Assessor”) as of November 23, 2021, to provide a review of historical information and an evaluation of the physical site features to identify “Recognized Environmental Conditions.” A Recognized Environmental Condition is defined as the presence or likely presence of any hazardous substances or petroleum products on a property under condition’s that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The North Campus Phase I indicated that there was no evidence of any Recognized Environmental Conditions in connection with the North Campus.

Additionally, in connection with the issuance of the Series 2022 Bonds, the Environmental Assessor also conducted a Phase I Environmental Site Assessment as of August 11, 2021 with respect to the Antelope Campus and the Additional Antelope Campus Parcel (the “Antelope Campus Phase I”). The Antelope Campus Phase I indicated that there was no evidence of any Recognized Environmental Conditions in connection with the Antelope Campus or the Additional Antelope Campus Parcel.

Copies of the Antelope Campus Phase I, the North Campus Phase I and the Additional Antelope Campus Phase I are available as described under “INTRODUCTION – Additional Information.”

Cybersecurity

The Charter School, like many other public and private entities, relies on a technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Charter School is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Charter School’s digital systems for the purpose of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that the Charter School’s efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Charter School. See “APPENDIX B – THE CHARTER SCHOOL – Cybersecurity.”

Risks related to Coronavirus and other Infectious Diseases

General. The Charter School’s operations and finances could be harmed by a national, regional, or localized outbreak of a highly contagious or epidemic disease such as the COVID-19 disease, Zika virus, or Ebola virus. The outbreak of a contagious disease at the Charter School or in its surrounding community may result in a voluntary temporary shutdown or diversion of students, or as may be mandated or recommended by federal or State authorities. Furthermore, if an outbreak of an infectious disease were to occur nationally or in the State, there is a possibility that the entire State education system could be shut down for an extended period of time, which could have a material impact on the Charter School’s operations, finances, and its ability to make Loan Payments representing debt service on the Series 2022 Bonds.

COVID-19. In December 2019, a novel strain of coronavirus causing the disease known as “COVID-19” was discovered in Wuhan, China. Since then, COVID-19 has spread throughout the world, including throughout the United States and the State, resulting in the World Health Organization

proclaiming COVID-19 to be a pandemic, the then-President of the United States declaring a national emergency, and the State governor declaring a state of emergency. The spread of COVID-19 has altered the behavior of businesses and people in a manner that has caused significant disruptions to the global, national, and State economy. In an effort to limit the spread of COVID-19, the United States government, state governments, local governments, and private industries have taken measures to restrict social interactions. The effects of the spread of COVID-19 and the related government and private responses continue to rapidly evolve.

Federal Responses to COVID-19. On March 27, 2020, Congress enacted into law the approximately \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) to provide stimulus to individuals and business impacted by the COVID-19 outbreak. The CARES Act established the \$150 billion Coronavirus Relief Fund (“CRF”) to support states with expenses due to the public health emergency with respect to COVID-19 incurred from March 1, 2020, to December 30, 2020. The CARES Act also established the Education Stabilization Fund, which includes the Elementary and Secondary School Emergency Relief Fund (“ESSER Fund”). ESSER I Fund dollars are appropriated to state education agencies (“SEAs”) based on the 2019-20 Title I shares, with 90% to be allocated to local education agencies (“LEAs”) that received a Title I allocation in the most recent fiscal year and the remaining 10% for an SEA reserve fund.

Further, the CARES Act authorized the Small Business Administration’s Paycheck Protection Program, as amended by the Paycheck Protection Flexibility Act (collectively, the “PPP”), to provide stimulus to individuals and business impacted by COVID-19. PPP loan proceeds are to be used to cover payroll costs, mortgage interest, rent, and utility costs for the 24-week period following the issuance of the loan. Some charter schools have received loans under the PPP (collectively, the “PPP Loans”). The PPP Loans are unsecured and may be prepaid without penalty. The PPP Loans may be forgiven if the schools meet the requirements of the PPP regarding the allocation of such funds to payroll costs, payments on covered mortgage or rent obligations, or covered utility payments. The amount of loan forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the PPP.

The Consolidated Appropriations Act of 2021, also known as “CARES Act 2,” was passed by Congress and signed into law in late 2020. CARES Act 2 dedicated \$82 billion for education and provided extensions to the PPP Loan program. The American Rescue Plan Act of 2021 was signed into law in March 2021 and provided significant additional funding for elementary and secondary schools. It is not clear, however, how much of such funding will be provided to charter schools, including the Charter School.

State, District, and Charter School Responses to COVID-19. For a description of the State, District, and Charter School’s responses to COVID-19, any funding received by the Charter School relating to COVID-19, and related information, see “APPENDIX B – THE CHARTER SCHOOL – Charter School Response to COVID-19 Crisis.

Potential Impact of COVID-19 or Other Infectious Diseases. Despite the measures taken to combat the negative effects of COVID-19, there can be no assurances that the spread of COVID-19 or other highly contagious or epidemic diseases will not adversely impact the Charter School. While the Charter School does not anticipate that COVID-19 will affect its ability to obtain State Payments as projected in this Official Statement, the extent to which COVID-19 impacts the Charter School and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the management of the Charter School, including the extent or duration of the outbreak. The State’s finances may be materially adversely affected by the continued spread of COVID-19, which could affect the amount or timing of State aid appropriated to public education, including charter schools such as the Charter School. See “RISK FACTORS – Dependence on State Payments; State Aid Payments Subject to Annual Appropriation.” There can be no assurance that the level of WPU basic program funding or other funding

for education programs will not be further reduced if the effects of COVID-19 continue to negatively impact the State's finances.

Further, the Charter School cannot fully predict the increased costs associated with an infectious disease outbreak such as operational costs incurred to clean, sanitize, and maintain its facilities either before or after an outbreak of an infectious disease. In addition, the spread of COVID-19 could have an adverse effect on future enrollment. For example, if it is perceived that competitors of the Charter School are better equipped to handle the spread of COVID-19 or similar future outbreaks or to provide virtual learning, it could lead to lower enrollment in the future. See "RISK FACTORS – Competition for Students."

Potential Effects of Bankruptcy

If the Charter School were to file a petition for relief (or if a petition were filed against the Charter School as debtor) under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended, or other State insolvency, liquidation or receivership laws, the filing could operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Charter School or the property of the Charter School. If the bankruptcy court or other state or federal court so ordered, the Charter School's property and revenues could be used for the benefit of the Charter School despite the claims of its creditors, including the owners of the Series 2022 Bonds.

In a bankruptcy proceeding under Chapter 11 of the Bankruptcy Code, the Charter School could file a plan of reorganization which would modify the rights of creditors generally or the rights of any class of creditors, secured or unsecured, including the owners of the Series 2022 Bonds. The plan, when approved ("confirmed") by the bankruptcy court, would bind all creditors who had notice or knowledge of the plan and would discharge all claims against the Charter School except as otherwise provided for in the plan. No plan may be confirmed by a bankruptcy court unless, among other conditions, the plan is in the best interest of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Even if the plan is not so accepted, it may be confirmed if such court finds that the plan is fair and equitable with respect to each class of nonaccepting creditors impaired thereunder and does not discriminate unfairly.

Additional Bonds

The Indenture provides that additional bonds may be issued by the Authority payable from the Trust Estate on a parity with the Series 2017 Bonds and the Series 2022 Bonds and/or subordinate to the Series 2017 Bonds and the Series 2022 Bonds, if certain conditions are met. See the Additional Bonds requirements set forth in "APPENDIX E" hereto.

Additional Indebtedness

Under the Loan Agreement, the Charter School may incur other parity Indebtedness (in addition to the Series 2017 Bonds and the Series 2022 Bonds) secured by the Mortgage on the Facilities and the security interest in the Pledged Revenues only if certain conditions are met. See the Limitations on Incurrence of Additional Indebtedness requirements set forth in "APPENDIX E" hereto.

Risk of Non-Appropriation

An event of Non-Appropriation by the State would cause a delay, reduction or termination of amounts received by the Authority under the Credit Enhancement Program. For additional information regarding the Credit Enhancement Program, see "SECURITY FOR THE SERIES 2022 BONDS – Charter School Credit Enhancement Program."

As defined in the Indenture, “Non-Appropriation” means (i) the Authority does not timely certify to the governor of the State the amount, if any, required to restore amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, (ii) the governor does not timely request from the State Legislature an appropriation at least equal to the certified amount, or (iii) the State Legislature does not appropriate money to the Authority under the Credit Enhancement Program to restore amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

Enforcement of Remedies

The remedies available to the Trustee or the Registered Owners of the Series 2022 Bonds upon an Event of Default under the Indenture or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2022 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.

Secondary Market

There is no guarantee that a secondary trading market will develop for the Series 2022 Bonds. Consequently, prospective bond purchasers should be prepared to hold their Series 2022 Bonds to maturity or prior redemption.

Failure To Provide Ongoing Disclosure

The Charter School will covenant to enter into the Continuing Disclosure Agreement pursuant to Rule 15c2-12. See “CONTINUING DISCLOSURE” below. Failure to comply with the Continuing Disclosure Agreement and Rule 15c2-12 may adversely affect the liquidity of the Series 2022 Bonds and their market price in the secondary market.

LEGAL MATTERS

Pending and Threatened Litigation

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 2022 Bonds or questioning or affecting the validity of the Series 2022 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 Loan Agreement with the Charter School or to issue and secure the Series 2022 Bonds in the manner provided in the Indenture.

No Proceedings Against the Charter School. In connection with the issuance of the Series 2022 Bonds, representatives of the Charter School will deliver a certificate which will state that, as of the date of issuance of the Series 2022 Bonds, to the best of their knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Charter School, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture, the Loan Agreement, the bond purchase agreement (referred to in “MISCELLANEOUS – Underwriting”), or this Official Statement, the validity

and enforceability of the Indenture, the Loan Agreement, the bond purchase agreement or the Series 2022 Bonds or the operations (financial or otherwise) of the Charter School or the designation of the Charter School at a “qualifying charter school” for purposes of the Credit Enhancement Program.

TAX MATTERS

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under the law existing as of the issue date of the Series 2022 Bonds:

Tax Consequences to Owners of the Series 2022A Bonds

Federal and State of Utah Tax Exemption. The interest on the Series 2022A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from individual income taxation by the State of Utah.

Alternative Minimum Tax. The interest on the Series 2022A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond Counsel’s opinions are provided as of the date of the original issue of the Series 2022A Bonds, subject to the condition that the Authority and the Charter School comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority and the Charter School have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2022A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022A Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2022A Bonds, but has reviewed the discussion under the heading “TAX MATTERS.”

A form of the proposed opinion of Bond Counsel to the Authority is attached as “APPENDIX G – FORM OF BOND COUNSEL OPINION.”

Other Tax Consequences to Owners of the Series 2022A Bonds

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2022A Bond over its issue price. The issue price of a Series 2022A Bond is generally the first price at which a substantial amount of the Series 2022A Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2022A Bond during any accrual period generally equals (1) the issue price of that Series 2022A Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2022A Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2022A Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Series 2022A Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2022A Bond over its stated redemption price at maturity. The issue price of a Series 2022A Bond is generally the first price at which a substantial amount of the Series 2022A Bonds of that maturity

have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2022A Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2022A Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2022A Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Federal Income Tax Consequences to Owners of the Series 2022B Bonds

Series 2022B Bonds. The interest on the Series 2022B Bonds is includable in gross income for federal income tax purposes in accordance with the owner's normal method of accounting.

No Opinion. Bond Counsel is not rendering any opinion to owners of the Series 2022B Bonds regarding the treatment of interest on the Series 2022B Bonds for federal income tax purposes. Purchasers of Series 2022B Bonds should consult their tax advisors in determining the federal income tax consequences to them of the purchase, ownership, and disposition of a Series 2022B Bond, as well as any tax consequences arising under the laws of a state or other taxing jurisdiction.

State of Utah Tax Exemption with respect to the Series 2022B Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Series 2022B Bonds, the interest on the Series 2022B Bonds is exempt from individual income taxation by the State of Utah.

Other Federal Income Tax Consequences to Owners of the Series 2022 Bonds

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2022 Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2022 Bonds, and to the proceeds paid on the sale of the Series 2022 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2022 Bonds should be aware that ownership of the Series 2022 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2022

Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of the Series 2022 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2022 Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (“Rule 15c2-12”), the Charter School has agreed for the benefit of the Registered Owners and Beneficial Owners of the Series 2022 Bonds to provide certain financial information, other operating data and notices of material events by entering into a Continuing Disclosure Agreement in the form attached to this Official Statement as APPENDIX G (the “Continuing Disclosure Agreement”).

The Charter School previously entered into a continuing disclosure undertaking in connection with the issuance of the Series 2017 Bonds, pursuant to which the Charter School was required to provide annual financial information and operating data and notices of certain material events. During the past five years, the Charter School did not file certain annual operating data for its fiscal years ended June 30, 2017 through 2021, did not timely file a quarterly report for quarter ended March 31, 2017, did not timely file October 2019 enrollment information, and did not file or timely file notice of its failure to provide the aforementioned information on or before the date specified in its prior continuing disclosure undertaking. On January 4, 2022, a Notice of Failure to File Operating Data and all available operating data not previously provided were provided to the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board and the primary portal for complying with the continuing disclosure requirements of Rule 15c2-12.

MISCELLANEOUS

Ratings

S&P Global Ratings (“S&P”) has assigned the Series 2022 Bonds a long-term rating of “[]” based on the Credit Enhancement Program. The Credit Enhancement Program rating carries a stable outlook.

S&P has also assigned the Charter School an underlying issuer credit rating of “BBB-” based on the credit quality of the Charter School. The Charter School’s issuer credit rating carries a stable outlook.

The ratings reflect only the view of the rating agency and any desired explanation of the significance of such ratings should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2022 Bonds.

Underwriting

The Series 2022 Bonds are being sold by the Authority at an underwriting discount of \$[] to the Underwriter pursuant to a bond purchase agreement entered into by and among the Underwriter, the Charter School and the Authority. Expenses associated with the issuance of the Series 2022 Bonds are being paid from proceeds of the Series 2022 Bonds. The right of the Underwriter to receive compensation in connection with the Series 2022 Bonds is contingent upon the actual sale and delivery of

the Series 2022 Bonds. The Underwriter has initially offered the Series 2022 Bonds to the public at the prices or yields set forth on the inside cover page of this Official Statement, plus accrued interest from the date of the Series 2022 Bonds. Such prices or yields may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Series 2022 Bonds to the public.

Financial Advisor to the Charter School

Lewis Young Robertson & Burningham, Inc., Salt Lake City, Utah, is acting as financial advisor to the Charter School in connection with the issuance of the Series 2022 Bonds. Lewis Young Robertson & Burningham, Inc. is not obligated nor has undertaken to make an independent verification or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement.

Trustee

The Trustee did not participate in the preparation of this Official Statement and makes no representations concerning the notes, the collateral or any other matter stated in this Official Statement. The Trustee has no duty or obligation to pay the Series 2022 Bonds from its own funds, assets or corporate capital or to make inquiry regarding, or investigate the use of, amounts disbursed from the Trust Estate.

Registration of Series 2022 Bonds

Registration or qualification of the offer and sale of the Series 2022 Bonds (as distinguished from registration of the ownership of the Series 2022 Bonds) is not required under the federal Securities Act of 1933, as amended. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2022 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2022 BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

Interest of Certain Persons Named in This Official Statement

The fees to be paid to most of the professionals engaged in connection with the financing are contingent upon the sale and delivery of the Series 2022 Bonds.

Relationships among the Parties

In connection with the issuance of the Series 2022 Bonds, the Authority, the Charter School, and the Underwriter are being represented by the attorneys or law firms identified above under the heading “INTRODUCTION – Agents and Advisors.” In other transactions not related to the Series 2022 Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Authority, the Charter School, or the Underwriter or their affiliates, in capacities different from those described under “INTRODUCTION – Agents and Advisors,” and there will be no limitations imposed as a result of the issuance of the Series 2022 Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Series 2022 Bonds should not assume that the Authority, the Charter School, and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in or will not after the issuance of the Series 2022 Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or these attorneys or law firms.

Independent Auditors

The audited financial statements of the Charter School for the fiscal years ended June 30, 2021, 2020 and June 30, 2019 by Eide Bailly, Ogden, Utah, which are appended hereto, have been audited as stated in their report appearing therein. Such financial statements have been included without the review of the auditor.

Additional Information

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

Official Statement Certification

The preparation of this Official Statement and its distribution have been authorized by the Charter School. This Official Statement is not to be construed as an agreement or contract between the Charter School and any purchaser, owner or holder of any Series 2022 Bond.

SYRACUSE ARTS ACADEMY, a Utah nonprofit corporation

By _____
[Name], [Title]

APPENDIX A

CHARTER SCHOOLS IN UTAH

This Appendix summarizes certain provisions of State of Utah (the “State”) charter school laws. This Appendix provides only a summary for informational purposes. Reference is hereby made to the Utah Code Annotated 1953, as amended (the “Utah Code”), and the Utah State Board of Education Rules found in the Utah Administrative Code, Title R277, as amended (the “Utah Administrative Code”), for a complete description of State charter school law. Potential investors should refer to and independently evaluate such provisions in their entirety, with assistance from counsel, for a complete understanding of their terms. Further, potential investors should note that the provisions summarized below are subject to change, and this summary only pertains to certain aspects of currently existing law. See “RISK FACTORS – Changes in Charter School Law” in the Official Statement.

Introduction

The State Legislature first established charter schools in 1998. State charter schools are public schools established by contract with a district governing board, a higher-education institution, or the Utah State Charter School Board (the “State Charter School Board”). The State Charter School Board members are appointed by the State governor with consent of the State senate. Per State statute, the seven State Charter School Board members represent specific bodies or constituencies. The State Charter School Board is one of the approved entities that may authorize a State charter school (an “Authorizer”) and, pursuant to that authorization and rules of the Utah State Board of Education (the “State Board of Education”), continually monitors and reviews those schools which it has acted as Authorizer. The State Charter School Board may also contract, sue, and be sued and provide administrative services to, or perform other school functions for, charter schools and charge fees for the provision of services or functions.

Various statutory provisions govern the creation, operation, and financing of State charter schools. These provisions, which are described further below, derive from the following authorities:

- *Charter Schools Act*, Utah Code, Title 53G, Chapter 5 (the “Charter Schools Act”), which includes provisions governing the authority of the State Charter School Board, the legal status and organization of charter schools, the charter application process, requirements for charter schools, termination of a charter, and charter school funding.
- *State Board of Education Rules*: The State Board of Education has promulgated rules regarding pupil accounting, a charter school revolving loan fund, and charter school accountability and assistance.
- *Charter School Credit Enhancement Program*, Utah Code, Title 53G, Chapter 5, Part 6 (the “Charter School Credit Enhancement Program”), which creates a State-wide entity that may issue debt for charter schools in the State, among other provisions.

The sections that follow provide additional information relating to (a) the Charter Schools Act generally, (b) provisions of the Charter Schools Act and related rules governing State charter school financing, and (c) additional rules pertaining to the operation and administration of State charter schools.

General Provisions of the Charter Schools Act (Utah Code §§ 53G-5-101 through 104)

Status and Purpose of Charter Schools in the State (Utah Code §§ 53G-5-101 to 104)

Charter schools in the State are public schools. A charter school may be established through the creation of a new school or by converting an existing public school to a charter school. Charter schools are intended to: (a) improve student learning; (b) encourage the use of different and innovative teaching methods; (c) create new professional opportunities for educators that will allow them to actively participate in designing and implementing learning programs; (d) increase choice of learning opportunities for students; (e) establish new public school models and new forms of accountability for schools that emphasizes the measurement of learning outcomes and the creation of innovative measurement tools; (f) provide opportunities for greater parental involvement in school management decisions; and (g) expand public school choice in areas where schools have been identified for school improvement, corrective action, or restructuring under the No Child Left Behind Act of 2001, 20 U.S.C. Sec. 6301 et seq.¹

Charter Application Process (Utah Code §§ 53G-5-205, 302-06)

An applicant seeking to establish a new charter school (or to convert an existing public school into charter school status) must submit an application that contains certain information as required by the Charter Schools Act to a State charter school Authorizer, which may be the State Charter School Board, a local school board, or a board of trustees of an institution in the State system of higher education. The Authorizer will evaluate the charter application according to rules created by the State Board of Education, which rules include a process by which the Authorizer must evaluate the skill of the proposed charter school's governing board, the functional operation of the board, and the financial viability of the proposed charter school. An applicant seeking the authorization of a charter school from the State Charter School Board must first provide a copy of the application to the local school board of the school district in which the proposed charter school will be located, either before or at the time the application is filed with the State Charter School Board. The local board may then review the application and provide recommendations to the applicant or to the State Charter School Board. After approval of an application, the applicant and its Authorizer set forth the terms and conditions for the operation of the charter school in a written contractual agreement. A charter agreement may be modified only by mutual agreement of the governing body of the charter school and its Authorizer.

Requirements for Charter Schools (Utah Code § 53G-5-404)

Charter schools must meet certain requirements set forth in the Charter Schools Act. Charter schools must be nonsectarian in their programs, admission policies, employment practices and operations. Charter schools may not charge tuition or fees except those fees normally charged by other public schools. Charter schools must meet all applicable federal, State, and local health, safety and civil rights requirements and are required to submit the same annual reports required by other public schools including an annual financial audit report filed with the Office of the State Auditor within six months of the end of the charter school's fiscal year. Charter schools are accountable to their Authorizers for performance as provided in the school's charter agreement and according to rules established by the State Board of Education that require an Authorizer to follow minimum standards and a certain procedure in its ongoing oversight of any charter school it has authorized. The charter school may not advocate unlawful behavior, shall provide sufficient liability and other insurance and shall submit any contract or lease relating to facilities to its Authorizer for review and advice prior to entering into such contract or lease. The charter school cannot hire a teacher with a suspended or revoked teaching license. Unless authorized by the local school board,

¹ The No Child Left Behind Act has been repealed and has largely been replaced with the Every Student Succeeds Act of 2015; however, this change has not been reflected in all sections of the Utah Code.

charter schools shall be organized and managed under the Utah Revised Nonprofit Corporation Act, Utah Code, Title 16, Chapter 6a.

Eligible Students (Utah Code §§ 53G-6-501 through 504)

Charter schools must enroll all eligible students who submit a timely application, unless the number of applications exceeds the capacity of a charter school's open enrollment threshold for a class, program or grade level. The open enrollment threshold is defined as 90% of the charter school's maximum capacity or its maximum capacity minus forty. If the number of applicants exceeds the open enrollment threshold, a charter school must select students on a random basis except that enrollment preference may be given to (a) a child or grandchild of an individual who has actively participated in the development of the charter school, (b) a child or grandchild of a member of the charter school's governing board, (c) siblings of students presently or previously enrolled in the charter school, (d) a child of an employee of the charter school, (e) a student transferring between charter schools offering similar programs that are governed by the same governing body, (f) a student transferring from one charter school to another pursuant to an agreement between the charter schools that is approved by the State Charter School Board, and (g) a student who resides within up to a two-mile radius of the charter school. Charter schools approved after May 13, 2014 and located within a high-growth area must give enrollment preference to students residing within a two-mile radius. If a district school converts to a charter school, such charter school must give enrollment preference to district students who would have otherwise been assigned to the school if it had remained a district school. A charter school may also weigh its lottery to give a better chance of admissions to students defined as educationally disadvantaged under the Charter Schools Act. A charter school may not discriminate in its admission policies or practices on the same basis as other public schools may not discriminate in their admission policies and practices.

Noncompliance and Termination (Utah Code §§ 53G-5-501 through 505)

If a charter school is found to be noncompliant with the requirements for charter schools (Section 53G-5-404 of the Charter Schools Act) or the school's charter, the Authorizer shall notify the school's governing board and, if the charter school has outstanding bonds issued pursuant to the Charter School Credit Enhancement Program, the Utah Charter School Finance Authority, and provide the charter school with a reasonable amount of time to remedy the problem; provided, however, if good cause has been shown or if the health, safety or welfare of the students at the school is threatened, the Authorizer may terminate a charter immediately. If the school does not remedy the noncompliance, the Authorizer may take any of the following actions: remove the school director or finance officer, remove governing board members, appoint an interim director or mentor to work with the charter school, or terminate the school's charter. An interim director or mentor will be paid by the charter school for which the director or mentor is working.

An Authorizer may terminate a school's charter for any of the following reasons: failure to meet the requirements stated in the school's charter; failure to meet generally accepted standards of fiscal management; designation as a low performing school under State law and failure to improve the school's grade under the conditions outlined in Utah Code, Title 53E, Chapter 5, Part 3; violation of the requirements under the Charter Schools Act or another law; or other good cause shown. The Authorizer must notify the governing body of the school of the proposed termination in writing, and if the charter school has outstanding bonds under the Charter School Credit Enhancement Program, then the Authorizer shall notify the Utah Charter School Finance Authority of the proposed termination too. The notification shall state the grounds for the termination, and state that the governing body may request an informal hearing before the Authorizer. Such hearing shall be conducted within thirty days of a charter school's written request and in accordance with the State Administrative Procedures Act. If the charter school has outstanding bonds under the Charter School Credit Enhancement Program, then the Authorizer shall conduct the hearing and shall

do so within 120 days of sending the notice of proposed termination to the Utah Charter School Finance Authority and the charter school's board.

When the decision to close a charter school is made, the charter school shall send written notice to the following parties within ten days: (a) if the charter school made the decision to close, the charter school's Authorizer; (b) the State Charter School Board; (c) if the State Board of Education did not make the decision to close, the State Board of Education; (d) parents of students enrolled at the charter school; (e) the charter school's creditors; (f) the charter school's lease holders; (g) the charter school's bond issuers; (h) other entities that may have a claim to the charter school's assets; (i) the school district in which the charter school is located and other charter schools located in that school district; (j) any other person that the charter school determines to be appropriate; and (k) the Utah Public Notice Website for public notification.

Within 10 days of the decision to close, the charter school shall appoint a custodian for the protection of student files and business records and establish a base of operations with an office and set hours of operation. The charter school shall maintain its insurance coverage, complete a financial audit for the year, complete all required federal and State paperwork, inventory its assets and list all of its creditors, including secured creditors. Such charter school's Authorizer shall oversee the termination process, including the liquidation of the charter school's assets and the charter school's final audit.

Other Provisions of the Utah Code (Utah Code §§ 53E-5-302 through 311)

Termination or Turnaround of Low Performing Charter School (Utah Code § 53E-5-304)

If a charter school is designated as low performing under Section 53E-5-302 of the Utah Code, a charter school Authorizer will initiate a review to determine if the charter school is in compliance with its charter agreement. If the charter school is out of compliance with the charter agreement, the Authorizer may terminate the charter school's charter pursuant to Section 53G-5-501 of the Charter Schools Act. If the charter school's charter is not terminated, the governing board of the charter school will need to create a school turnaround committee and engage an independent school turnaround expert to develop a school turnaround plan. The low-performing school shall submit the turnaround plan to the State Charter School Board for approval by July 1 of the initial remedial year. Once approved, the State Charter School Board shall monitor the charter school's compliance with the turnaround plan.

Consequences for Failing to Improve a Low Performing Charter School (Utah Code § 53E-5-306, Utah Administrative Code R277-920)

A low performing charter school may no longer be considered a low performing school by improving its grade by at least one letter grade, as determined by comparing the school's letter grade for the school year prior to the first remedial year to the school's letter grade for its final remedial year, and by meeting other exit criteria and applicable deadlines established by State Board of Education rules. A low performing charter school may petition the State Board of Education for an extension to continue school improvement efforts for up to two years. If the charter school does not meet exit criteria by the school's final remedial year or the last school year of the extension period, the State Board of Education may establish rules for restructuring a charter school to include termination of a school's charter, closure of the school or transferring operation and control of the school to a high performing charter school or the school district in which the charter school is located.

Funding for Charter Schools

Sources of Funds

The primary source of funds for the operation of State charter schools is State funding. State revenue is distributed through the State Uniform School Fund (the “Uniform School Fund”).

Education Monitoring and Funds Management (Utah Code §§ 53F-1-104)

The State Board of Education monitors State funded education programs and the expenditure of State funds. Except as otherwise authorized by statute, the State Board of Education will not allow a cost under a “State Award,” which includes money that the State Legislature appropriates to State education programs for use by a local education agency (“LEA”), including local school boards/public school districts and charter schools, or a grant that the State Board of Education awards to an LEA as part of a State education program, unless the cost is necessary and reasonable for, and allocable to, the performance of the State Award, the cost conforms to any limitations or exclusions that apply uniformly to the LEA’s other activities, the LEA accorded the cost consistent treatment among programs, the LEA determined the cost in accordance with generally accepted accounting principles, the LEA adequately documented the cost, and the LEA incurred the cost during the approved budget period.

In determining whether a cost is a reasonable cost, the State Board of Education will consider whether the cost is of a type generally recognized as ordinary for the operation of the LEA or the proper and efficient performance of the State Award; the restraints or requirements imposed by sound business practices, arm’s length bargaining, federal, State, local, tribal, or other laws and regulations, and the State Award’s restrictions and conditions; market prices for comparable goods or services in the geographic area; whether an individual involved in a decision to incur the cost acted with prudence in the circumstances considering the individual’s responsibilities to the LEA, the LEA’s employees, the LEA’s students, the public, and the State government; and whether the LEA significantly deviated from the LEA’s established practices and policies concerning incurring costs so that the costs the LEA incurs for the performance of the State Award are unjustifiably increased.

The State Board of Education will determine that a cost is an allocable cost if the LEA incurred the cost specifically for the State Award, the cost benefits both the State Award and the LEA’s other work and can be distributed in proportions that may be approximated using reasonable methods, and the cost is necessary to the overall operation of the LEA and is assignable in part to the State Award.

Uniform School Fund (Utah Code §§ 53F-2-201 through 207)

The Uniform School Fund derives its distributable income from interest and dividends from the State School Fund (which fund consists of proceeds of the sale of all lands granted to the State by the United States for the support of public elementary and secondary schools, 5% of the net proceeds from the sale of federally owned land lying within the State, all revenues derived from nonrenewable resources on certain State lands, all revenues derived from the use of school trust lands, other revenues appropriated by the State Legislature and other revenues and assets received by the fund under any provision of law or by bequest or donation), revenues appropriated by the State Legislature and other revenues received under any other provision of law or by donation.

Under the Charter Schools Act, charter schools like the Charter School are funded in the same way that traditional public-school districts are funded. Funds are electronically transferred directly from the State treasurer to each charter school monthly using statutory and administrative rule set formulae. The formulae calculate proper funding levels using a system of weighted pupil units (“WPU’s”), the value of

which is determined by the Minimum School Program Act, Utah Code, Title 53F, Chapter 2 (the “Minimum School Program”) each year in the State’s Minimum School Program and Public Education Budget Amendments Bill. WPU for charter schools are allocated as follows: 0.55 for kindergarten pupils; 0.9 for pupils in grades 1-6; 0.99 for pupils in grades 7-8; and 1.2 for pupils in grades 9-12 (Utah Code 53F-2-302(4)). Funding is allocated by adding the average daily membership (ADM) for all students attending the charter school (other than kindergarten students) and the product of the total ADM of all kindergarten students attending the charter school times .55. The number of WPUs is then multiplied by the value of the WPU for kindergarten through twelfth grade funding. Charter schools may, like all public schools, be eligible for additional funding for administering programs such as special education, interventions for at-risk students and accelerated learning programs.

To determine membership, charter schools must ensure that attendance records are kept which clearly and accurately show the entry date, exit date and attendance record of each student, and must employ an independent auditor to audit student accounting records annually. Reporting due dates and auditing procedures are summarized in the State of Utah Legal Compliance Audit Guide SOE-1, Minimum School Program as well as the agreed upon procedures in Appendix C-5, School District Fall Enrollment and Student Membership Reporting, provided to school districts and charter schools by the State Board of Education. The State Board of Education reviews student membership and fall enrollment audits as they relate to the allocation of State funds.

For purposes of funding for the regular basic school program, a student can only be a pupil in average daily membership once on any day. A student may be counted in full-time membership in the regular school program, or full-time membership in some other program. A student may not be funded for more than one regular WPU for any school year. If a student is enrolled part-time in a regular school program and part-time in some other program (such as Adult Basic Education or Youth in Custody), the student’s membership is reported on a pro-rated basis for each program.

The membership of students enrolled part-time in public schools is determined by the ratio of the number of hours or periods that the student is in membership per day or week to the total number of hours or period in the school day or week. Subject to certain exceptions, a student enrolled in a public school and a private school or home school shall only be credited for membership for State funding purpose for the public school portion of the day.

Minimum School Program

The Minimum School Program governs the use of State funds in the Uniform School Fund and distributes regular basic program funding through the WPU formula described above. Pursuant to House Bill 5012 signed into State law on June 29, 2020, the level of WPU basic program funding provided by the State was \$3,596 per student for the 2021 fiscal year. Pursuant to Senate Bill 1 signed into State law on February 4, 2021, the level of WPU basic program funding provided by the State is \$3,809 per student for the 2022 fiscal year.

In Lieu of Local Funding Appropriation (Utah Code §§ 53F-2-703)

The Charter Schools Act provides that the State Legislature shall provide for an appropriation for charter school students to replace some of the district and voter mandated property tax revenues allocated to traditional public schools within a district. The State Board of Education will distribute charter school levy per pupil revenues to charter schools in accordance with the formula set forth in Section 53F-2-703(2) of the Utah Code. The State Legislature provides for this appropriation for charter schools for each charter school student enrolled on the first school day of October to supplement the allocation by the State Board of Education of charter school levy per pupil revenues. The amount of money provided by the State for a

charter school student will be the sum of (a) the charter school students' average local revenues minus the charter school levy per pupil revenues and (b) the statewide average debt services revenues. If, however, the total of charter school levy per pupil revenues and the amount provided by the State is less than \$1,427, the State will provide an additional supplement so that a charter school receives at least \$1,427 per student, up to the maximum number of students the charter school stated it would serve in its charter agreement. For any students enrolled in a charter school above the maximum number stated in the school's charter agreement, the charter school may receive only a prorated distribution of remaining funds allocated based upon its share of all the students enrolled in charter schools who exceed the number of maximum students stated in each charter school's charter agreement. Ten percent of monies received from the above calculation by charter schools are required to be expended for school facilities only.

State Grants and Contributions (Utah Code §§ 53F-5-201 through 208; §§ 53F-5-301 through 310)

In addition to the WPU and per pupil student levy, funds are available through the State to charter schools through various grants, appropriations and other contributions. These State contributions include miscellaneous grant programs to enable and incentivize charter schools to create an online system for tracking summative test data or tracking student progress, implement evidence-based literacy intervention programs, provide a Strengthening College and Career Readiness Program, create a suicide prevention program, and address academic achievement for students affected by intergenerational poverty. In addition, there is a Student Access to High Quality School Readiness Programs Grant and appropriations for, among other things, accelerated learning programs, adult education, at-risk programs, concurrent enrollment programs and high-ability student initiative programs. Distributions under the grants, appropriations and contributions are based on statutory formulas and administrative policy.

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 charter school's charter agreement. Charter schools may, in addition, borrow funds for capital facilities through private market lenders and investors. Charter schools in the State utilize such funding avenues similarly to the way in which traditional school districts borrow funds against tax receipts so far as facilities development is concerned.

Charter School Closure Reserve Account (Utah Code §§ 53F-9-307)

Pursuant to House Bill 425 signed into State law on March 17, 2021, the State Legislature created within the Education Fund a special revenue fund known as the "Charter School Closure Reserve Account." Amounts on deposit in the Charter School Closure Reserve Account consist of appropriations by the State Legislature, annual contributions by charter schools, and interest earnings. The State Legislature initially appropriated an amount equal to \$1,000,000 for the Charter School Closure Reserve Account for the 2021-22 fiscal year. For the fiscal year beginning on or after July 1, 2021, charter schools are required to annually contribute to the Charter School Closure Reserve Account \$2.00 per student enrolled in the charter school until the balance of the Charter School Closure Reserve Account reaches \$3,000,000. Charter schools are then required to contribute prorated amounts (but never in excess of \$2.00 per student enrolled in the charter school) to ensure that the Charter School Closure Reserve Account maintains a balance of \$3,000,000 through the 2023-24 fiscal year, \$2,500,000 through the 2025-26 fiscal year, and \$2,000,000 thereafter, subject to the conditions set forth in the Charter Schools Act.

Amounts on deposit in the Charter School Closure Reserve Account are to be used by a charter school that closes on or after January 1, 2021 to pay debts that a charter school owes to the State Board of

Education, the State or federal government, and other debts permitted by the Charter Schools Act, *but are not allowed to be used to pay bond debt.*

Additional State Board of Education Rules

The State Board of Education has promulgated rules regarding the operation and administration of charter schools, certain of which are described below.

Minimum School Days, LEA Records, and Audits (Utah Administrative Code §§ R277-419-4 and 8)

School districts and charter schools must conduct a minimum of 990 instructional hours and 180 school days each school year; however, under special circumstances discussed in R277-419-4(1)(b), variances may be granted. The days or hours may be offered at any time during the school year. A school day is defined for kindergarten as a minimum of two hours of instruction per day and for grades one through twelve a minimum of four hours of instruction per day. All school day calculations exclude lunch periods and pass time between classes.

To ensure student membership, daily student attendance records shall be taken and maintained that include entry date, exit date, high school completion status, excused and unexcused absences, disability status, and Youth in Custody status. Each charter school must employ an independent auditor, under contract, to provide an annual audit of student attendance records and report such findings to the charter school's board and the Financial Operations Section of the State Board of Education.

Eligibility (Utah Administrative Code §§ R277-419-5 through 6)

In order to generate membership for funding through the Minimum School Program for any clock hour of instruction on any school day, a student shall: (a) not have previously earned a basic high school diploma or certificate of completion; (b) not be enrolled in certain Youth in Custody programs; (c) not have unexcused absences on all of the prior ten consecutive school days; (d) be a resident of the State as defined under Section 53G-6-302 of the Utah Code; (e) be of qualifying school age or a retained senior; and (f) (i) be expected to attend a regular learning facility operated or recognized by the LEA on each regularly scheduled school day, if enrolled in a face-to-face learning program, or (ii) have direct instructional contact with a licensed educator provided by the LEA at an LEA-sponsored center for tutorial assistance or at the student's place of residence or convalescence for at least 120 minutes each week during an expected period of absence, if physically excused from such a facility for an extended period of time, due to: injury, illness, surgery, suspension, pregnancy, pending court investigation or action, or an LEA determination that home instruction is necessary.

If a student was enrolled for only part of the school day or only part of the school year, the student's membership shall be prorated according to the number of hours, periods, or credits for which the student was actually enrolled in relation to the number of hours, periods, or credits for which a full-time student normally would have been enrolled. For example:

- (a) If the student was enrolled for four periods each day in a seven-period school day for all 180 school days, the student's aggregate membership would be 4/7 of 180 days, or 103 days.
- (b) If the student was enrolled for seven periods each day in a seven-period school day for 103 school days, the student's membership would also be 103 days.

For students in grades 2 through 12, days in membership shall be calculated using a method equivalent to the following: total clock hours of instruction for which the student was enrolled during the school year divided by 990 hours and then multiplied by 180 days and finally rounded up to the nearest whole day. For example, if a student was enrolled for only 900 hours during the school year, the student's aggregate membership would be $(900/990)180$, and the LEA would report 164 days. For students in grade 1, the first term of the formula shall be adjusted to use 810 hours as the denominator. For students in kindergarten, the first term of the formula shall be adjusted to use 450 hours as the denominator.

The sum of regular and self-contained special education and Youth in Custody membership days may not exceed 180, and the sum of regular and resource special education membership days may not exceed 360. LEAs can count a student in membership for equivalent in hours up to: (a) one period each school day if the student has been released during the day for religious instruction or individual learning activity or exempted from school attendance for home schooling and participated in at least one extracurricular activity; (b) two periods each day for time spent in bus travel during the regular school day to and from another State-funded institution, if the student is enrolled in CTE instruction consistent with the student's SEOP/Plan for College and Career Readiness; and (c) all periods each day if the student is enrolled in a concurrent enrollment program, private school without a religious affiliation, a foreign exchange student program, or the Utah Schools for the Deaf and the Blind.

Fiscal and Auditing Policies (Utah Administrative Code § R277-113)

Charter schools in the State are required to develop a fiscal policy that aligns and implements State law and State Board of Education rules. The board of each charter school is charged with approving the fiscal policy, ensuring that the school operates under a system of internal controls, regularly reviewing the school's budget and financial system and making monthly reports on the school's finances. As required by Section 53G-7-303 of the Utah Code, by June 30 of each year, a charter school's governing board must adopt a budget for the following operating year and file such budget with the state auditor and the State Board of Education. A charter school's governing board also must create an audit committee and appoint board members to serve on the committee. The audit committee shall monitor the external audit report, and, if the school serves over 10,000 students, create and oversee an internal audit program. In addition, each charter school's fiscal policy shall include a cash handling policy; an expenditure policy; a method for recording expenditures that includes a designation of the fund, function, location, program and object or revenue code of each expenditure; a fundraising policy; a donation and gift policy; and a financial reporting policy, a policy governing construction contracts and multi-year contracts. The financial reporting policy shall require that the charter school ensure financial reporting in accordance with GAAP and audits of the school's financial reporting in accordance with GAAS; that the financial reporting shall be in accordance with the basis of accounting as required by GAAP; and a requirement that the charter school conduct its budgeting and accounting in accordance with the uniform chart of accounts and auditing standards provided online annually by the Utah State Superintendent of Public Instruction (the "State Superintendent").

Enrollment Expansion for Approved Charter Schools (Utah Administrative Code §§ R277-552-2 and 5)

An Authorizer shall maintain the final, official and complete charter agreement. A charter school may request approval for an expansion if: (a) the charter school satisfies the requirements of federal and state law, regulations, rule, and the charter agreement; and (b)(i) the charter school's charter agreement provides for an expansion consistent with the request; or (ii) the charter school governing board has submitted a formal amendment request to the Authorizer consistent with the Authorizer's requirements. If the Authorizer approves a charter school expansion, the expansion shall be approved before October 1 of the State fiscal year prior to the school's intended expansion date. An Authorizer that authorizes an expansion of the Authorizer's charter school shall provide the total number of students by grade that the

charter school is authorized to enroll to the State Superintendent on or before October 1 of the State fiscal year prior to the charter school's intended expansion date.

Charter School Financial Practices and Training (Utah Administrative Code § R277-553-5)

A charter school shall hire or contract with a business administrator to perform the duties described in Section 53G-4-303 of the Utah Code, which include the duties to: (a) attend all meetings of the charter school, keep an accurate record of its proceedings, and have custody of the seal and records; (b) be custodian of all charter school funds, be responsible and accountable for all money received and disbursed, and keep accurate records of all revenues received and their sources; (c) countersign with the chair of the board of the charter school all warrants and claims against the charter school as well as other legal documents approved by the charter school; (d) prepare and submit to the charter school each month a written report of the charter school's receipts and expenditures; (e) use uniform budgeting, accounting, and auditing procedures and forms approved by the State Board of Education, which shall be in accordance with generally accepted accounting principles or auditing standards and Utah Code, Title 63J, Chapter 1, Budgetary Procedures Act; (f) prepare and submit to the charter school a detailed annual statement for the period ending June 30, of the revenue and expenditures, including beginning and ending fund balances; (g) assist the charter school in the preparation and submission of budget documents and statistical and fiscal reports required by law or the State Board of Education; (h) ensure that adequate internal controls are in place to safeguard the charter school's funds; and (i) perform other duties as the board of the charter school may require. A charter school business administrator shall attend business meetings required by the State Superintendent or the charter school's Authorizer.

A charter school board shall regularly monitor the charter school's business administrator described and ensure that the business administrator fulfills the duties outlined above. The State Board of Education may impose corrective action against a charter school for failure to provide financial and statistical information required by law or State Board of Education rules in accordance with Rule R277-114. A charter school shall comply with the Utah State Procurement Code, Title 63G, Chapter 6. A charter school may not receive necessarily existent small schools funding under Subsection 53F-2-304(2) and Rule R277-445.

Charter School Oversight, Monitoring and Appeals (Utah Administrative Code §§ R277-553-2)

Each Authorizer is required to: (a) review and evaluate annually the performance of charter schools for which it is an Authorizer, including requiring charter schools to comply with their charter agreements and comply with statute and board rule; (b) visit a charter school at least once during its first year of operation in order to ensure adherence to and implementation of approved charter and to finalize a review process; (c) visit a charter school as determined in the review process; (d) provide written reports to a charter school after the visits that set forth strengths, deficiencies, and proposed corrective actions, if applicable; (e) notify the Superintendent of a claim of fraud or misuse of public assets or funds by a charter school; (f) coordinate the investigation of any claims reported to the Superintendent with the Superintendent; (g) annually review, and document matters specific to effective charter school operations, including financial performance, academic performance, enrollment, and governing board performance; (h) conduct and document a comprehensive review of governing board performance and review the charter agreement at least once every five years; and (i) coordinate with the Superintendent to regularly review its charter schools as described in Section 53G-5-205(2) of the Charter Schools Act.

Remedying Charter School Financial Deficiencies (Utah Administrative Code § R277-553-6)

In the event that a charter school is suffering deficiencies including but not limited to deficiencies in the charter school's financial, academic or operational obligations as required in its charter agreement, the State Charter School Board shall, upon receiving credible information of charter school financial

mismanagement or fraud, or a threat to the health, safety, or welfare of students, in coordination with the Superintendent, an Authorizer shall direct an independent review or monitoring, as appropriate. An Authorizer may direct a charter school governing board or the charter school administration to take reasonable action to protect students or State or federal funds consistent with Section 53G-5-503 of the Charter Schools Act.

Upon receipt of findings documenting a threat to the health, welfare, or safety of a school, an Authorizer may: (a) recommend that the Superintendent impose corrective action against the school in accordance with § R277-114 of the Utah Administrative Code; (b) take immediate or subsequent corrective action with charter school governing board members or employees who are responsible for deficiencies consistent with Section 53G-5-501 of the Charter Schools Act; (c) identify a remediation team to work with the school; or (d) immediately terminate the school's charter in accordance with Subsection 53G-5-503(5) of the Charter Schools Act. Upon receipt of findings documenting financial mismanagement or fraud by a charter school, an Authorizer shall coordinate appropriate corrective action with the Superintendent. An Authorizer may exercise flexibility for good cause in making a recommendation regarding an identified deficiency.

Remediation and Probation (Utah Administrative Code § R277-553-3)

An Authorizer shall develop a written policy documenting the process for remediation of any deficiencies identified through the processes outlined in Section R277-553-2 of the Utah Administrative Code described above. An Authorizer shall submit a copy of its remediation policy to the State Board of Education for approval along with its policy for approving new charters under Section R277-552-3 of the Utah Administrative Code. If a school fails to remedy deficiencies through the remediation process, an Authorizer may place the school on probation for no longer than one calendar year. Upon placing a school on probation, an Authorizer shall set forth a written plan outlining those provisions in the charter agreement, applicable laws, rules, and regulations with which the school is not in compliance. The written plan shall: (a) set forth the terms, conditions, and timeline that the school shall follow in order to be removed from probation; and (b) a plan for further remedial action if the school fails to comply with probationary terms. If a school complies with the terms of the written plan within the timeline prescribed, the Authorizer shall remove the school from probation. A school may request a single extension of no more than six months from an Authorizer to comply with the terms of the written plan. If a school fails to satisfy the terms of the written plan within the established timeline, the Authorizer shall propose to terminate the school's charter. While a school is on probation, the school may seek technical assistance from the Authorizer to remedy any deficiencies. An Authorizer may, for good cause, or if the health, safety, or welfare of the students at the school is threatened at any time during the probationary period, terminate the charter immediately. An Authorizer shall notify the Superintendent in writing within 30 days of any probationary terms imposed as set forth herein. An Authorizer shall comply with the notification requirements in Section 53G-5-504 of the Charter Schools Act if the Authorizer approves a motion to terminate a charter.

Charter School Governing Board Compliance with Law (Utah Administrative Code § R277-553-4)

A charter school governing board may amend the charter school's charter agreement by receiving approval from its Authorizer consistent with Section 53G-5-303 of the Charter Schools Act. A charter school governing board shall comply with its Authorizer's processes and timelines for all reviews, amendments, expansion requests, and satellite applications. A charter school shall notify the Superintendent and its Authorizer of lawsuits filed against the charter school within 30 days of the school being served with the complaint.

APPENDIX B

THE CHARTER SCHOOL

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General

Syracuse Arts Academy (the “Charter School”) is a nonprofit corporation and a public charter school organized under the laws of the State of Utah (the “State”). The Charter School was incorporated on November 8, 2006, and is organized under Utah Code Annotated Title, 16, Chapter 6a, and in accordance with Utah Code Annotated Title 53G, Chapter 5, as amended (the “Charter Schools Act”). The Charter School received a 501(c)(3) determination letter from the Internal Revenue Service on February 4, 2008, 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 income taxation under Section 501(a) of the Code (except with respect to “unrelated business taxable income” within the meaning of Section 512(a) of the Code).

The Charter School serves students in grades K-9 at two separate campuses in Syracuse, Utah. The Charter School first opened its campus located at 2893 West 1700 South in Syracuse, Utah (the “Antelope Campus”) for the 2006-07 school year with 532 students in grades K-6, and added grades 7-8 at the Antelope Campus for the 2009-10 school year, growing enrollment to a total of 926 students by October 1, 2009. The Charter School added grade 9 at the Antelope Campus for the 2010-11 school year and grew to a total enrollment of 1,019 students by October 1, 2010, and then expanded again to 1,662 students by October 1, 2015. The Charter School opened its campus located at 357 South 1550 West in Syracuse, Utah (the “North Campus”) for grades K-6 for the 2015-16 school year. Enrollment at the Charter School has remained constant over the years with minor fluctuations. As of the official count on October 1, 2021, the combined enrollment between the two campuses was 1,744 students, and as of [REDACTED], 2022 (an unofficial count), the combined enrollment between the two campuses was 1,7[REDACTED] students. See “Series 2022 Facilities” and “Charter School Enrollment and Waitlist” below.

The Charter School operates under a Charter Agreement (the “Charter Contract”) dated August 21, 2008, between the Charter School and the Utah State Charter School Board (the “State Charter School Board”). The Charter Contract automatically renews each year unless terminated by the State Charter School Board or the Board of Directors of the Charter School (the “Board”) pursuant to the Charter School Act. The State Charter School Board provides written reports to the Charter School that communicate its strengths and areas in need of improvement. In addition, the State Charter School Board oversees the Charter School to ensure that the Charter School complies with its Charter Contract and that the Charter School’s operations and governance meet minimum State requirements and best practices. See “APPENDIX A – CHARTER SCHOOLS IN UTAH – Additional State Board of Education Rules – *Charter School Oversight, Monitoring and Appeals*” and “– *Remediation and Probation*” in this Official Statement. The Charter School is in good standing with the State. See “Charter Contract” below.

Capitalized terms not otherwise defined in this Appendix B shall have the same meanings as set forth in the body of this Official Statement.

Series 2022 Facilities

Existing Facilities

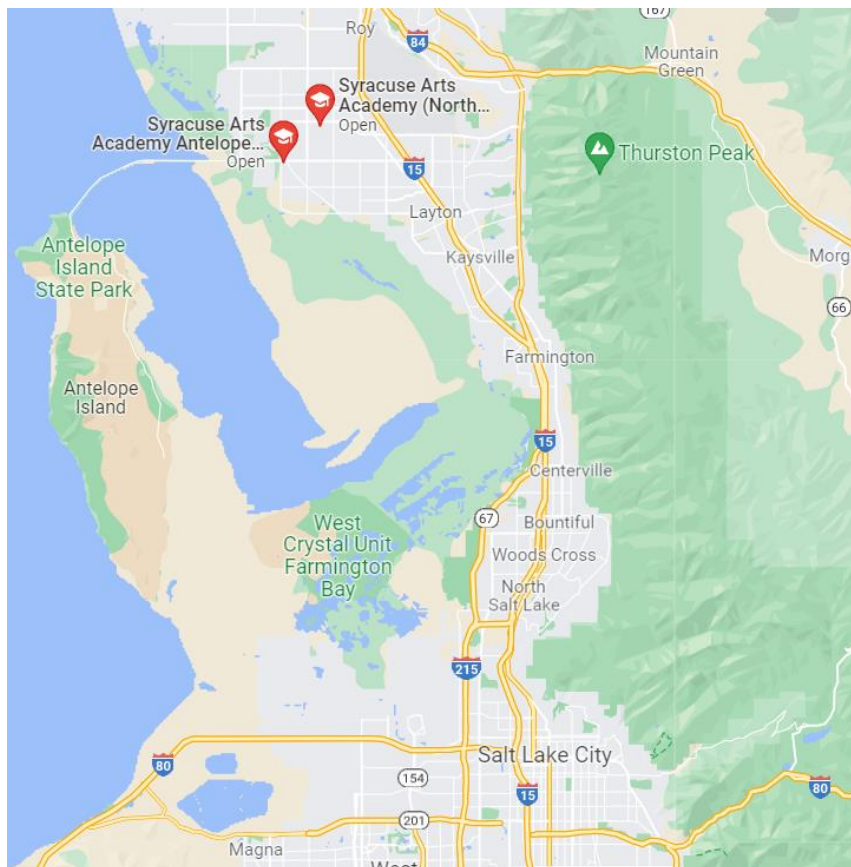
The Charter School currently operates as one charter school with two separate campuses in Syracuse, Utah, one referred to as the Antelope Campus and the second referred to as the North Campus. The two campuses are approximately two miles apart. The Antelope Campus is composed of two buildings, including an approximately 43,725 square foot one-level elementary school building constructed in 2006 serving grades K-6 and an approximately 56,534 square foot two-level junior high school building constructed in 2009 serving grades 7-9. The Antelope Campus is located on a site of approximately 21.57 acres (which was approximately 6.48 acres prior to the acquisition of the Additional Antelope Campus

Parcel (as defined below)) at 2893 West 1700 South, Syracuse, Utah 84075. The North Campus serves grades K-6 in an approximately 60,431 square foot two-level elementary school building constructed in 2015 and located on a site of approximately 8.40 acres at 357 South 1550 West, Syracuse, Utah 84075.

The Charter School leased the Antelope Campus and the North Campus prior to acquiring the facilities with proceeds of prior bond financings.

Both campuses include a mixture of general classrooms, art rooms, science rooms and labs, a drama/dance/instrument/storage area, an orchestra/choir room, a computer lab, administrative areas, common areas, a library, lockers, a kitchen, counseling offices, maintenance and custodial closets, storage, and a teachers' lounge/workroom. The Antelope Campus houses a complete auditorium with an advanced sound system capable of production support, and includes approximately 15 acres of vacant land to be used for parking and play fields. In connection with the North Campus development, the Charter School constructed an approximately 5,000 square foot building as part of a 516-seat outdoor state-of-the-art outdoor amphitheater (the "North Campus Amphitheater") used by the Charter School and the community.

The following map shows the location of the Antelope Campus and the North Campus, and surrounding cities. The Charter School campuses are located approximately 30 miles north of Salt Lake City, Utah, in northern Davis County, Utah.



Parking and Transportation

The Antelope Campus and North Campus have or will have (see "UDOT Taking and Antelope Campus" below) sufficient parking stalls for the Charter School's needs, including parking for employees and visitors, and stacking lanes for carpool pick up and drop off. As set forth in the application for the

Charter School’s Charter Contract, neither the Charter School nor the State Board of Education are responsible for student transportation or provision of bussing services. Parents are responsible for the transportation of students to and from the facilities.

UDOT Taking and Antelope Campus

The Utah Department of Transportation (“UDOT”) informed the Charter School in early 2020 that in connection with UDOT’s West Davis Corridor expansion project, UDOT would need to take a portion of the Antelope Campus property (approximately 0.40 acres) used for ingress/egress and pickup/drop-off and parking. The UDOT project includes a new 16-mile, 4-lane divided highway project currently planned to be constructed in western Davis County, Utah. UDOT and the Charter School worked together on various solutions to address the impact of the project on the Antelope Campus. It was ultimately decided that UDOT would construct a new ring road to the south of the Antelope Campus so the Charter School could establish a new entrance/exit onto 3000 West for pickup/drop off purposes. In connection with this plan, the Charter School purchased 15.123 acres of property south of the Antelope Campus from Syracuse City for additional parking and expanded play fields (the “Additional Antelope Campus Parcel”). The map below shows the location of the Antelope Campus, the planned UDOT improvements and the Additional Antelope Campus Parcel recently acquired by the school. The UDOT project was planned to meet the transportation needs of future growth in the area. UDOT estimates that over the next 20 years the number of homes in western Davis County and neighboring Weber County will increase by 65%. The construction and location of the improvements is not expected to interfere with Charter School operations. Construction of the new ring road and entrance/exit is expected is now complete. Construction on the UDOT project has already begun and is expected to be completed in 2024.



Purpose of the Series 2022 Bonds

Proceeds of the Series 2022 Bonds will be used to pay or reimburse the Charter School for costs relating to the acquisition and improvement of the Additional Antelope Campus Parcel and construction of a new arts annex at North Campus (the “North Campus Arts Annex”) and certain other capital improvements to the Charter School’s facilities, including a band and choir addition to the Antelope Campus, an expansion of the storage areas at the North Campus Amphitheater, and an expansion of the parking at the North Campus and North Campus Amphitheater. The new band and choir addition to the Antelope Campus is expected to include approximately 3,000 square feet of new music space for middle school students. Current band and choir space is limited and used for multiple purposes. The improvements to the Antelope Campus are not being made for the purpose of increasing enrollment at the Antelope Campus. The North Campus Arts Annex is expected to include a two-story 9,000 square foot addition with four new classrooms. Enrollment at the North Campus is not expected to increase as a result of the addition of the North Campus Arts Annex.

The Charter School

Mission

The Charter School has adopted the following Mission Statement: *To provide a challenging, differentiated curriculum where academic excellence, character development, and individual growth are nurtured in a safe, orderly, and pleasant environment.*

Curriculum

All curriculum courses are aligned with the Utah State Core Curriculum Standards and enhanced with a thematic emphasis on the arts. A wide spectrum of activities are integrated into the curriculum that supports the educational goals and overall academic success for students. Additionally, increased emphasis placed on student proficiency in reading will increase the likelihood of student success across the curriculum.

Educational Philosophy

The arts are infused into the curriculum to increase learning, make learning more enjoyable, and create emotion and association with content and learning. It is not the focus of the school to create individual expertise in the arts with students. However, the Charter School wants its students to also enjoy stand-alone instruction in the arts during the school day and is planning for those types of experiences for students. The instruction program is enhanced by a comprehensive focus on the arts to demonstrate proficiency through performance. Such thematic emphasis serves to support the educational goals of the school and further the academic success of its students. The Charter School has established the following standards and practices:

- Sets high expectations for all students
- Offers private school quality with no tuition
- Expects 30 volunteer hours per year from each family
- Requires a dress code to ensure an orderly learning environment
- Provides a community atmosphere where every child will be successful
- Insists on increased accountability from teachers, parents and students
- Provides the core curriculum as outlined by the Utah State Office of Education

Professional Development for Faculty and Staff

The Charter School has a unique teacher preparation program with Weber State University in Ogden, Utah, which allows university to send student teachers to the Charter School to fulfill the integrated arts education portion of their student teaching requirements. Approximately 24 student teachers have been assigned to the Charter School through the years to fulfill their university requirements for licensure, each receiving a unique arts integration experience. Additionally, five Charter School teachers have been invited to teach workshops in arts integration techniques to Weber State University students in the teacher education program. Along with these opportunities, Weber State University has provided several professional development experiences for Charter School teachers with a focus on arts integration across all subject areas. This unique partnership has significantly strengthened the quality and quantity of arts education experiences for Charter School students in grades K-9.

Technology

The Charter School has a robust technology infrastructure with a fiber optic internet connection provided by Utah Education Technology Network. The Charter School is also under contract to upgrade its servers by the end of 2021. The Charter School recently increased the number of wireless access points to increase coverage in all buildings for students and staff. The Charter School has three information technology (“IT”) employees with numerous years of experience who respond to IT issues and support teachers and staff with training, hardware and software solutions.

Much of the Charter School’s core curriculum is now online, with both student and teacher resources to assist in student learning. In the past several years the Charter School has aggressively updated both student and teacher technology. Currently, the student to device ratio is 1:1. In grades K-6, each teacher has a classroom set of devices for student use. In grades 7-9, each student is assigned a device to use both at school and at home. Strict filtering of internet access by Go Guardian, and thorough content monitoring provided by Bark, is in place 24/7 on all student devices to ensure student safety. The Charter School is on a 4-year rotational replacement schedule for all student and teacher devices. In the summer of 2021, the Charter School purchased an interactive touch screen board for every classroom at both of its campuses. The Charter School also has video surveillance in all common areas of the Charter School and outside in critical areas.

COVID-19 has required the Charter School to be creative with other areas of technology as well. Because gathering in large numbers was not possible, the Charter School purchased the technology required to live stream all athletic events, theater productions, musical concerts, dance recitals and the Veterans Day celebration. This enabled Charter School parents and grandparents the ability to see students perform live. The Charter School will continue to provide this live streaming service even after a return to normal attendance to accommodate individuals who cannot attend for various reasons.

Extracurricular Activities

The Charter School offers its students the opportunity to participate in the following clubs and extracurricular activities:

- Robotics;
- Mad Scientist;
- Chess;
- Debate;
- Academic Bowl;
- National Forensics League;

- Ballroom Dance;
- Choir;
- Band;
- Orchestra;
- Drama/Theater;
- Boys' Athletics (Cross Country, Basketball, Baseball, and Soccer); and
- Girls' Athletics (Cross Country, Volleyball, Basketball, and Soccer).

Summer Programs

The Charter School offers extended school year educational services to those students identified through an individualized educational plan (IEP) who need additional support and instruction.

Community Engagement and Service; Parental Involvement

The Charter School strives to be an integral part of the community in which it resides. The Charter School has worked to be a contributing member of the community and has reached out to community partners in the educational sector as well as business and public sectors to serve and create a solid reputation for the Charter School. The Charter School expects all parents to contribute at least thirty hours of volunteer service per school year, which efforts are coordinated by the Charter School administrators through a parent volunteer organization. Parents and families are made aware of service opportunities at the Charter School through various social media outlets, emails and electronic updates, and targeted phone calls. These opportunities vary depending on the Charter School's needs, but there are several staple volunteer opportunities. Parents assist with the semi-annual uniform exchange, as well as teacher appreciation week, running the scoreboard at basketball games, or keeping the scoring book during volleyball or other athletic contests. Additionally, teachers will occasionally utilize parent volunteers as expert guest speakers, or in building sets for school plays. This past year, several parent volunteers staffed the library and handled checking out books to students. The Charter School has also been the beneficiary of several larger scale volunteer projects, including the installation of its soccer field and the redesign and remodel of its library.

National School Lunch Program

The Charter School participates in the National School Lunch Program. In the 2021-22 school year, approximately 13% of the Charter School's enrolled students met typical eligibility standards for free or reduced price lunch. However, in the 2021-22 school year the entire student body is eligible to receive free or reduced price lunch.

Accreditation

The Charter School is currently accredited by AdvanceEd. A comprehensive review took place in April 2019. The Charter School will be reviewed again in 2024. The Charter School's Index of Education Quality (IEQ) rating was 332.5, which indicates the Charter School is beginning to reach the "Impact" level and is engaged in practices that are sustained over time and are becoming ingrained in the culture of the institution.

Awards

In 2018, the Charter School was named Charter School of the Year by the Utah Association of Public Charter Schools.

Charter Contract

The Charter School operates under the Charter Contract pursuant to the requirements of Section 53G-5-303 of the Charter Schools Act. To obtain its Charter Contract, the Charter School submitted a proposal to the State Charter School Board. Under Utah law, the Charter Contract may be modified only by mutual agreement of the State Charter School Board and the Board, and the term of the Charter Contract will continue unless it is terminated by either the Charter School or the State Charter School Board. See “APPENDIX A – CHARTER SCHOOLS IN UTAH – General Provisions of the Charter Schools Act – *Noncompliance and Termination.*”

The Charter School believes that it is substantially in compliance with all contractual provisions and requirements of the Charter Contract, as well as all relevant laws, ordinances, and regulations under the Charter Schools Act. The Charter School is not under review by any agency with respect to its operations and has not received any notice of noncompliance, notice of concern, or similar notices from the State Charter School Board, the State Board of Education or any State or federal agency.

Governance and Administration

Governing Board

The Charter School is incorporated as a Utah nonprofit corporation and operates in accordance with its Articles of Incorporation, as amended and restated (the “Articles”) and its Bylaws, as amended and restated (the “Bylaws”). No part of the earnings of the Charter School will inure to the benefit of, or be distributable to, its members, trustees, officers, or other persons, except that the Charter School will be authorized and empowered to pay reasonable compensation for services rendered to the Charter School and to make payments and distributions in furtherance of its purposes.

The Board is responsible for the overall policy and direction of the Charter School. The Charter School’s Articles and Bylaws provide for a Board composed of no fewer than three and no more than seven directors. The members of the Board are appointed for four-year terms with no term limits. Members are appointed by the Board and may resign at any time upon giving written notice or may be removed by consent of a 2/3 majority of the other members. Vacancies are filled by the Board for the unexpired portion of the term of such office. Members do not receive compensation for their services; however, the Board may approve reimbursement of expenses incurred by directors and/or members of committees in attending any meetings of the Board or its committees. The Board holds regularly scheduled board meetings, typically eight times per year, in compliance with the Utah Open and Public Meetings Act. The following individuals constitute the current members of the Board:

TABLE B-1

Charter School Board of Directors			
Name	Experience on the Board	Current Term Expires	Position
Bryan DeGrange	10 Years	2023	Chair
Nathan Schow	11 Years	2025	Vice Chair
Mary Johnston	6 Year	2024	Secretary
Rene Dreiling	3 Years	2022	Financial Coordinator
Jerrad Pullum	11 Years	2025	Board Member

Source: The Charter School.

Brief biographical information pertaining to the current Charter School Board members is presented below.

Bryan DeGrange, Chair. Mr. DeGrange has served on the Board since 2010, taking one year off in 2015. He has lived in Syracuse, Utah, for 15 years. Three of his children have attended and graduated from the Charter School. After working for Costco Wholesale in a variety of management positions for 15 years, Mr. DeGrange has spent the last 15 years as an owner of a small service business and as a sales manager. Mr. DeGrange graduated from Brigham Young University – Idaho in 2020.

Nathan Schow, Vice Chair. Mr. Schow's children have attended the Charter School. He has worked in the information technology field for nearly 20 years. Much of Mr. Schow's professional career was spent at America First Credit Union where he worked in many different capacities including computer operations, network administration, management and governmental affairs. Mr. Schow is currently a Logitech senior channel account manager with MarketStar Corporation. Mr. Schow has been involved as a member of the Davis County Chamber of Commerce, and previously served on its Legislative Affairs Committee and Transportation Committee and completed the Davis County Chamber of Commerce Leadership Academy. Mr. Schow has been actively involved in the community by serving as a Cub Scout leader, Boy Scout leader, as a little league coach, and as Vice Chair of the Clinton City Planning Commission. Mr. Schow graduated from Weber State University in 1996 and completed his Masters of Business Administration at the University of Phoenix in 2011.

Mary Johnston, Secretary. Ms. Johnston has been an educator for over three decades. Ms. Johnston recently retired as the principal of HighMark Charter School in South Weber, Utah. Ms. Johnston has taught English across all secondary grades and has been an administrator at both the high school and junior high levels. Prior to joining HighMark, Ms. Johnston worked for several years as Supervisor for Secondary Education with the Weber School District. In addition to her work in education, Ms. Johnston served as a council member for Washington Terrace City for 12 years. Ms. Johnston graduated with a bachelor's degree and a master's degree in education from Weber State University.

Rene Dreiling, Financial Coordinator. Mr. Dreiling graduated from Ft. Hays Kansas State University, entered the U.S. Air Force, and was commissioned a 2nd Lieutenant. Mr. Dreiling completed his military career as a headquarters staff officer managing flight training /exercise budgets and developing on-site inspection diagrams for the Strategic Arms Reduction Treaty. After retiring from the military, Mr. Dreiling was appointed Chief Deputy Treasurer for Sarpy County, Nebraska – Nebraska's third largest county – where he served for 20 years before retirement. Mr. Dreiling has a bachelor's degree in Accounting from Bellevue University and a Masters in Administration from Georgia College & University. Mr. Dreiling also graduated from Air Command & Staff College. Mr. Dreiling has served on boards of the American Diabetes Association Leadership Council, Lions Club, Military Officers Association of America, and Boy Scouts of America. Mr. Dreiling is the grandparent of a Charter School student.

Jerrad Pullum, Board Member. Mr. Pullum is a grandparent of a current Charter School student and has also had five children attend the Charter School. Mr. Pullum holds a bachelor's degree in Computer Science and Information Systems from Utah State University and a master's degree in Information Technology Management from Webster University. After serving as an enlisted member and an officer in the U.S. Air Force, Mr. Pullum has worked in a variety of civilian capacities for the Air Force, including, most recently, as Chief, Engineering Data Management. Mr. Pullum's community involvement includes work with the Charter School parent organization, as a member of the community council for district schools, as a soccer coach, as a Boy Scouts leader, and in various positions in his local church congregations.

Succession Plan

The Board's structure allows it to recruit and appoint directors with the requisite professional and educational experience to ensure the viability and ongoing success of the Charter School. The Board recruits candidates whose vision of education matches the Charter School's stated mission and desired culture and whose professional experience provides the necessary skills, judgment and wisdom to ensure the success of the Charter School. The Board seeks to maintain an expert level of organizational, managerial, financial, legal, marketing, and communications skills in its membership and evaluates the breadth and depth of skills present and needed when considering Charter School Board candidates.

In October 2016 the Board adopted a *Board and Administration Succession Planning Policy* to create an orderly, common procedure for replacing the Board's members and administration in order to ensure continuity in governance and in operation at the Charter School in the event of the departure of a Board member, Charter School director or other key management personnel.

The Board Chair has authority to direct corporate affairs and to execute resolutions and orders of the Board as defined in the Bylaws. The Lead Director of the Charter School reports to the Board. A Charter School Board member serves as a Financial Coordinator and has oversight of all funds of the Charter School. The organizational structure of key personnel reporting to Charter School Board provides a high level of accountability and communication that ensures that the Board is highly aware of Charter School operations and able to provide guidance to Charter School administration and management.

Administration

Listed below is brief biographical information pertaining to the Charter School Lead Director and Campus Directors is presented below.

Dale Pfister, Lead Director. Mr. Pfister began his teaching career in Newberg, Oregon in 1977. Mr. Pfister earned a master's degree in Educational Administration from Brigham Young University in 1983. Mr. Pfister then continued to teach junior high for 17 years before moving into administrative positions in Weber School District. These positions include Junior High and High School Principal, Supervisor of Secondary Education, Director of Career and Technical Education and Director of Facilities and Operations. Mr. Pfister retired from Weber School District in the summer of 2016 in order to become the principal of the Antelope Campus of Syracuse Arts Academy. Mr. Pfister became the Lead Director in July 2020.

Judy Nixon, North Campus Principal. Ms. Nixon graduated from the University of Utah with a bachelor's degree in Health Science. Ms. Nixon has master's degrees in Social Work, Gerontology, Educational Administration, and is ESL certified. Ms. Nixon began working in Davis School District as a student counselor for K-12 students. Ms. Nixon also served as a social worker for developmentally disabled infants/parents, and a team member of the Family Center in a role as teacher/counselor for parents across the district. In 1988, Ms. Nixon was appointed Director of the Family Counseling Program in Davis District. Ms. Nixon has served as the Assistant Principal of Mountain High School and Principal at Hill Field Elementary, Canyon Heights High School, and Holt Elementary. During this time, Ms. Nixon received the Huntsman Award of Excellence for Secondary Principals. Ms. Nixon retired from Davis School District to become the co-director and eventually the Principal at the Charter School's North Campus and has worked in that capacity for 12 years.

Mike Geilmann, North Campus Assistant Principal. Mr. Geilmann began his career with Weber School District after graduating high school. Mr. Geilmann worked in the maintenance department and as a head custodian. While a custodian Mr. Geilmann completed his bachelor's degree in Elementary

Education from Weber State University. Mr. Geilmann began his teaching career at Midland Elementary, then moved to Plain City Elementary where he was a teacher for 15 years. Mr. Geilmann then spent 18 years in administrative roles at Municipal, Country View and West Weber Elementary schools. Mr. Geilmann retired from Weber School District in 2016 and taught special needs seminary at Fremont High School for 3 years. Mr. Geilmann was hired as interim director at Maria Montessori Academy in January 2020. Mr. Geilmann started as the Assistant Principal at the Charter School's North Campus in July 2020.

Jane Ann Kammeyer, Antelope Campus Elementary School Principal. Ms. Kammeyer graduated from Weber State University with a bachelor's degree in Elementary Education and Special Education. Ms. Kammeyer completed her master's degree in special education and Administrative Certification from Utah State University. Ms. Kammeyer started her career in Weber School District as a primary grade teacher for 14 years. Ms. Kammeyer moved into administration and was a Principal at Washington Terrace Elementary from 2000 to 2003. Ms. Kammeyer then joined the Weber School District Curriculum Department as a Specialist and later became the Curriculum Department Director. The final four years of Ms. Kammeyer's career with Weber School District were spent as the Assistant Superintendent over Curriculum and Instruction and Federal Programs. Ms. Kammeyer became the Principal at the Charter School's Antelope Campus elementary school in July 2020.

Rebecca Okey, Antelope Campus Elementary School Assistant Principal. Ms. Okey completed her bachelor's degree in Elementary Education and Early Childhood Education and master's degree curriculum and instruction from Weber State University. Ms. Okey also holds an Administrative Certification from Utah State University. Ms. Okey began her teaching career with Weber State University in 1989 in their Children's School startup helping with a family literacy project and later as an adjunct professor. Ms. Okey's career with Weber School District started in 1994 where she served as a classroom teacher. Ms. Okey also served as a school level reading specialist, District Curriculum Specialist and elementary school Principal at North Park Elementary. Ms. Okey retired from Weber School District in the summer of 2021 and has been serving as an Assistant Principal since July 2021 at the Charter School's Antelope Campus elementary school.

Leigh Schwartz, Antelope Campus Junior High School Principal. Mr. Schwartz graduated from California State University, Long Beach with a bachelor's degree in Music with a concentration in music education. Mr. Schwartz taught music at the elementary, junior high, and high school levels for band and choir in Southern California for 20 years. Mr. Schwartz received his master's degree from California Lutheran University in Thousand Oaks California in Educational Leadership and became a Principal in the Rio School District in Oxnard, California. Before retiring from education in California, Mr. Schwartz worked as the Assistant Superintendent of Student Services and Human Resources at the San Bruno Park School District just south of San Francisco. Mr. Schwartz joined the Charter School's team in 2018 as the Assistant Principal at Charter School's junior high school and in 2019 he became the Principal.

Tim Phillips, Antelope Campus Junior High School Assistant Principal. Mr. Phillips began his career in 2003 as a reading paraprofessional and a Special Education aide. Mr. Phillips earned a bachelor's degree of Secondary Education in Social Studies from Brigham Young University-Idaho, a master's degree in Educational Technology from Boise State University, and an Education Administration certificate in 2020. Mr. Phillips taught junior high and high school Social Studies in Southwest Region School District in Dillingham, Alaska before moving to the district office as a Secondary Education Instruction Specialist. Mr. Phillips joined the Charter School in 2016 as an Assistant Principal at the North Elementary campus. In 2020, Mr. Phillips joined both the Charter School's Antelope Campus elementary school and the junior high school as an Assistant Principal.

Services Agreement

The Charter School is governed by the Board, which is responsible for the academics and operations programs of the Charter School. Academica West, LLC (“Academica West”) has provided services to the Charter School since its inception. Academica West was the first charter school educational services provider established in Utah. Academica West currently serves 21 operating charter schools with over 16,900 students throughout the State.

The Charter School and Academica West initially executed a Charter School Management Agreement on December 12, 2006, which was amended and restated pursuant to an Amended and Restated Charter School Services Agreement dated April 11, 2013 (the “Management Agreement”). Pursuant to the Management Agreement, Academica West provides services relating to the management, operation and performance of the Charter School. The Management Agreement expires on April 10, 2023, unless terminated earlier pursuant to the Management Agreement. Pursuant to the Management Agreement, the Charter School agrees to pay Academica West \$400 per student for up to 550 students enrolled in the Charter School, plus \$350 per student for every student enrolled in excess of 550 students as determined by the Charter School’s audited October 1 student count, per annum. The fee is to be paid monthly and may be adjusted no more than two times during the term of the Management Agreement based on the lesser of 2% or in proportion to annual percentage changes in the consumer price index.

Pursuant to the Management Agreement, Academica West agrees to coordinate certain management and administrative duties required to operate the Charter School, including, among others: scheduling and maintaining records of Board meetings; ensuring compliance with all federal and state requirements for record keeping; providing bookkeeping services and ensuring accurate and timely financial reporting; identifying and proposing qualified teachers, para-professionals, administrators and other staff members and education professionals for positions in the Charter School; preparing the annual budget and financial forecasts; coordinate and prepare State Board reports; prepare soliciting grants and other available funds for the Charter School when available; coordinating with the Board to identify facilities needs and assist the Charter School in planning the design of new facilities or in the expansion of existing ones; and additional services as requested by the Board. The Board conducts annual reviews of Academica West and has the right to terminate the Management Agreement for cause by providing 60 days’ notice to Academica West.

Brief biographies of the key employees at Academica West are provided below:

Jed Stevenson, J.D., Founder. In August 2002, Mr. Stevenson founded Academica West to provide business and management services to the fledgling Utah charter school movement. Mr. Stevenson was appointed by Utah Governor, Gary R. Herbert, to serve on the Utah State Board of Education Nominating Committee and also served as a board member of the Utah Association of Public Charter Schools. In the community, Mr. Stevenson is the former chairman of the Davis Chamber of Commerce and served as an honorary deputy commander with the 388th Fighter Wing stationed at Hill Air Force Base in Northern Utah. Mr. Stevenson is a graduate of Weber State University and earned his juris doctor (law) degree from California Western School of Law.

Kim Dohrer, M.A., President, Chief Education Specialist. Ms. Dohrer is the President and Chief Education Specialist at Academica West. With 33 years of public education experience, she provides valuable counsel to boards and administrators in all aspects of charter school operations. Ms. Dohrer graduated with a bachelor’s degree in public administration from the University of Arizona and received her master’s degree in counseling from Wichita State University. In addition, she has teaching endorsements in mathematics, english as a second language, and reading. Ms. Dohrer’s public education experience includes teaching mathematics, K-12 counseling, and administration. As an administrator, she

worked as a school leader at the elementary, middle school, and high school levels. As a district administrator, Ms. Dohrer has experience in family literacy, adult education, and is widely recognized as one of the state's premier experts in charter school operations, administration and governance.

Gabe Clark, J.D., Vice President, General Counsel. As general counsel for Academica West, Mr. Clark advises boards, principals, and employees of Academic West clients on a variety of issues, including employment law, public law issues (e.g. open meetings act, public records, procurement), education law, civil rights law, risk management issues, contractual issues, and corporate governance issues. Prior to joining Academica West, Mr. Clark worked as a shareholder in the law firm of Durham Jones & Pinegar. Most recently, Mr. Clark practiced primarily in areas of corporate law and financial/estate planning. Mr. Clark is experienced in nonprofit corporate law, taxation issues, securities, corporate finance and real estate issues. Mr. Clark was an original board member of Quest Academy, a charter school in West Haven, Utah. In addition, he has been involved in the Ogden/Weber Chamber of Commerce's Leadership Northern Utah program as a participant, co-chair, and chair, and also served as a member of the board of directors and board president for Enable Utah, Inc. Mr. Clark is a licensed attorney and earned his juris doctor (law) degree from Brigham Young University.

Brandon Fairbanks, J.D., Vice President, Director of Business Development & Compliance. Mr. Fairbanks' duties and responsibilities focus on supporting governing boards' and school administrators' efforts to remain in compliance with the laws, rules and regulations applicable to Utah public charter schools. With over 14 years of experience advising Utah charter schools, Mr. Fairbanks has developed a unique and specialized expertise in Utah charter schools. He provides regular training and works closely with boards on governance, operational and contractual issues. Mr. Fairbanks' background in commercial litigation, corporate law and real estate law provides valuable guidance and insight to schools as they navigate through the challenges of planning, implementing, and operating a public school. Mr. Fairbanks is a licensed attorney and earned his bachelor's degree and his juris doctor (law) degree from Brigham Young University.

Brad Taylor, MAcc, Chief Financial Officer. Mr. Taylor is considered one of Utah's most experienced charter school finance experts. Mr. Taylor has served as Academica West's Chief Financial Officer for 12 years and oversees the financial and accounting activities of the company's client schools. In addition to overseeing general school financial operations, Mr. Taylor advises governing boards and school directors on budgeting, financial forecasting, annual state and federal reporting requirements, and state charter school funding rules. In 2015, Mr. Taylor was appointed by the Utah Senate President to serve on the Charter School Legislative Task Force that is charged with making educational funding recommendations to the Utah State Legislature. Prior to joining Academica West, Mr. Taylor was a staff auditor with Deloitte in Salt Lake City, Utah. During this period, he spent much of his time working on audits involving the banking industry and non-profit organizations. Mr. Taylor earned his bachelor's degree and master's in accounting degree from Weber State University.

Platte Nielson, J.D., Associate General Counsel. Mr. Nielson advises Academica West's client schools on a wide range of legal issues. Among other things, Mr. Nielson regularly assists schools in resolving student data privacy concerns; handling child custody disputes that impact school operations; and drafting and implementing school policies, procedures, and plans required by state or federal law. Mr. Nielson also provides schools with litigation support, when needed, and provides guidance in resolving parent/staff grievances. Before joining Academica West, Mr. Nielson was an attorney at the University of Utah Office of General Counsel and, most recently, at the law firm of Kruse Landa Maycock & Ricks. Mr. Nielson has significant experience with complex child custody and family law matters, as well as issues related to constitutional, employment, immigration, and healthcare law. Mr. Nielson earned his bachelor's degree from Brigham Young University and his juris doctor (law) degree from Arizona State School of Law.

Trent Brown, MSML, Chief Operations Officer. Mr. Brown’s responsibilities focus on identifying and addressing the host of non-education issues that consume charter school administrators’ limited time. Mr. Brown’s expertise lies in a variety of areas from technology and advertising to school lunch programs and facility maintenance. He works to create and implement efficient procedures to ameliorate school operational issues. In addition, Mr. Brown provides client schools with valuable guidance relating to procurement of goods and services in accordance with applicable laws. Mr. Brown graduated from Weber State University with a BS in Botany and Chemistry and obtained his MSML from Western Governors University. He maintains an active membership in the Utah Facilities Operation and Maintenance Association (UFOMA) and currently serves on the boards of the Davis Chamber of Commerce and Enable Utah.

Academica West also employs several education specialists, tax and accounting professionals and human resources professionals who advise charter school clients on a wide range of administrative matters.

Charter School Teachers and Staff

Employee Data

The Charter School currently employs 283 employees, as shown in the table below.

TABLE B-2
Employees

Role	Full-Time	Part-Time	Total
Teachers	96	10	106
Teaching Aides	25	46	71
Administrators	8	0	8
Support Staff	14	84	98
TOTAL:	143	140	283

Source: The Charter School.

The education level of the teachers and staff employed by the Charter School is shown in the table below.

TABLE B-3
Degrees Held By Employees

	Bachelor’s Degree	Master’s Degree
Teachers	76	25
Teaching Aides	12	2
Administrators	2	6
Support Staff	0	1
TOTAL:	90	34

Source: The Charter School.

Teacher Retention and Class Sizes

The Charter School’s current retention data for its teachers and staff are set forth in the table below.

TABLE B-4

Retention Data			
	Employed in June 2021 and Returned in August 2021	Dismissals	Voluntary Leaves
Teachers	85	0	12
Teaching Aides	44	1	5
Administrators	7	0	0
Support Staff	67	1	13
TOTAL:	203	2	30

Source: The Charter School.

The Charter School’s current student-teacher ratio is approximately 18:1 in Kindergarten, 27:1 in grades 1-6, and 28:1 in grades 7-9.

Employee Salary and Benefits

For the 2021-22 school year, the average teacher salary at the Charter School is \$51,859.78. Currently, 143 employees of the Charter School are eligible to participate in the Charter School’s health insurance plan, dental insurance plan, vision insurance plan, life insurance plan, short- and long-term disability plan, and 401(k) plan.

Retirement Matters

The Charter School participates in a deferred compensation retirement plan (the “Employee Retirement Plan”) under Internal Revenue Code Section 401(k) that covers all full-time employees. For eligible employees, the Charter School offers a matching contribution of 100% of employee contributions up to 4% to the Employee Retirement Plan. Assets in the Employee Retirement Plan are held by a third-party administrator.

Labor Relations

Teachers are employed on an at-will basis pursuant to annually renewable contracts initiated by the administration and approved by the Board. The Charter School considers its relations with the teachers as “excellent” and does not anticipate any complications in renewing individual teacher contracts going forward. The Charter School’s employees are not represented by any unions and the Charter School is not aware of any efforts by teachers or other employees to form a union.

Charter School Enrollment and Waitlist

Enrollment

Under the Charter Contract, the Charter School’s overall combined enrollment cap for both the Antelope Campus and the North Campus is 1,751 students. For the current school year (as of October 1, 2021), the Charter School has an enrollment of 1,011 at the Antelope Campus and 733 at the North Campus. The following tables set forth the Charter School’s historical and projected enrollment by grade level and campus. All figures listed in the tables below are as of the official October 1 count for each year.

TABLE B-5

Historical Enrollment by Grade Level – North Campus							
Grade	2015	2016	2017	2018	2019	2020	2021
Kindergarten	113	113	109	110	109	107	105
1st Grade	103	110	108	107	108	105	107
2nd Grade	104	107	108	103	108	106	106
3rd Grade	103	108	108	109	106	108	107
4th Grade	103	103	108	106	106	104	105
5th Grade	77	108	102	106	106	105	101
6th Grade	81	77	102	104	105	100	102
TOTAL:	684	726	745	745	748	735	733

Source: The Charter School.

TABLE B-6

Historical Enrollment by Grade Level – Antelope Campus							
Grade	2015	2016	2017	2018	2019	2020	2021
Kindergarten	71	77	72	71	68	71	66
1st Grade	78	80	80	81	78	79	80
2nd Grade	81	81	79	81	81	77	76
3rd Grade	82	82	80	80	81	81	77
4th Grade	81	83	81	81	84	79	81
5th Grade	99	106	102	107	97	95	93
6th Grade	112	100	107	107	105	96	90
7th Grade	165	161	153	163	163	175	157
8th Grade	119	144	158	153	157	151	154
9th Grade	90	99	125	144	131	130	137
TOTAL:	978	1,013	1,037	1,068	1,045	1,034	1,011

Source: The Charter School.

TABLE B-7

Historical Enrollment by Grade Level – Charter School (Combined)							
Grade	2015	2016	2017	2018	2019	2020	2021
Kindergarten	184	190	181	181	177	178	171
1st Grade	181	190	188	188	186	184	187
2nd Grade	185	188	187	184	189	183	182
3rd Grade	185	190	188	189	187	189	184
4th Grade	184	186	189	187	190	183	186
5th Grade	176	214	204	213	203	200	194
6th Grade	193	177	209	211	210	196	192
7th Grade	165	161	153	163	163	175	157
8th Grade	119	144	158	153	157	151	154
9th Grade	90	99	125	144	131	130	137
TOTAL:	1,662	1,739	1,782	1,813	1,793	1,769	1,744

Source: The Charter School.

TABLE B-8

Projected Enrollment by Grade Level										
	2022-2023		2023-2024		2024-2025		2025-2026		2026-2027	
Grade	Antelope	North	Antelope	North	Antelope	North	Antelope	North	Antelope	North
K	75	100	75	100	75	100	75	100	75	100
1st	77	100	77	100	77	100	77	100	77	100
2nd	77	100	77	100	77	100	77	100	77	100
3rd	77	100	77	100	77	100	77	100	77	100
4th	77	110	77	110	77	110	77	110	77	110
5th	80	110	77	110	77	110	77	110	77	110
6th	85	108	77	108	77	108	77	108	77	108
7th	165	-	165	-	165	-	165	-	165	-
8th	160	-	165	-	165	-	165	-	165	-
9th	150	-	156	-	156	-	156	-	156	-
TOTAL:	1,023	728	1,023	728	1,023	728	1,023	728	1,023	728
TOTAL:	1,751		1,751		1,751		1,751		1,751	

Source: The Charter School.

Student Retention Rates

The table below gives the historical retention rate of students since the 2017-18 school year.

TABLE B-9

Historical Student Retention Rates				
Retention Rates				
Original Grade	2017	2018	2019	2020
Kindergarten	94.5%	89.3%	92.3%	88.8%
1st Grade	90.2%	86.2%	95.9%	87.7%
2nd Grade	91.9%	92.4%	92.0%	87.7%
3rd Grade	94.1%	90.1%	97.4%	88.7%
4th Grade	92.8%	92.9%	93.4%	87.9%
5th Grade	90.3%	88.5%	90.8%	88.1%
6th Grade	84.5%	86.8%	95.5%	91.1%
7th Grade	88.8%	89.6%	94.7%	89.8%
8th Grade	88.8%	91.1%	94.9%	88.8%
TOTAL:	91.1%	88.8%	94.2%	88.6%

Source: The Charter School.

Geographic Enrollment

The following table shows the cities in which students at the Charter School resided for the 2020-21 school year. The Charter School does not offer an online-only enrollment option for students; however, the Charter School does allow for temporary remote learning when students are unable to attend in-person as a result of COVID-19 or other extenuating circumstances.

TABLE B-10

Geographic Enrollment Information (2020-21)		
City (Utah)	Number Of Students	% Of Total Students
Syracuse	732	42%
Clearfield	331	19%
Clinton	209	12%
Layton	157	9%
West Point	105	6%
Roy	52	3%
Hill Air Force Base	17	1%
Hooper	17	1%
Sunset	17	1%
Other	105	6%
TOTAL:	1,744	100%

Source: The Charter School.

Wait List

The Charter School uses the enrollment deadlines established by the Utah State Office of Education (“USOE”). Intent to enroll forms will be accepted for any given year beginning on the first Monday of November of each year ending the first Friday in February. Applications received after this date will be placed on the waiting list. At the close of the application period, offers of enrollment will be extended to “priority students,” in the following order, until all confirmed openings have been offered: (1) returning students; (2) children or grandchildren of founders; (3) children of teachers; (4) siblings of currently enrolled students or alumni (or who have the same legal guardian), (5) children or grandchildren of past or current governing-board members, or matriculated student. If any applications from priority students are received in excess of available openings, that category of students, for the appropriate grade level, will be placed in a subsequent lottery to determine their enrollment or priority position on the waitlist. A lottery will be held no later than four weeks following the close of the open application period for oversubscribed grades. Parents must accept enrollment within 5 days. The Charter School will draw from the waitlist throughout the year as openings become available. The waitlist is purged after each October 1. The table below sets forth historical wait list data as of October 1 of each school year.

TABLE B-11

Historical Waitlist by Grade – Antelope Campus						
Grade	2016	2017	2018	2019	2020	2021
Kindergarten	119	43	147	63	115	28
1st Grade	58	90	42	60	69	39
2nd Grade	39	21	54	43	42	21
3rd Grade	69	44	51	19	32	9
4th Grade	9	61	58	34	23	16
5th Grade	1	0	12	0	0	0
6th Grade	1	2	4	10	0	1
7th Grade	0	24	44	1	2	1
8th Grade	0	14	18	12	0	2
9th Grade	0	10	2	0	0	0
TOTAL:	296	309	432	242	283	117

Source: The Charter School.

TABLE B-12

Historical Waitlist by Grade – North Campus						
Grade	2016	2017	2018	2019	2020	2021
Kindergarten	116	42	135	61	117	18
1st Grade	60	92	43	60	72	51
2nd Grade	42	31	50	46	42	33
3rd Grade	70	41	49	19	36	36
4th Grade	2	63	51	25	22	7
5th Grade	5	0	8	3	0	0
6th Grade	1	1	0	8	1	1
TOTAL:	296	270	336	222	290	146

Source: The Charter School.

Average Daily Membership

The Average Daily Membership (“ADM”) rate for the Charter School since the 2016-17 school year, calculated as the total regular membership plus self-contained ADM for the year divided by the October 1 enrollment count for that year, is shown in the table below.

TABLE B-13

Average Daily Membership (ADM)					
	2017	2018	2019	2020	2021
Syracuse Arts Academy	1,710	1,754	1,784	1,760	1,741
Enrollment	1,782	1,813	1,793	1,769	1,744
ADM rate	96%	97%	99%	99%	99%

Source: The Charter School.

Demographic Information

The Charter School’s facilities are located in Syracuse, Utah, in Davis County, Utah. According to the April 1, 2020, U.S. Census, Syracuse, Utah, had a population of approximately 32,141, with approximately 37.8% of residents being under age 18. U.S. Census data for Davis County, Utah estimates a 2020 population of 355,481, of which more than 92% is white. The median household income for Davis County is \$83,310.

Service Area and Competing Schools

The Charter School has two campuses, both of which are located in Syracuse, Utah, in Davis County, Utah, within the boundaries of the Davis School District (the “District”). The District serves approximately 71,000 students, of which approximately 53,000 are in grades K-9. There are 20 District elementary schools, six District junior high schools, seven public charter schools and no private schools within approximately within five miles of either Charter School campus. The Antelope Campus and North Campus are located approximately two miles apart (as the crow flies). The tables below summarize competing schools.

TABLE B-14

District Elementary Schools (Grades K-6) within Approximately 5 Miles		
Public School	Approximate Distance from Nearest Charter School Campus	Approximate Enrollment
Buffalo Point Elementary	1.1 miles	837
Cook Elementary	1.7 miles	735
Syracuse Elementary	1.5 miles	821
West Point Elementary	3.1 miles	833
Lakeside Elementary	2.6 miles	755
West Clinton Elementary	3.6 miles	649
Bluff Ridge Elementary	3.3 miles	758
Antelope Elementary	3.4 miles	572
Sand Springs Elementary	4.4 miles	728
Holt Elementary	1.5 miles	361
Parkside Elementary	3 miles	422
Clinton Elementary	2.9 miles	391
Doxey Elementary	2.7 miles	265
Sunset Elementary	3.7 miles	272
Fremont Elementary	4.4 miles	224
Wasatch Elementary	2.1 miles	347
South Clearfield Elementary	3.1 miles	387
Hill Field Elementary	3.2 miles	384
Ellison Park Elementary	5.3 miles	495
Vae View Elementary	4.5 miles	251

Source: The Charter School.

TABLE B-15

District Junior High Schools (Grades 7-9) within Approximately 5 Miles		
Public School	Approximate Distance from Nearest Charter School Campus	Approximate Enrollment
Syracuse Junior High	1.6 miles	1,254
Legacy Junior High	4.4 miles	1,083
West Point Junior High	2.3 miles	1,315
North Davis Junior High	2.8 miles	844
Sunset Junior High	3.5 miles	827
North Layton Junior High	4.6 miles	939

Source: The Charter School.

TABLE B-16

Public Charter Schools and Private Schools within Approximately 5 Miles			
Public Charter Schools	Grades	Approximate Distance from Nearest Charter School Campus	Approximate Enrollment
Monticello Academy	K-6	2 miles	188
Voyage Academy	K-6	2 miles	526
North Davis Preparatory Academy	K-9	5 miles	997
Bridge Elementary	K-6	5 miles	485
Leadership Academy of Utah	6-12	4 miles	485
Northern Utah Academy of Math and Sciences	10-12	5 miles	740
Leadership Learning Academy	K-6	5 miles	521

Source: The Charter School.

Buffalo Point Elementary, Cook Elementary, Syracuse Elementary, Bluff Ridge Elementary, Syracuse Junior High, West Point Junior High, Voyage Academy and North Davis Preparatory Academy represent the Charter School’s primary competition. There is nothing to prevent additional charter schools, public schools or private schools from being organized or operated in or near the Charter School’s service area. See “RISK FACTORS – Competition for Students” in this Official Statement.

Academic Achievement Indicators

Teachers at the Charter School use a variety of assessments and assessing methods to gauge student performance and learning. Formative assessments include reading and comprehension quizzes, chapter tests, and projects. Summative assessments are given at the end of units, but teachers also provide comprehensive finals at the semester and end of year. Increasingly, teachers are using technology to administer these assessments and collect relevant student achievement data, which are then used to inform their continuing instruction.

The Charter School participates in all standardized testing required by the State Board of Education. Although State assessment measurements have varied from year to year, the Charter School’s performance of various forms of State performance indicators are as follows:

State Mandated Testing

According to State Board of Education rules, State charter schools, including the Charter School, are required to administer State required assessments. Pursuant to authority granted them by State statute, the State Board of Education has adopted a comprehensive system of assessment for all students in grades K-12, including students of the Charter School. The State’s assessments include (1) the Utah Performance Assessment System for Students (“UPASS”); (2) pre- and post-kindergarten assessments for Kindergarten students; (3) a State Board of Education approved literacy assessment administered to students in first through third grades at the beginning, middle and end of the year; (4) a State alternate assessment for students with disabilities; (5) the World-class Instructional Design and Assessment (WIDA) Assessing Comprehension in English State-to-State (ACCESS) for English learner students; and (6) the National Assessment of Educational Progress (NAEP). The State Board of Education’s current UPASS requirements include the American College Testing exam (the “ACT”), ACT Aspire Plus, and the Questar Assessment-developed Readiness Improvement Success Empowerment (“RISE”) test.

RISE and ACT Aspire Plus are designed to assess student learning of the State standards. The State Board of Education administers RISE (for third through eighth grades) and ACT Aspire (for ninth through

twelfth grades) and collects the testing data. Both RISE and ACT Aspire are computer adaptive assessments and include testing of language arts for third through eleventh grades, mathematics for third through eleventh grades and certain secondary topics for eighth through eleventh grades, science for fourth through twelfth grades, along with earth science, biology, physics and chemistry.

For the 2013-14 school year through the 2017-18 school year, the State Board of Education administered the end-of-year summative test known as the Student Assessment of Growth and Excellence system (“SAGE”), which measured both academic proficiency and academic growth for students. SAGE was designed to monitor college and career readiness as well as measure student performance in the State’s public schools based on tests administered to students each spring. SAGE used a computerized format that adapts in difficulty to individual test-takers and frequently asks students to reason through questions without providing multiple-choice answers.

Beginning with the 2018-19 school year, the State Board of Education replaced SAGE with the RISE test. However, students and teachers experienced repeated glitches during the State’s 2018-19 assessment testing session during the spring of 2019. In May 2019, in a letter addressed to educators, State Superintendent of Public Instruction, Sydney Dickson stated, “The frequency of problems that have occurred may impact the State Board of Education’s ability to use the results for purposes of statewide accountability.” Because of these problems, members of the State Board of Education voted to terminate the 10-year contract with the testing provider on June 6, 2019.

The State Board of Education conducted three separate analyses of the 2018-19 RISE assessments and determined that the results were valid and would be used for accountability purposes. However, both the internal and external educators, advisors and parents that participated in the review of the 2018-19 assessment testing session acknowledged that delivery system irregularities could have disproportionately impacted an individual school’s results. On January 2, 2020, the State Board of Education released the results of the RISE test for the 2018-19 school year.

Proficiency Scores

The tables below demonstrate the percentage of Charter School students who were proficient in a particular subject based upon end-of-year SAGE (2017-18) and RISE / ACT Aspire (2018-19) testing for the years shown, as compared to schools in the Davis School District and the State as a whole. Because of COVID-19 (defined below), the State Board of Education did not conduct standardized testing for the 2019-20 school year. State standardized testing resumed for the 2020-21 school year.

TABLE B-17

Comparative Results For State Testing By Grade									
Grade and Subject	2017-18			2018-19			2020-21		
	Charter School	Davis School District	State	Charter School	Davis School District	State	Charter School	Davis School District	State
<i>Grade 3</i>									
Language Arts	53%	56%	48%	55%	51%	48%	42%	47%	43%
Mathematics	48%	60%	52%	51%	55%	52%	42%	49%	45%
<i>Grade 4</i>									
Language Arts	57%	47%	43%	62%	51%	43%	48%	41%	38%
Mathematics	64%	58%	52%	59%	53%	52%	63%	48%	45%
Science	57%	52%	47%	63%	54%	47%	54%	46%	43%
<i>Grade 5</i>									
Language Arts	63%	55%	48%	56%	51%	48%	54%	47%	44%
Mathematics	60%	57%	50%	56%	54%	50%	50%	45%	42%
Science	65%	59%	52%	65%	55%	52%	56%	50%	45%
<i>Grade 6</i>									
Language Arts	64%	55%	48%	63%	54%	48%	53%	48%	44%
Mathematics	38%	46%	40%	46%	44%	40%	34%	35%	32%
Science	65%	59%	52%	76%	63%	52%	59%	57%	52%
<i>Grade 7</i>									
Language Arts	38%	52%	45%	52%	50%	45%	42%	45%	42%
Mathematics	47%	57%	49%	53%	56%	49%	60%	48%	42%
Science	54%	56%	49%	49%	52%	49%	48%	47%	44%
<i>Grade 8</i>									
Language Arts	37%	47%	44%	50%	49%	44%	47%	47%	43%
Mathematics	55%	52%	45%	59%	51%	45%	54%	43%	37%
Science	52%	56%	49%	49%	54%	49%	48%	54%	48%
<i>Grade 9</i>									
Language Arts	51%	48%	42%	50%	57%	42%	49%	47%	45%
Mathematics	57%	55%	43%	62%	56%	43%	53%	38%	36%
Science	36%	58%	49%	33%	44%	49%	31%	37%	35%

Source: State Board of Education.

TABLE B-18

Comparative Overall Results (Grades 3-9) For State Testing									
Subject	2017-18			2018-19			2020-21		
	Charter School	Davis School District	State	Charter School	Davis School District	State	Charter School	Davis School District	State
Language Arts	53%	48%	45%	56%	52%	45%	48%	46%	41%
Mathematics	53%	50%	48%	55%	53%	48%	50%	43%	39%
Science	56%	53%	50%	58%	54%	50%	50%	48%	43%

Source: State Board of Education.

Overall Performance Report Card

The Utah School Report Card shows how a school is performing in multiple areas. It is designed to show each school's strengths and areas in need of improvement in order to ensure State schools are meeting the needs of all students. The State did not publish a Utah School Report Card for schools for the 2019-20 school year due to COVID-19 restrictions and an inability to test at the end of the year, but did present English learner progress. The State published a Utah School Report Card for schools for the 2020-21 school year, but has advised that due to the impacts of COVID-19, scores should be interpreted with "extreme caution." According to the State, "[c]omparisons of 2021 scores to previous years or across student groups, schools and districts are not advised." The following table presents the Utah School Report Card data available for the Charter School, which includes data for grades K-8. No data is available for the Charter School for grade 9. Uses of "ND" in the table should be read as "Not Determined."

TABLE B-19

Comparative Report Card								
Grades K-8	2017-18		2018-19		2019-20		2020-21	
	Charter School	State	Charter School	State	Charter School	State	Charter School	State
Participation Rate	ND	ND	99.5%	ND	ND	ND	99.8%	ND
<i>Achievement</i>								
English Language Arts	52.5%	46%	55.8%	47%	ND	ND	48.9%	43%
Mathematics	51.9%	48%	54.8%	47%	ND	ND	51.6%	42%
Science	55.5%	51%	58.2%	51%	ND	ND	51.7%	47%
<i>Growth</i>								
English Language Arts	46.3% (Average)	44%	51.6% (High)	44%	ND	ND	ND	ND
Mathematics	46.7% (Average)	44%	53.4% (High)	44%	ND	ND	ND	ND
Science	59.6% (High)	53%	43.9% (Average)	43%	ND	ND	ND	ND
Growth of Lowest 25%	62% (Average)	61%	70.1% (Average)	61%	ND	ND	ND	ND
<i>English Learning Progress</i>								
English Learners' Adequate Progress	44.8%	40%	25%	44%	66.7%	44%	12.5%	18%
English Learners Reaching Proficiency	6.9%	4%	8.3%	5%	20.0%	6%	12.5%	4%
<i>Early Literacy</i>								
Students Reading on Grade Level	ND	ND	60.3%	51%	ND	ND	46.8%	43%
Students Making Typical or Better Progress	ND	ND	75.8%	69%	ND	ND	69.4%	65%

Source: State Board of Education.

Budgeting and Accounting and Financial Information

Budgeting and Accounting Practices

With respect to budgeting, the Charter School’s Lead Director, with assistance from Academica West, prepares a budget that is presented to and approved by the Board by May 31 annually.

The Charter School is required to conduct an annual financial audit in accordance with GAAP which include GAAS. The financial reporting is provided in a manner consistent with either GASB or FASB. In addition, the Charter School provides its data and information in a manner consistent with school finance budgeting, accounting and auditing standards set by the State Board of Education. According to State law, the Charter School’s undistributed reserve is not to exceed 5% of its general fund budgeted

expenditures. See “APPENDIX A – CHARTER SCHOOLS IN UTAH – Additional State Board of Education Rules – *Fiscal and Auditing Policies*” in this Official Statement.

The Charter School presently employs Eide Bailly LLP as its auditor, and the Charter School’s audited financial statements as of June 30, 2021, 2020, and 2019, are included in APPENDIX C. Eide Bailly LLP has consented to the inclusion of their report dated with respect to the Charter School’s audited financial statements for the fiscal years ended June 30, 2021, 2020, and 2019.

The Charter School has demonstrated proficiency in forecasting revenues and expenditures as shown by the comparison of budgeted to actual revenues and expenditures for each of the last three years.

TABLE B-20

Budgeted vs. Actual Financial Information			
Revenues/Expenditures	2018-19	2019-20	2020-21
Final Budgeted Revenues	\$[_____]	\$	\$
Actual Revenues	\$	\$	\$
<i>Deviation</i>	\$	\$	\$
Final Budgeted Expenditures	\$	\$	\$
Actual Expenditures	\$	\$	\$
<i>Deviation</i>	\$	\$	\$[_____]

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Historical Financial Information

The following table outlines the Charter School’s Statement of Financial Position for the fiscal years ended [June 30, 2019 through 2021].

	TABLE B-21		
	2019	2020	2021
	(Audited)	(Audited)	(Audited)
ASSETS			
Cash and cash equivalents	\$	\$	\$
Accounts Receivable			
Prepaid Expenses and Other Assets			
Restricted Cash and cash equivalents			
Restricted Investments			
Property and Equipment, net			
TOTAL ASSETS	\$	\$	\$
LIABILITIES			
Accounts payable	\$	\$	\$
Accrued Liabilities			
Deferred Revenue			
Accrued interest			
Bonds and Notes Payable - net of unamortized debt issuance costs and discount on bonds			
Total Liabilities	\$	\$	\$
NET ASSETS			
Without donor restrictions	\$	\$	\$
With donor restrictions			
TOTAL NET ASSETS	\$	\$	\$
TOTAL LIABILITIES AND NET ASSETS	\$	\$	\$

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The following table outlines the Charter School’s Statement of Financial Position for the month ending [DATE]. The information in the following table is preliminary, unaudited and presented on a modified-accrual basis.

TABLE B-22
Summary Statement of Financial Position

	MONTH ENDED [DATE] (Unaudited)
ASSETS	
Cash and cash equivalents	\$
Restricted for debt service	
Receivables	
Other current assets	
TOTAL CURRENT ASSETS	\$
LIABILITIES	
Accounts payable	\$
Credit cards	
Payroll and related benefits payable	
Deferred Revenue	
Total Current Liabilities	\$
NET ASSETS	
Net income	
TOTAL NET ASSETS	
TOTAL LIABILITIES AND NET ASSETS	\$

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The following table outlines the Charter School's Statement of Financial Activities for the fiscal years ended [June 30, 2019 through 2021].

TABLE B-23
SUMMARY STATEMENT OF FINANCIAL ACTIVITIES
(FISCAL YEAR ENDED JUNE 30)

	2019	2020	2021
	(Audited)	(Audited)	(Audited)
Revenue & Support:			
Federal	\$	\$	\$
State			
Local	_____	_____	_____
Net assets released from restrictions	_____	_____	_____
Loss/Gain on retirement of property	_____	_____	_____

Total Revenue & Support

Total Expenses

Change in Net assets with donor
restrictions

Change in Net Assets

Net Assets – Beginning

Net Assets – Ending

Available for Debt Service:

Change in Net Assets

Plus: Depreciation & Amort

Plus: Interest

Net Income Available for Debt Service

Operating Cashflow Margin

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The following table outlines the Charter School’s Statement of Financial Activities for the fiscal quarter ending [DATE], 202[]. The information in the following table is preliminary, unaudited and presented on a modified-accrual basis.

TABLE B-24
SUMMARY STATEMENT OF FINANCIAL ACTIVITIES

	MONTH ENDED [DATE], 202[] (Unaudited)
Revenue & Support:	
Federal	
State	
Local & Other Revenue	
Total Revenue & Support	
 Total Expenses	
 Change in Net Assets	
 Available for Debt Service:	
Net Income Available for Debt Service	
Operating Cashflow Margin	%

Debt

The Charter School has no other outstanding capital lease or debt obligations other than the Series 2022 Bonds and the Series 2017 Bonds.

Investment Policy

The Charter School maintains cash reserves in interest bearing deposit accounts at the Charter School’s bank and UPTIF, which has a consistent stable history.

Post-Issuance Compliance

The Charter School will adhere to the continuing disclosure and other reporting covenants as outlined in the debt related documentation. As necessary, it will also disseminate its annual audit and other reports to the proper parties as outlined with each requesting party. The Board has adopted its Disclosure Policy and Procedures to ensure that future continuing disclosure reports are filed on time in accordance with continuing disclosure obligations. The policy includes training for Charter School staff and the Board and specific procedures. The Charter School has also adopted Post-Issuance Tax Compliance Procedures to ensure the proper use of bond proceeds and bond financed property and to ensure that interest on tax-exempt bonds issued on behalf of the Charter School remains excluded from gross income.

Risk Management

As a nonprofit corporation and public school, the Charter School will actively seek to avoid unnecessary risks to the greatest extent possible. The Charter School shall always maintain insurance at the highest amount that is either (a) required by law, (b) required by existing debt covenants, (c) is

reasonable and customary for a State charter school, and (d) is considered prudent by the Board after consulting with qualified professionals. In the event any material risk is identified by the Board or administration that is not covered by existing insurance, a qualified professional shall promptly be engaged to evaluate such risk and recommend the appropriate action.

Insurance

The Charter School is exposed to various risks of loss related to torts, errors and omissions, property, employee health, workers' compensation, and unemployment for which the Charter School carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for any of the past three fiscal years. The Charter School's administration believes the present insurance coverage to be adequate and in compliance with the Charter Contract. However, there can be no assurance that the Charter School will continue to maintain this level of coverage. See "APPENDIX E – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT – THE LOAN AGREEMENT – Insurance."

Charter School Response to COVID-19 Pandemic

In 2020, in response to official State actions related to the COVID-19 pandemic, the Charter School implemented a distance learning plan to educate its students through the remainder of the 2019-20 school year. In response to guidance from the Governor and the State Board of Education, the Charter School reopened for the 2020-21 school year under the following guidelines:

- "Hybrid" face-to-face instruction for students. Students chose to be either in person or online or both. Students who elected to enroll online take these courses through Canvas. Every employee and student was expected to wear a mask or face coverings in common areas if they were in-person, during transition times, classrooms, and when they arrived and dismissed from school.
- Reinforced hygiene and etiquette, including hand washing, hand sanitizing stations available as students entered and exited buildings and classrooms and before and after meals in the cafeteria, covering coughs and sneezes, no handshakes, high fives or hugs.
- Reinforced mask wearing by all staff, students and visitors.
- Increased routine cleaning and disinfection of school buildings, including regular cleaning of frequently touched surfaces.
- Minimized sharing of items.
- Modified layouts in classrooms, cafeteria and hallways to facilitate social distancing.

As of [DATE], the Charter School has received or has been awarded ESSER I/CARES Program funds in an amount up to \$109,002, GEER Program funds in an amount up to \$115,881, Coronavirus Relief funds in an amount up to \$50,849, ESSER II funds in the amount of \$440,484, and American Rescue Plan Funds in an amount up to \$989,912.

The CARES Act authorized Small Business Administration's Paycheck Protection Program, as amended by the Paycheck Protection Flexibility Act (collectively, the "PPP"), to provide stimulus to individuals and business impacted by COVID-19. The Charter School did not apply nor receive any PPP loans nor any EIDL funding available to non-profits or other businesses.

There can be no assurances that the spread of COVID-19 or other highly contagious or epidemic diseases will not adversely impact the Charter School. While the Charter School does not anticipate that COVID-19 will affect its ability to pay debt service on the Series 2022 Bonds, the extent to which COVID-19 impacts the Charter School and its financial condition will depend on future developments, which are

highly uncertain and cannot be predicted by the Charter School, including the extent or duration of the outbreak. The spread of COVID-19 could also have negative impacts on the collection of taxes by the State, or other related factors that may affect the Charter School's budget and cash flows. The State's finances may be materially adversely affected by the continued spread of COVID-19, which could affect the amount or timing of State aid appropriated to public education. In addition, the Charter School cannot fully predict the increased costs associated with an infectious disease outbreak such as operational costs incurred to clean, sanitize, and maintain its facilities either before or after an outbreak of an infectious disease.

The State has provided flexibility to schools in determining the modality of learning in the coming year for schools to adapt to challenges due to COVID-19. Schools are able to provide complete online, flex/hybrid, or in-person learning modalities through each school's approved continuity of learning plan. This will allow schools to adjust to the challenges presented by COVID-19 while continuing to provide continuous learning.

Significant developments regarding COVID-19 continue to occur regularly and the extent to which COVID-19 will impact the Charter School in the future is highly uncertain and cannot be predicted; however, the Charter School does not expect the factors described above to negatively impact the Charter School's ability to pay debt service on the Series 2022 Bonds coming due in each fiscal year.

Cybersecurity

The risk of cyberattacks against commercial enterprises, including educational institutions, has become more prevalent in recent years. A cyberattack could cause the informational systems of the Charter School to be compromised, could limit operational capacity for short or extended lengths of time, and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidents and reputational damage. To date, the Charter School has not experienced a successful cyberattack. The Charter School believes it has made all reasonable efforts to ensure that any such attack is not successful and that the Charter School's information systems are secure. For example, the Charter School has implemented an Information Technology Security Policy and an Information Technology Systems Security Plan, which includes measurements to secure sensitive content, personal, and financial data, as well as procedures on how to respond to a breach. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the Charter School's information systems or other challenges.

No Litigation

No action, suit proceeding, or investigation at law or in equity, before or by any court, any governmental agency, or any public board or body is pending or, to the best of the Charter School's knowledge, threatened, affecting the validity of the Trust Indenture, the Loan Agreement or the Series 2022 Bonds, or contesting the corporate existence or powers of the Charter School. There is presently no material litigation pending or, to the best of its officers' knowledge, overtly threatened against either the Charter School.

APPENDIX C

**CHARTER SCHOOL AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021, 2020, AND 2019**

(See attached)

APPENDIX D

**PROJECTIONS OF REVENUE, EXPENDITURES, DEBT SERVICE COVERAGE AND DAYS
CASH ON HAND FOR THE CHARTER SCHOOL**

[TO COME FROM LYRB]

APPENDIX E

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT

The following are definitions of certain terms used in the Indenture and the Agreement and this Official Statement:

“*Accountant*” means initially Eide Bailly, Ogden, Utah, or thereafter any other independent certified public accounting firm licensed to practice in the State (which may be the firm of accountants that regularly audits the books and accounts of the Charter School) from time to time selected by the Charter School.

“*Accountant’s Certificate*” means a report, certificate or opinion by the Accountant.

“*Act*” means Title 53G, Chapter 5, Part 6, Utah Code Annotated 1953, as amended, and the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended.

“*Act of Bankruptcy*” means one of the following shall have occurred:

(a) The Charter School shall file a voluntary petition in bankruptcy, or shall be adjudicated bankrupt or insolvent, or shall file any petition or agreement seeking any reorganization, incorporation, readjustment, liquidation or similar relief for itself under any present or future statutes, laws or regulations or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Charter School or of all or any substantial part of its properties, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(b) A petition shall be filed against the Charter School seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation and shall remain undismissed or unstayed for an aggregate period of 60 days (whether or not consecutive), or if any trustee, receiver or liquidator of the Charter School or of all or any substantial part of its properties shall be appointed without the consent or acquiescence of the Charter School and such appointment shall remain undismissed or unstayed for an aggregate period of 60 days (whether or not consecutive).

“*Additional Bonds*” means any Additional Bonds authorized and issued pursuant to the Indenture.

“*Additional Antelope Campus Parcel*” means, the additional land located adjacent to the Antelope Campus.

“*Agreement*” or “*Loan Agreement*” means the Original Loan Agreement, as amended by the First Amendment to Loan Agreement and as further amended by the Second Amendment to Loan Agreement, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Indenture.

“*Annual Debt Service Requirements*” of any specified Person means, for any Fiscal Year, the principal of (and premium, if any) and interest and other debt service charges (which include for purposes hereof, any fees or premiums for any letter of credit, surety bond, policy of insurance, bond purchase agreement, or any similar credit or liquidity support secured in connection therewith payable in such Fiscal Year) on all Long-Term Indebtedness of such Person coming due at maturity or stated maturity, and, for

such purposes (except with respect to the calculation of the Debt Service Reserve Fund Requirement) any one or more of the following rules shall apply:

(a) If such Person has received a binding commitment, within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to refund or purchase any of its Long-Term Indebtedness at its maturity (or, if due on demand, or payable in respect of any required purchase of such debt by such Person, at any date on which demand may be made), then the portion of the Long-Term Indebtedness committed to be refunded or purchased shall be excluded from such calculation and the principal of (and premium, if any) and interest on the Long-Term Indebtedness incurred for such refunding or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the maturity or purchase date of the Long-Term Indebtedness to be refunded or purchased, shall be added;

(b) In the case of Balloon Debt, if the Person obligated thereon shall deliver to the Trustee, the Authority and any Beneficial Owner requesting such in writing a certificate of a nationally recognized firm of investment bankers or financial consultants dated within 90 days prior to the date of delivery of such certificate to the Trustee, the Authority and such Beneficial Owner stating that financing at a stated interest rate (which shall not be less than the *Bond Buyer* Revenue Bond Index or, if the *Bond Buyer* Revenue Bond Index is unavailable, a comparable index chosen by the Charter School) with a stated maturity not greater than 30 years is reasonably attainable on the date of such certificate to refund any of such Balloon Debt, then for the purpose of calculating what future annual debt service requirements will be, any installment of principal of (and premium, if any) and interest and other debt service charges on such Balloon Debt that could so be refunded shall be excluded from such calculation and the principal plus interest of the refunding debt shall be evenly allocated over the life of the refunding debt with equal principal payments plus interest deemed due each year;

(c) Principal of (and premium, if any) and interest and other debt service charges on Indebtedness, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, interest, or other debt service charges are payable from funds irrevocably deposited or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust or escrowed with the Trustee, or any Independent Person approved by the Trustee);

(d) As to any Indebtedness that bears interest at a variable interest rate which cannot be ascertained at the time of calculation, an interest rate equal to the lesser of an annual interest rate equal to the *Bond Buyer* Revenue Bond Index (or, if the *Bond Buyer* Revenue Bond Index is unavailable, a comparable index chosen by the Charter School) and the weighted average rate of interest born by such Indebtedness (or other indebtedness of comparable credit quality, maturity and purchase terms in the event that such debt was not outstanding) during the preceding Fiscal Year (or any period of comparable length ending within 180 days) prior to the date of calculation shall be presumed to apply for all future dates and the principal shall be amortized on a level debt service basis over the life of the Indebtedness but solely for the purpose of spreading the principal requirements for calculation of coverage;

(e) In the case of any guarantees or other Indebtedness described in subparagraph (c) of the definition of Indebtedness, the principal of (and premium, if any) and interest and other debt service charges on such Indebtedness for any Fiscal Year shall be deemed to be 25% of the principal of (and premium, if any) and interest and other debt service charges on the indebtedness guaranteed due in such Fiscal Year; *provided, however*, that if the Charter School is actually required to make

any payment in respect of such Indebtedness, the total amount payable by the Charter School in respect of such guarantee or other obligation in such Fiscal Year shall be included in any computation of the Annual Debt Service Requirements of the Charter School for such year and the amount payable by the Charter School in respect of such guarantee or other obligation in any future Fiscal Year shall be included in any computation of the estimated Annual Debt Service Requirements for such Fiscal Year; and

(f) In the event a Financial Products Agreement shall have been issued or entered into in respect of all or a portion of any Long-Term Indebtedness, interest on such Long-Term Indebtedness shall be included in the calculation of Annual Debt Service Requirements by including for such period an amount equal to the amount payable on such Long-Term Indebtedness in such period at the rate or rates stated in such Long-Term Indebtedness plus any payments payable by the Charter School in respect of such Financial Products Agreement minus any payments receivable by the Charter School in respect of such Financial Products Agreement.

“*Antelope Campus*” means, the charter school Building and the related Land located at 2893 West 1700 South in Syracuse, Utah.

“*Authority*” means the Utah Charter School Finance Authority, a body politic and corporate duly organized and existing under the laws of the State and its successors and assigns.

“*Authority’s Administration Fee*” means the Authority’s Administration Fee payable on the issuance of the Series 2017 Bonds and on the issuance of the Series 2022 Bonds in the amount of 1.5% of the original principal amount of the Series 2017 Bonds or the Series 2022 Bonds, as applicable, at issuance and any Authority’s Administration Fee payable in connection with the issuance of Additional Bonds.

“*Authority’s Annual Fee*” means the Authority’s annual fee in an annual amount equal to 0.20% of the then outstanding principal amount of the Bonds payable to the Authority on July 1 of each year the Bonds are outstanding from the Expense Fund, commencing July 1, 2017; provided, however, that if the Charter School fails to meet any of its covenants contained in the Charter School Documents or in its charter contract, the Authority may increase the Authority’s Annual Fee up to an annual amount equal to 0.50% of the outstanding principal amount of the Bonds.

“*Authority Documents*” means, with respect to a Series of Bonds, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Tax Certificate and any other agreement, certificate, contract, or instrument to be executed by the Authority in connection with the issuance of the Bonds or the financing of a portion of the expense associated with the Project.

“*Authority Indemnified Party*” or “*Authority Indemnified Parties*” means the Authority, its past, present, and future directors, governing board members, councilmembers, officers, counsel, advisors, employees and agents, individually and collectively.

“*Authority’s Unassigned Rights*” means the rights of the Authority to (a) inspect books and records, (b) give or receive notices, approvals, consents, requests, and other communications, (c) receive payment or reimbursement for expenses or appropriations under the Credit Enhancement Program (d) receive payment of the Authority’s Administration Fee and Authority’s Annual Fee, (e) immunity from and limitation of liability, (f) indemnification from liability by the Charter School, (g) take any action as provided under the Credit Enhancement Program, and (h) security for the Charter School’s indemnification obligation.

“*Authorized Denomination*” means \$5,000 or any integral multiple of \$5,000 in excess thereof.

“*Authorized Representative*” means, in the case of the Authority, any officer of the Authority or any other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by one of its authorized signatories, which certificate may designate an alternate or alternates; or, in the case of the Charter School, the Board Chair, any Board Vice Chair, Board Member, President or the Secretary thereof or any other person at the time designated to act on behalf of the Charter School by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Charter School by one of its authorized signatories, which certificate may designate an alternate or alternates.

“*Authorizer*” means the State Charter School Board of the State of Utah, or any successor thereof.

“*Balloon Debt*” means Long-Term Indebtedness where the principal of (and premium, if any) and interest and other debt service charges on such Long-Term Indebtedness due (or payable in respect of any required purchase of such 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 or exceed by more than 50% the greatest amount of principal of (and premium, if any) and interest and other debt service charges on such Long-Term Indebtedness due in any preceding or succeeding Fiscal Year.

“*Beneficial Owner(s)*” means the person or entity for whom the Bonds were deposited with DTC (in the name of its nominee, Cede & Co.). If the Bonds are not deposited with DTC or another repository, the Beneficial Owner(s) will be the Registered Owner(s).

“*Bond Counsel*” means Gilmore & Bell, P.C., or such other firm of nationally recognized attorneys with a proven reputation in the field of municipal finance and experienced in the financing of facilities for non-exempt persons through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103 of the Code, and approved by the Authority.

“*Bond Interest Fund*” means the fund by that name created pursuant to the Indenture and containing the Capitalized Interest Account.

“*Bond Principal Fund*” means the fund by that name created pursuant to the Indenture.

“*Bond Purchase Agreement*” means (i) as to a Series of Additional Bonds, the Bond Purchase Agreement among the Authority, the Charter School and the underwriter related to such Series of Additional Bonds, (ii) as to the Series 2017 Bonds, the Bond Purchase Agreement, dated January 26, 2017, among the Authority, the Charter School and the Underwriter, and (iii) as to the Series 2022 Bonds, the Series 2022 Bond Purchase Agreement.

“*Bond Register*” means the bond register described in the Indenture.

“*Bonds*” means, collectively, the Series 2017 Bonds, the Series 2022 Bonds, and any Additional Bonds.

“*Building*” means that certain building or buildings and all other structures and facilities now owned or hereafter acquired or constructed (including all fixtures, heating and air conditioning equipment and all other equipment and machinery affixed to the Land or Building) which are located on the Land, as they may from time to time exist.

“*Business Day*” means any day other than (i) a Saturday or Sunday, (ii) a day on which the Federal Reserve System is closed, or (iii) a day on which commercial banks in the State or in the city in which the Designated Office of the Trustee is authorized by law to close.

“*Capitalized Interest Account*” means the account so named in the Bond Interest Fund of the Indenture.

“*Cede & Co.*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

“*Charter Contract*” means the charter agreement between Charter School and the Authorizer, as revised and accepted by the Authorizer, together with any subsequent applications to modify the Charter Contract.

“*Charter School*” means Syracuse Arts Academy, a Utah non-profit corporation, or any surviving, resulting or transferee corporation, as provided in the Agreement.

“*Charter School Documents*” means, with respect to a Series of Bonds, the Agreement, the Mortgage, the Promissory Notes, the Bond Purchase Agreement, the Tax Certificate, the Continuing Disclosure Agreement and each of the other agreements, certificates, contracts or instruments to be executed by the Charter School in connection with the issuance of a Series of Bonds or the financing of all or a portion of the expenses associated with the Project.

“*Charter Schools Act*” means Title 53G, Chapter 5, Utah Code Annotated, as amended.

“*Closing Date*” means, as to a Series of Bonds, the date of issuance of such Series.

“*Code*” means the Internal Revenue Code of 1986, as amended; each reference to the Code is deemed to include (i) any successor internal revenue law and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations, whether final, temporary or proposed, under such provision or successor provision.

“*Consulting Architect*” means an independent, individual, licensed architect or engineer or independent, licensed engineering or architectural firm (which may be an individual or an engineering or architectural firm retained by the Charter School for other purposes) selected by the Charter School as evidenced to the Trustee by a written certificate containing the specimen signature of the authorized signatory for the Consulting Architect’s firm.

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

“*Continuing Disclosure Agreement*” means, (i) as to the Series 2017 Bonds, the Continuing Disclosure Agreement, dated as of February 1, 2017, entered into by the Charter School (ii) as to the Series 2022 Bonds, the Continuing Disclosure Agreement, dated as of March 1, 2022, entered into by the Charter School, and (iii) as to any Series of Additional Bonds, the continuing disclosure undertaking or agreement entered into by the Charter School in connection with such Series of Additional Bonds.

“*Cost of Issuance Fund*” means the fund by that name created pursuant to the Indenture.

“*Costs or Cost of the Project*” means the sum total of all reasonable or necessary costs incidental to the Project which may be financed pursuant to the Act and the Code.

“*Credit Enhancement Program*” means the Charter School Credit Enhancement Program established under Title 53G, Chapter 5, Part 6, Utah Code Annotated 1953, as amended.

“*Debt Service Reserve Fund*” means the fund by that name created pursuant to the Indenture.

“*Debt Service Reserve Fund Requirement*” means (i) the Maximum Annual Debt Service for the Series 2017 Bonds calculated on a calendar year basis in an amount equal to \$1,881,500, (ii) the Maximum Annual Debt Service for the Series 2022 Bonds calculated on a calendar year basis in an amount equal to \$[_____], and (iii) as to a Series of Additional Bonds, means the Maximum Annual Debt Service for such Series of Additional Bonds as set forth in a Supplemental Indenture.

“*Designated Office*” of the Trustee means the office of the Trustee at the address set forth in the Indenture or at such other address as may be specified in writing by the Trustee as provided in the Indenture. The paying agent and registrar functions mean the Trustee’s office located in Salt Lake City, Utah.

“*Determination of Taxability*” shall have been deemed to occur if a final decree or judgment of any federal court or a final action of the Internal Revenue Service determines that interest paid or payable on any Tax-Exempt Bond is or was includable in the gross income of the Owner of said Tax-Exempt Bond for federal income tax purposes under the Code; provided, however, no such decree or action will be considered final for this purpose unless the Authority 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 Owner of a Tax-Exempt Bond, and until conclusion of any appellate review, if sought.

“*Disbursement Date*” means a date not later than two Business Days after receipt by the Trustee of State Payments transferred to the Trustee as described in the Indenture (and in no event later than the 10th day of each month).

“*Dissemination Agent*” means U.S. Bank Trust Company, National Association, Salt Lake City, Utah, and its successors and assigns or any successor Dissemination Agent appointed by the Charter School pursuant to the provisions of the Continuing Disclosure Agreement.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns.

“*Event of Default*” means those defaults specified in the Agreement and in the Indenture.

“*Expense Fund*” means the fund by that name created pursuant to the Indenture.

“*Facilities*” means the Series 2017 Facilities, the Series 2022 Facilities and all related land, buildings and equipment owned or leased by the Charter School at any time for purposes of housing the charter school operations of the Charter School.

“*First Amendment to Loan Agreement*” means the First Amendment to Loan Agreement, dated as of August 1, 2021, by and between the Authority and the Charter School.

“*First Supplement to Trust Indenture*” means the First Supplement to Trust Indenture, dated as of March 1, 2022, by and between the Authority and the Trustee.

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

“*Fitch*” means Fitch Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Charter School by notice to the Trustee.

“*Funds*” means the Bond Principal Fund, the Bond Interest Fund, the Debt Service Reserve Fund, the Cost of Issuance Fund, the Tax and Insurance Escrow Fund, the Repair and Replacement Fund, the Expense Fund, the Project Fund, the Rebate Fund, the Revenue Fund, and any other funds, accounts or subaccounts held by the Trustee under the Indenture.

“*Generally Accepted Accounting Principles*” means those accounting principles applicable in the preparation of financial statements of the Charter School, as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

“*Government Obligations*” means direct noncallable obligations of or direct noncallable obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America.

“*Indebtedness*” means (a) indebtedness incurred or assumed by the Charter School for borrowed money or for the financing or refinancing of the acquisition, construction or improvement of the Facilities or property related thereto other than goods that are acquired in the ordinary course of business of the Charter School, including indebtedness subordinate as to security and payment to other Indebtedness, (b) lease obligations of the Charter School that, in accordance with Generally Accepted Accounting Principles, are shown on the liability side of a balance sheet, (c) all indebtedness (other than indebtedness otherwise treated as Indebtedness under the Indenture) for capitalized lease obligations guaranteed, directly or indirectly, in any manner by the Charter School, or in effect guaranteed, directly or indirectly, by the Charter School through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and (d) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon the Facilities or property related thereto owned by the Charter School whether or not the Charter School has assumed or become liable for the payment thereof. For the purpose of computing “Indebtedness,” there shall be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Indebtedness or investments that will provide sufficient funds, if permitted by the instrument creating such Indebtedness) for the payment, redemption or satisfaction of such Indebtedness; and thereafter such funds, evidences of Indebtedness and investments so deposited shall not be included in any computation of the assets of the Charter School, and the income from any such deposits shall not be included in the calculation of Net Income Available for Debt Service.

“*Indenture*” means the Original Trust Indenture as supplemented by the First Supplement to Trust Indenture and as further amended and supplemented in accordance with the terms thereof.

“*Independent*” means, when used with respect to any specified Person means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Charter School, and (iii) is not connected with the Charter School as an officer, employee, promoter, member of the board of trustees or directors, partner or person performing similar functions.

“*Inspecting Consultant*” means an architectural, engineering or construction management firm hired by the Trustee and paid for by the Charter School.

“*Interest Payment Date*” means, with respect to the Series 2017 Bonds and the Series 2022 Bonds, each April 15 and October 15, commencing April 15, 2017 with respect to the Series 2017 Bonds and [April/October] 15, [2022]* with respect to the Series 2022 Bonds, or any other dates as specified in a Supplemental Indenture with respect to any Series of Additional Bonds.

“*Investment*” has the meaning set forth in Section 1.148-1(b) of the Treasury Regulations.

“*Investment Grade Notice*” means any official notice released by S&P, Fitch or Moody’s that the Bonds have received an Investment Grade Rating.

“*Investment Grade Rating*” means a rating on the Bonds of “BBB–” or higher by S&P or Fitch, or “Baa3” or higher by Moody’s.

“*Investment Obligations*” means any of the following that at the time are lawful investments under the laws of the State and applicable banking regulations for the money held under the Indenture:

(a) Obligations of the following federal agencies so long as such obligations are backed by the full faith and credit of the United States of America:

- (i) U.S. Export-Import Bank
- (ii) Rural Economic Community Development Administration
- (iii) Federal Financing Bank
- (iv) General Services Administration
- (v) U.S. Maritime Administration
- (vi) U.S. Department of Housing and Urban Development (PHAs)
- (vii) Small Business Administration
- (viii) Government National Mortgage Associate (GNMA)
- (ix) Federal Housing Administration
- (x) Farm Credit System Financial Assistance Corporation

(b) Direct Obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- (i) Senior debt obligations rated in the highest long-term rating category by at least two (2) nationally recognized rating agencies issued by Fannie Mae or the Federal Home Loan Mortgage Corporation (FHLMC).

* Preliminary, subject to change.

- (ii) Senior debt obligations of the Federal Home Loan Bank System.
- (iii) Senior debt obligations of other government sponsored agencies.

(c) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which either (i) have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category of at least two (2) nationally recognized rating agencies, (ii) are insured at all times by the Federal Deposit Insurance Corporation, or (iii) are collateralized with direct obligations of the United States of America at 102% valued daily. All such certificates must mature no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.)

(d) Commercial paper which is rated at the time of purchase in the highest short-term rating category of at least two (2) nationally recognized rating agencies and which matures not more than 270 days after the date of purchase.

(e) Investments in (i) money market funds, including those of the Trustee, subject to SEC Rule 2a-7 and rated in the highest short-term rating category of at least two (2) nationally recognized rating agencies, and (ii) public sector investment pools operated pursuant to SEC Rule 2a-7 in which the issuer's deposit shall not exceed 5% of the aggregate pool balance at any time and such pool is rated in one of the two highest short-term rating categories of at least two (2) nationally recognized rating agencies, provided Trustee can access funds pursuant to the Indenture.

(f) Pre-refunded municipal obligations defined as follows: any bonds, certificates or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest long-term rating category of at least two (2) nationally recognized rating agencies; or

- (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds, certificates or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and

- (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds, certificates or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(g) General obligations of states with a short-term rating in one of the two highest rating categories and a long-term rating in one of the two highest rating categories of at least two (2) nationally recognized rating agencies. In the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

(h) The Utah Public Treasurer's Investment Fund.

"Irrevocable Deposit" means the irrevocable deposit in trust of cash in an amount (or 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.

"Land" means, collectively, the real estate, interests in real estate, and other real property rights described in an exhibit to the First Amendment to Loan Agreement, together with all real estate, interests in real estate, interests in real property, 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 the Agreement or as the result of replacement of property taken in condemnation, or otherwise, less such real estate, interests in real estate and other real property rights released under the provisions of the Agreement or taken by the exercise of the power of eminent domain as provided in the Agreement.

"Letter of Representations" means the Letter of Representations from the Authority to DTC.

"Lien" means any mortgage or pledge of, security interest in, or lien or encumbrance on, any property which secures any Indebtedness or other obligation of the Charter School or which secures any obligation of any Person other than an obligation to the Charter School excluding liens applicable to property in which the Charter School has only a leasehold interest unless the lien secures Indebtedness.

"Loan" means the loan by the Authority to the Charter School of the proceeds from the sale of the Bonds pursuant to the Agreement.

"Loan Agreement or Agreement" means, the Original Loan Agreement as amended by the First Amendment to Loan Agreement and as further amended by the Second Amendment to Loan Agreement, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Indenture.

"Loan Payment(s)" means those payments required to be paid by the Charter School pursuant to the Loan Agreement.

"Long-Term Indebtedness" means all Indebtedness created, assumed or guaranteed by the Charter School that matures by its terms (in the absence of the exercise of any earlier right of demand), or is renewable at the option of the Charter School to a date, more than one year after the original creation, assumption, or guarantee of such Indebtedness by the Charter School.

"Management Consultant" means a firm of Independent professional management consultants, an Independent school management organization or an Independent financial advisor, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

"Maximum Annual Debt Service" means, as of any date of calculation, the highest Annual Debt Service Requirements with respect to all outstanding Indebtedness for any succeeding Fiscal Year.

"Moody's" means Moody's Investors Service, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency,

“Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Charter School by notice to the Trustee.

“*Mortgage*” means collectively, the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of February 1, 2017 as supplemented by the First Amendment to Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated August 6, 2021 and as further amended by the Second Amendment to Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated February [___], 2022, each among the Charter School, as trustor, the Trustee, as deed of trust trustee and the Authority, as beneficiary, as assigned by the Authority to the Trustee pursuant to the Assignment of Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of February 14, 2017, and any modification to such Deeds of Trust and any other deed of trust or mortgage delivered by the Charter School to the Authority or the Trustee in connection with the issuance of Additional Bonds or to provide additional security.

“*Net Income Available for Debt Service*” means, for any period of determination thereof, Pledged Revenues of the Charter School for such period plus proceeds of Indebtedness set aside for the payment of interest on the Bonds, minus its total Operating Expenses for such period.

“*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-Appropriation*” means (i) the Authority does not timely certify to the governor of the State the amount, if any, required to restore amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, (ii) the governor does not timely request from the legislature of the State an appropriation at least equal to the certified amount, or (iii) the legislature of the State does not appropriate money to the Authority under the Credit Enhancement Program to restore amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

“*Non-Bond Proceeds Subaccount*” means the Non-Bond Proceeds Subaccount of the Series 2022 Account of the Project Fund created pursuant to the Indenture.

“*North Campus*” means, the charter school Building and the related Land located at 357 South 1550 West in Syracuse, Utah.

“*Official Statement*” means, (i) as to a Series of Additional Bonds, the Official Statement prepared in connection with the sale of such Series of Bonds, (ii) as the Series 2017 Bonds, the Official Statement dated January 26, 2017 prepared in connection with the sale of the Series 2017 Bonds, and (iii) as to the Series 2022 Bonds, the Official Statement dated _____, 2022 prepared in connection with the sale of the Series 2022 Bonds.

“*Operating Expenses*” means fees and expenses of the Charter School, incurred with respect to the Facilities, including maintenance, repair expenses, utility expenses, real estate taxes, insurance premiums, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (excluding 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 in the Indenture, 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; provided, however, “Operating Expenses” shall not include (i) any allowance for

depreciation, (ii) spending for items accounted for as capital expenditures under Generally Accepted Accounting Principles, or (iii) interest costs on the Bonds.

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

“*Original Indenture*” means the Trust Indenture, dated as of February 1, 2017, between the Authority and the Trustee.

“*Original Loan Agreement*” means the Loan Agreement, dated as of February 1, 2017, between the Authority and the Charter School.

“*Outstanding*” or “*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 the 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 the Indenture) 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 the Indenture; and

(d) Bonds owned by the Charter School.

“*Participants*” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as a securities depository.

“*Permitted Encumbrance*” means any of the following:

(a) Liens for taxes and special assessments on the Facilities not then delinquent;

(b) the Mortgage;

(c) purchase money security interests with respect to any item of equipment related to the Facilities;

(d) utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and exceptions which would not in the aggregate (i) materially interfere with or impair any present use of the 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 mortgage granted by the Mortgage);

(e) mechanics' and materialmen's Liens related to the Facilities when payment of the related bill is not overdue;

(f) mechanics' and materialmen's Liens, security interests or other encumbrances related to the Facilities to the extent permitted in the Agreement;

(g) judgment Liens against 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;

(h) (i) Rights reserved to or vested in any municipality 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; (ii) Liens on the Facilities for taxes, assessments, levies, fees, water and sewer charges, and other governmental and similar charges not yet due or delinquent; (iii) 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 (iv) 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;

(i) Liens and any other restrictions, exceptions, leases, easements or encumbrances which are existing on the date of initial issuance and delivery of the Bonds and set forth on the mortgagee's title policy delivered in accordance with the Agreement, 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 the Agreement;

(j) Liens on the Facilities and the Pledged Revenues or any Indebtedness which meet the conditions described in the Agreement;

(k) Liens arising by reason of an Irrevocable Deposit; and

(l) Liens on the Facilities and the Pledged Revenues (subordinate to the Mortgage) to secure payment of indebtedness subordinate to the obligations of the Charter School under the Agreement.

"Person" includes an individual, association, corporation, partnership, joint venture or a government or an agency or a political subdivision thereof.

"Pledged Revenues" means, State Payments received by the Charter School plus all revenues, rentals, fees, third-party payments, receipts, donations, contributions or other income of the Charter School, to the extent permitted thereby and by law, including accounts receivables or other rights to receive such revenues, including, without limitation, proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Charter School; and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent permitted by the terms thereof and by law.

“*Principal Payment Date*” or “*sinking fund payment date*” means, (i) with respect to the Series 2017 Bonds, each April 15 commencing April 15, 2018, (ii) with respect to the Series 2022 Bonds, each [April] 15, commencing [April] 15, [2022]*, and (iii) with respect to any Series of Additional Bonds, such other dates as shall be specified in a Supplemental Indenture.

“*Project*” means, individually or collectively, as the context requires, the Series 2017 Project, the Series 2022 Project and any other Series Project which is part of the acquisition, construction, improvement and equipping of a charter school facility owned or leased by the Charter School.

“*Project Fund*” means the fund by that name created pursuant to the Indenture.

“*Promissory Note(s)*” or “*Note(s)*” means, the Series 2017 Note and the Series 2022 Note together with any promissory note or notes delivered by the Charter School to the Authority in connection with the issuance of Additional Bonds, as provided in the related Loan Agreement.

“*Protected Funds*” means any: (a) funds transferred from the Debt Service Reserve Fund, other than funds in the Debt Service Reserve Fund which have not been on deposit in the Debt Service Reserve Fund for a period of at least 91 consecutive days, during which period no Act of Bankruptcy shall have occurred; (b) proceeds of any other bonds issued to refund in whole or part the Bonds, or any other payments made by a party other than the Charter School to purchase or pay debt service on the Bonds, or any other funds (so long as an Opinion of Counsel from legal counsel familiar with bankruptcy matters and acceptable to the Trustee is first filed with the Trustee stating in effect that the proceeds of such revenue bonds, or other payments or funds, as the case may be, to the Registered Owners, will not constitute voidable preferences under Section 547 of the Bankruptcy Code if the Charter School, the Authority or other third party making the payments were to become a debtor under the Bankruptcy Code); (c) moneys held by the Trustee in the Bond Interest Fund and/or Bond Principal Fund for a period of at least 91 consecutive days, during which period no Act of Bankruptcy shall have occurred; (d) cash proceeds (as defined in the Utah Uniform Commercial Code) of any collateral pledged to the Trustee to secure payment of the Bonds or each of the Charter School’s obligations under the Agreement which are delivered to the Trustee within 10 days after receipt thereof by the Charter School; (e) moneys received by the Trustee from the buyer or buyers as the result of the sale of the Facilities; and (f) investment earnings from the foregoing funds.

“*Rating Agency*” means S&P or any other nationally recognized rating agency which rates the Bonds.

“*Rebate Amount*” means the amount of arbitrage computed annually for payment as of the last day of every fifth (5th) Rebate Year and required to be rebated to the United States pursuant to Section 148 of the Code and Treasury Regulation section 1.148-2 and any successor regulation as may be applicable thereto.

“*Rebate Analyst*” means the entity set forth in the Indenture or, upon written notice to the Trustee, by an Authorized Representative of the Charter School, another independent certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and retained and compensated by the Charter School pursuant to the Agreement to make the computations and give the directions required under the Indenture.

“*Rebate Fund*” means the fund by that name created pursuant to the Indenture.

* Preliminary, subject to change.

“*Rebate Year*” means as to a Series of Tax-Exempt Bonds the period beginning on the date of issuance of that Series of Tax-Exempt Bonds and ending on the day immediately prior to the next succeeding anniversary date of such issuance, and for all other Rebate Years, the one year period beginning on the day after the end of the preceding Rebate Year and ending on the day immediately prior to the following anniversary of the date of the issuance of the Bonds, as the case may be, unless the Charter School, the Authority and the Trustee are advised by the Rebate Analyst that another period is required by law; provided, however, that the last Rebate Year for a Series of Tax-Exempt Bonds shall end on the date on which such Series of Tax-Exempt Bonds is paid and cancelled.

“*Registered Owner*” or “*Owner*” means the person or persons in whose name or names a particular Bond is registered on the registration records maintained for that purpose pursuant to the Indenture.

“*Registrar*” means the Trustee or any successor Registrar.

“*Regular Record Date*” means the 1st calendar day of the month preceding each Interest Payment Date.

“*Repair and Replacement Fund*” means the Repair and Replacement Fund created in the Indenture.

“*Repair and Replacement Fund Requirement*” means an amount equal to \$250,000.

“*Revenue Fund*” means the fund by that name created pursuant to the Indenture.

“*S&P*” means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Charter School by notice to the Trustee.

“*Second Amendment to Loan Agreement*” means the Second Amendment to Loan Agreement, dated as of March 1, 2022, by and between the Authority and the Charter School.

“*Series*” means a series of Bonds issued pursuant to the Indenture.

“*Series 2017 Bonds*” means Utah Charter School Finance Authority Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2017 authorized by, and at any time outstanding pursuant to, the Indenture.

“*Series 2017 Facilities*” means the charter school Buildings and the related Land located at (i) 2893 West 1700 South, Syracuse, Utah, and (ii) 357 South 1550 West, Syracuse, Utah.

“*Series 2017 Note*” means the Promissory Note executed by the Charter School in the aggregate principal amount of 29,270,000 and made payable to the order of the Authority, and assigned to the Trustee, a form of which is attached to the Original Agreement.

“*Series 2017 Project*” means (i) the refinancing of the Antelope Campus, (ii) the financing of the acquisition of the North Campus, (iii) the funding of a Debt Service Reserve Fund as set forth in the Indenture, and (iv) the paying of certain issuance expenses.

“*Series 2022 Bond Purchase Agreement*” means the Bond Purchase Agreement, dated _____, 2022, among the Authority, the Charter School and the Underwriter.

“*Series 2022 Bonds*” means the Series 2022A Bonds and the Series 2022B Bonds.

“*Series 2022A Bonds*” means Utah Charter School Finance Authority Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A authorized by, and at any time outstanding pursuant to, the Indenture.

“*Series 2022B Bonds*” means Utah Charter School Finance Authority Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable) authorized by, and at any time outstanding pursuant to, the Indenture.

“*Series 2022 Facilities*” means the Series 2022 Improvements and the Additional Antelope Campus Parcel.

“*Series 2022 Improvements*” means, the improvements to the Antelope Campus and the North Campus to be financed with proceeds of the Series 2022 Bonds.

“*Series 2022 Note*” means the Promissory Note executed by the Charter School in the aggregate principal amount of \$[_____]* and made payable to the order of the Authority, and assigned to the Trustee, a form of which is attached to the Second Amendment to Loan Agreement.

“*Series 2022 Project*” means (i) financing the costs of the Series 2022 Improvements, (ii) [reimbursing the Charter School for a portion of the costs associated with the acquisition of the Additional Antelope Campus Parcel], (iii) funding the Debt Service Reserve Fund Requirement for the Series 2022 Bonds, (iv) funding a capitalized interest account, and (v) paying certain issuance expenses of the Series 2022 Bonds.

“*Series Project*” means the portion of the Project related to a Series of Bonds.

“*Short-Term Debt*” means any indebtedness other than Long-Term Indebtedness, consisting of notes, commercial paper, a bank line of credit or any other instrument to finance operating costs of the Charter School and including deposits into the Bond Interest Fund or the Bond Principal Fund.

“*Special Record Date*” means a special record date, which shall be a Business Day, fixed to determine the names and addresses of owners for purposes of paying interest on a special Interest Payment Date for the payment of defaulted interest, all as further provided in the Indenture.

“*State*” means the State of Utah.

“*State Payments*” means any and all payments made by the State to the Charter School pursuant to the Charter Schools Act which are permitted to be used as Pledged Revenues.

“*Supplemental Indenture*” means any indenture supplemental to the Indenture entered into between the Authority and the Trustee in accordance with the Indenture.

“*Tax and Insurance Escrow Fund*” means the fund by that name created pursuant to the Indenture.

“*Tax and Insurance Escrow Monthly Payment*” means (i) beginning March, 2017 and for each calendar month thereafter one-tenth (1/10) of the greater of (A) real property taxes paid during the preceding calendar year or (B) real property taxes payable during the current calendar year based on the existing assessed value, unless the Charter School has received notice from the county assessor’s office of its

* Preliminary, subject to change.

exemption from such real property taxes (such notice to be provided to the Trustee), in which case the amount shall be \$0 until such time as the Charter School is notified otherwise, at which time payments shall be made by the Charter School as provided in the Indenture; and (ii) beginning March, 2017 and in each succeeding month thereafter, a pro rata portion based on a monthly basis of the insurance premiums for all policies required to be maintained by the Charter School relative to the Facilities for such calendar year period pursuant to the Agreement so that insurance premiums may be timely paid in accordance with the terms of such policies and as otherwise stated in a written instruction from the Charter School to the Trustee. Credit for earnings in the Tax and Insurance Escrow Fund may be given annually to offset the amount of the payments for the succeeding year.

“*Tax Certificate*” means the Tax Certificate and Agreement of the Authority and the Charter School, dated the date of issuance of the Series 2017 Bonds, the Tax Compliance Agreement among the Authority, the Trustee and the Charter School dated the date of issuance of the Series 2022 Bonds, and any tax certificate of the Authority and the Charter School dated the date of issuance of Additional Bonds.

“*Taxable Bond Proceeds Subaccount*” means the Taxable Bond Proceeds Subaccount of the Series 2022 Account of the Costs of Issuance Fund created pursuant to the Indenture.

“*Tax-Exempt Bond Proceeds Subaccount*” means the Tax-Exempt Bond Proceeds Subaccount of the Series 2022 Account of the Costs of Issuance Fund created pursuant to the Indenture.

“*Tax-Exempt Bonds*” means the Series 2017 Bonds, the Series 2022A Bonds and any Additional Bonds, the interest on which, in the opinion of Bond Counsel delivered at the time of issuance thereof, is excludable from gross income of the owners of such Bonds for federal income tax purposes.

“*Treasury Regulations*” means the regulations promulgated by the United States Department of Treasury for the interpretation of the Code.

“*Trust Estate*” means the property pledged, assigned and mortgaged to the Trustee pursuant to the granting clauses of the Indenture.

“*Trustee*” means U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, Salt Lake City, Utah, designated as paying agent, registrar and trustee under the Indenture, or any successor corporate trustee.

“*Trustee’s Expenses*” means the reasonable and extraordinary expenses incurred by the Trustee under the Indenture, including reasonable counsel fees (including fees at trial or appellate proceedings).

“*Trustee’s Fees*” means the annual fee of the Trustee payable to the Trustee as Trustee, Registrar and Paying Agent under the Indenture, provided that such fee does not include amounts due, if any, for Trustee’s expenses. The Charter School shall pay the Trustee’s Fee pursuant to the Agreement and the indemnification of the Trustee as provided in the Agreement.

“*Underwriter*” means, (i) with respect to the Series 2017 Bonds, D.A. Davidson & Co. and Stifel, Nicolaus & Company, Incorporated, and their successors and assigns, and (ii) with respect to the Series 2022 Bonds, D.A. Davidson & Co., and its successors and assigns, or such other underwriter as is approved by the Authority.

SUMMARY OF THE INDENTURE AND THE LOAN AGREEMENT

The following constitutes summaries of certain portions of the Indenture and the Loan Agreement. The summaries do not purport to be complete and reference is hereby made to the full text of each such document for a complete description thereof.

THE INDENTURE

Limited Obligation

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DO NOT GIVE RISE TO A GENERAL OBLIGATION OR LIABILITY OF THE AUTHORITY OR CHARGE AGAINST ITS GENERAL CREDIT AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE STATE OF UTAH OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE AUTHORITY, THE STATE OF UTAH OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE OR THE BONDS, NEITHER THE CHARTER SCHOOL, THE TRUSTEE NOR ANY REGISTERED OWNER SHALL LOOK TO THE AUTHORITY FOR DAMAGES SUFFERED BY THE CHARTER SCHOOL, THE TRUSTEE OR SUCH REGISTERED OWNER AS A RESULT OF THE FAILURE OF THE AUTHORITY TO PERFORM, FAIL TO PERFORM OR INSUFFICIENTLY PERFORM ANY COVENANT, UNDERTAKING OR OBLIGATION UNDER THE AUTHORITY DOCUMENTS OR ANY OF THE OTHER DOCUMENTS REFERRED TO IN THE INDENTURE, NOR AS A RESULT OF THE INCORRECTNESS OF ANY REPRESENTATION MADE BY THE AUTHORITY IN ANY OF SUCH DOCUMENTS, NOR FOR ANY OTHER REASON.

Additional Bonds Authorized

Additional Bonds secured by and payable solely from the Trust Estate may be issued in one or more additional series provided the following terms and conditions have been met:

- (a) the Trustee has received a copy, duly certified by the Authority, of the resolution enacted by the Authority authorizing the issuance of such Additional Bonds and the execution and delivery of a Supplemental Indenture, supplementing and amending the Indenture, which Supplemental Indenture will not require the approval of the Registered Owners of the Bonds Outstanding, 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, including the Debt Service Reserve Fund, 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 Agreement;
- (b) the Trustee and the Authority have received an Opinion of Counsel to the Charter School in form and substance acceptable to the Trustee, the Authority and Bond Counsel;
- (c) the Trustee has received a certificate of an Authorized Representative of the Charter School to the effect that the Charter School is not in default under the Agreement or the

Indenture, is not aware of any Events of Default under the Agreement or the Indenture and that such Indebtedness may be issued in compliance with the Agreement;

(d) the Trustee and the Authority have received an opinion of nationally recognized municipal bond counsel to the effect that (i) the issuance of such Additional Bonds will not affect adversely the excludability from gross income for federal income tax purposes of interest on any Outstanding Tax-Exempt Bonds and (ii) the Additional Bonds to be delivered will be valid and legal special limited obligations of the Authority in accordance with their terms and will be secured under the Indenture equally and on a parity with all other Bonds at the time Outstanding under the Indenture as to the assignment to the Trustee of the Trust Estate

(e) the Trustee has received original executed counterparts of the agreement supplementing and amending the Agreement, the agreement supplementing and amending the Mortgage (if necessary), and the Supplemental Indenture supplementing and amending the Indenture;

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

(g) the Trustee will receive from the proceeds of the Additional Bonds or otherwise on the date of delivery of the Additional Bonds an amount equal to the additional Debt Service Reserve Fund Requirement for deposit into the Debt Service Reserve Fund;

(h) the Trustee and the Authority 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 special 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);

(i) the Trustee has received evidence satisfactory to the Trustee that the Charter School is in good standing with the Authorizer and the charter agreement between the Charter School and the Authorizer has not been repealed;

(j) unless evidence satisfactory to the Trustee is provided that upon issuance of the Additional Bonds the rating on the Outstanding Bonds (including the Additional Bonds) will not be lower than an Investment Grade Rating, the Trustee has received an investor letter in form satisfactory to the Authority, from each of the purchasers of the Additional Bonds; and

(k) the Trustee has received a written certification from the Charter School that, after taking into consideration the Additional Bonds, it meets the requirements of the Agreement with respect to limitations on Long-Term Indebtedness (See THE LOAN AGREEMENT– Limitations on Incurrence of Long-Term Indebtedness herein).

The provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of the Authority and in the Agreement to be performed by the Charter School shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of

the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in the Indenture.

Establishment of Funds

The Authority establishes and creates by the Indenture the following funds, which shall be special trust funds held by the Trustee (i) Bond Principal Fund, (ii) Bond Interest Fund (containing a Capitalized Interest Account), (iii) Debt Service Reserve Fund, (iv) Cost of Issuance Fund, (v) Rebate Fund, (vi) Revenue Fund, (vii) Project Fund, (viii) Tax and Insurance Escrow Fund; (ix) Expense Fund and (x) Repair and Replacement Fund. All funds shall be in the custody of the Trustee but in the name of the Authority.

Bond Principal Fund and the Bond Interest Fund

With respect to the Series 2022 Bonds, there shall be deposited into the Capitalized Interest Account the amount set forth in the Indenture. With respect to each Series of Additional Bonds there shall be deposited into the Bond Interest Fund on the date of the Bond Closing of a Series of Additional Bonds, accrued interest on such Series of Additional Bonds and into the Capitalized Interest Account an amount, if any, to pay capitalized interest all as specified in the Supplemental Indenture related to such Series of Additional Bonds. There shall be deposited into the Bond Principal Fund or the Bond Interest Fund, as appropriate, as and when received (a) disbursements from the Revenue Fund as provided in the Indenture, (b) all moneys transferred to the Bond Principal Fund or Bond Interest Fund pursuant to the Indenture, (c) all other moneys deposited into the Bond Principal Fund or Bond Interest Fund pursuant to the Agreement or the Indenture, and (d) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Charter School not inconsistent with the Agreement or the Indenture that such moneys are to be paid into the Bond Principal Fund or Bond Interest Fund. There shall also be retained in the Bond Principal Fund and Bond Interest Fund, respectively, interest and other income received on investment of moneys in the Bond Principal Fund and Bond Interest Fund to the extent provided in the Indenture. If the Trustee does not receive payments into the Revenue Fund for deposit into the Bond Principal Fund and the Bond Interest Fund pursuant to the Agreement by the fifth (5th) calendar day after any required payment date pursuant to the Agreement, the Trustee will immediately notify the Authority and the Charter School of such nonpayment.

Debt Service Reserve Fund

There shall be deposited into the Debt Service Reserve Fund, pursuant to the Indenture, an amount equal to \$_____ from moneys received by the Trustee with respect to the Series 2022A Bonds (representing the “Debt Service Reserve Fund Requirement” relating to the Series 2022 Bonds). There shall also be deposited into the Debt Service Reserve Fund any appropriations made by the State under the Credit Enhancement Program and all other moneys required to be deposited therein pursuant to the Agreement or the Indenture, and moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Charter School that such moneys are to be paid into the Debt Service Reserve Fund. Amounts on deposit in the Debt Service Reserve Fund shall be invested pursuant to the Indenture. Interest and other income received on investments of Debt Service Reserve Fund moneys shall be transferred to the Bond Interest Fund so long as the Debt Service Reserve Fund is funded to an amount equal to the Debt Service Reserve Fund Requirement, as provided in the Indenture and shall be credited each month against interest owed by the Charter School on the Promissory Notes pursuant to the Agreement. The Trustee shall notify the Authority by November 1 of each year if the amount on deposit in the Debt Service Reserve Fund falls below the Debt Service Reserve Fund Requirement and the Authority shall certify to the governor of the State by December 1 of each year the amount, if any, required to restore amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement as provided in the Indenture.

Except as provided in the Indenture, moneys in the Debt Service Reserve Fund will be used 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 in the 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. Upon the occurrence of an Event of Default under the Indenture and the exercise by the Trustee of the remedy specified in the Agreement and in the Indenture, any moneys in the Debt Service 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 the Indenture. On the final maturity date of the Bonds any moneys in the Debt Service 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 (or in part with respect to a redemption upon a default under the Loan Agreement as provided in the Indenture), any moneys in the Debt Service 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 will value the Investment Obligations in the Debt Service Reserve Fund on each Interest Payment Date at the lesser of their market value plus accrued interest to the valuation date or cost. The weighted average maturity of the Investment Obligations in the Debt Service Reserve Fund will not exceed two (2) years. If on any valuation date the amount in the Debt Service Reserve Fund (determined pursuant to this Section) is greater than the Debt Service Reserve Fund Requirement, such excess shall be transferred by the Trustee to the Bond Interest Fund and credited in accordance with the Indenture. If on any valuation date the amount in the Debt Service Reserve Fund (determined pursuant to this Section) is less than the Debt Service Reserve Fund Requirement, the Trustee will immediately notify the Charter School in writing of the amount of such deficit and request that the Charter School deposit with the Trustee such amount in twelve (12) equal monthly installments to be paid on the next succeeding Disbursement Dates such that the amount on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement prior to November 1 of each year.

Within five (5) Business Days of any transfer of funds from the Debt Service Reserve Fund to the Bond Principal Fund or the Bond Interest Fund because of a deficiency therein, the Trustee will give written notice to the Charter School of such transfer and of the amount of the deficiency, if any, of amounts then on deposit in the Debt Service Reserve Fund as of such date and request that the Charter School deposit with the Trustee an amount equal to such deficiency in twelve (12) equal monthly installments to be paid on the next succeeding Disbursement Dates such that the amount on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement prior to November 1 of each year.

Amounts on deposit in the Debt Service Reserve Fund shall be: (a) held in trust solely for the benefit of the Registered Owners and the Beneficial Owners; (b) be applied only in accordance with the provisions of the Indenture; and (c) except as otherwise set forth in the Indenture, the Charter School shall have no legal, equitable nor reversionary interest in, or right to, such amounts. In the event of any Act of Bankruptcy by a Charter School, such Charter School undertakes pursuant to the Loan Agreement in no event to assert, claim or contend that any portion of the Debt Service Reserve Fund is property of its bankruptcy estate as defined by 11 U.S.C. § 541.

Project Fund

The proceeds of the issuance and delivery of the Series 2022 Bonds remaining after the deposits required by the Indenture shall be deposited in the Project Fund. The Trustee is authorized and directed under the Indenture to transfer moneys on deposit in the Project Fund to make each disbursement required by the provisions of the Agreement.

As soon as practicable following the date of completion of the [Series 2022 Facilities] (as such date is certified to the Trustee by the Charter School) and in any event not later than the third anniversary of the

Closing Date of the Series 2022 Bonds (as such date may be extended by delivery to the Trustee of an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes and such extension is permitted by the Act and the Indenture), any money remaining on deposit in the Project Fund shall without further authorization be transferred by the Trustee to the Bond Principal Fund and used to pay the maturing principal of the Series 2022 Bonds or for the redemption of Series 2022 Bonds then Outstanding in accordance with the Indenture.

Repair and Replacement Fund

There shall be deposited into the Repair and Replacement Fund as and when received (a) all payments by the Charter School pursuant to the Indenture, (b) all other moneys deposited into the Repair and Replacement Fund pursuant to the Agreement or the Indenture, and (c) all other moneys received by the Trustee when accompanied by directions not inconsistent with the Agreement or the Indenture 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 the Indenture. When valued on each Interest Payment Date, any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement 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.

The Repair and Replacement Fund will be in the custody of the Trustee, but in the name of the Authority and, absent an Event of Default under the Indenture, the Authority authorizes and directs the Trustee to make each disbursement authorized or required by the provisions of the Indenture and to issue its checks therefor. The Trustee will keep and maintain adequate records pertaining to the Repair and Replacement Fund and all disbursements therefrom and will annually file an accounting thereof in the form of its customary account statements with the Authority and the Charter School. In the event of any Act of Bankruptcy by the Charter School, the Charter School undertakes pursuant to the Loan Agreement in no event to assert, claim or contend that any portion of the Repair and Replacement Fund is property of its bankruptcy estate as defined by 11 U.S.C. § 541.

Within five (5) Business Days of any payments from the Repair and Replacement Fund, the Trustee shall give written notice to the Charter School of such payments and of the amount of the deficiency, if any, of amounts then on deposit in the Repair and Replacement Fund as of such date and request that the Charter School deposit with the Trustee an amount equal to such deficiency in twelve (12) equal installments not to exceed the annual contribution limited for the Repair and Replacement Fund Requirement, to be paid on the next succeeding Disbursement Dates.

Cost of Issuance Fund

With respect to the Series 2022 Bonds, there shall be deposited (a) into the Tax-Exempt Bond Proceeds Subaccount of the Cost of Issuance Fund, pursuant to the Second Amendment to Loan Agreement, a portion of the proceeds of the Series 2022A Bonds, and (b) into the Taxable Bond Proceeds Subaccount of the Cost of Issuance Fund, pursuant to the Second Amendment to Loan Agreement, a portion of the proceeds of the Series 2022B Bonds. With respect to each Series of Additional Bonds, there shall be deposited into the Cost of Issuance Fund, the amount as provided in the related Supplemental Indenture. There shall also be retained in the Cost of Issuance Fund interest and any other income received on investments of Cost of Issuance Fund moneys as provided in the Indenture. Such moneys will be expended to pay issuance expenses in accordance with the provisions of the Agreement subject to the requirements of the Indenture. The Trustee is authorized and directed to disburse funds from the Cost of Issuance Fund

for each payment in accordance with the Agreement upon receipt of a requisition signed by an Authorized Representative of the Charter School as set forth in the Indenture.

With respect to the Series 2022 Bonds, any amounts remaining on deposit in the Cost of Issuance Fund 90 days following the Closing Date of the Series 2022 Bonds shall be transferred to the Bond Interest Fund. The termination of the Cost of Issuance Fund as it relates to a Series of Additional Bonds shall be provided for in the related Supplemental Indenture.

Rebate Fund

Within 60 days after the end of each fifth Rebate Year following the issuance of the Series 2022 Bonds, and upon receipt of the Certificate of Charter School required under the Agreement, the Trustee, will deliver to the Authority a certificate stating that the following actions have been taken as required by the Indenture and the Tax Certificate including, but not limited to, (a) any required arbitrage rebate calculations, (b) the transfer of funds to the Rebate Fund to reserve if needed for the anticipated Rebate Amount has been made by Trustee, if any, which transfer the Trustee will make at the direction of the Charter School in accordance with the Agreement, and (c) payment of the Rebate Amount, if any, by Charter School, in accordance with section 148(f) of the Code.

If, upon the certification required under the Indenture, the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, subject to provisions in the Indenture pertaining to the allocation and transfer of investment income, the Trustee, after first delivering a demand for such deficiency to the Charter School and no money for such purpose is provided by the Charter School, will transfer moneys to the Rebate Fund from the following Funds in the following order of priority: the Cost of Issuance Fund, the Project Fund, the Bond Principal Fund, the Bond Interest Fund, the Debt Service Reserve Fund and the Repair and Replacement Fund.

The Trustee, on behalf of the Authority, is directed by the Indenture to pay to the United States Treasury from time to time the amounts as required by the report of the Rebate Analyst, provided that the Trustee shall pay over to the United States Treasury: (1) at least once each five years after the issuance date of a Series of Tax-Exempt Bonds within 60 days of the date as of which the Rebate Amount was calculated, an amount equal to 90% of the Rebate Amount allocable to that Series of Tax-Exempt Bonds as of such date (and not theretofore paid to the United States Treasury) and (2) not later than 60 days after the redemption, payment at maturity or other retirement of the last bond of a Series of Tax-Exempt Bonds, 100% of the Rebate Amount allocable to such Series of Tax-Exempt Bonds.

Tax and Insurance Escrow Fund

The Trustee shall deposit into the Tax and Insurance Escrow Fund all amounts required to be deposited therein pursuant to the Indenture, including but not limited to the payments required to be made by the Charter School pursuant to the Loan Agreement.

Investments of Funds

So long as no Event of Default exists, on written instructions received by the Trustee from an Authorized Representative of the Charter School on which instructions the Trustee may conclusively rely, any moneys held as part of the Funds will be invested by the Trustee in Investment Obligations (a) with respect to the Expense Fund, the Cost of Issuance Fund and the Tax and Insurance Escrow Fund, maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable, (b) with respect to the Bond Principal Fund and the Bond Interest Fund, maturing in the amounts and at the times necessary to provide funds to make the necessary principal and interest payments, as

applicable, and with respect to 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 Debt Service Reserve Fund, the Repair and Replacement Fund, the Revenue Fund and the Project Fund, maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable. If no such direction is received by the Trustee, the Trustee will invest and reinvest such moneys in any investment referred to in subsection (h) of the definition of Investment Obligations. All such Investment Obligations purchased will mature or be redeemable on a date or dates prior to the time when the moneys so invested will be required for expenditure. The Trustee will value the Investment Obligations held within the Funds on each Interest Payment Date to the extent required by the Indenture. In computing for any purpose under the Indenture, the amount in any Fund on any date, Investment Obligations purchased will be valued at the lesser of their market value plus accrued interest to valuation date or cost. The Trustee will 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 will agree to retain the documentation with respect to investments of moneys in the Funds as required and as described in the Tax Certificate. The Trustee may make any and all investments permitted by the provisions of this Section through its trust or bond departments

Discharge of the Indenture

If, when the Bonds secured by the Indenture 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 under the Indenture, all amounts payable to the Authority and the Trustee under the Agreement and all amounts payable to the United States pursuant to Section 148 of the Code, have been paid, then the Indenture and the Trust Estate and all rights granted under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been provided for within the meaning and with the effect expressed in this Section if: (a) in case said Bond is to be redeemed on any date prior to its maturity except a mandatory sinking fund redemption, the Charter School shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of the Indenture, (b) there shall have been deposited with the Trustee either cash 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 a certificate from a firm of certified public accountants or other financial services firm acceptable to the Trustee certifying as to the sufficiency of the deposit made pursuant to the preceding clause (b), (d) an opinion of Bond Counsel satisfactory to the Trustee and the Authority that said Bond is deemed paid within the meaning of the Indenture and such payment does not adversely affect the excludability from gross income of interest on the Tax-Exempt Bonds, (e) an opinion of counsel that (i) the escrow deposit will not constitute a voidable preference or transfer under the Federal Bankruptcy Code or any other similar state or federal statute in the event the Authority or the Charter School becomes a debtor within the meaning of the Federal Bankruptcy Code or comes within the protection of such similar state or federal statute (“Insolvency Event”) and (ii) in such Insolvency Event, the escrow deposit will not be treated as part of the estate of the Authority or the Charter School, and (f) in the event said Bond is not by its terms subject to redemption within the next 45 days, the Charter School 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 the Indenture, a notice to the Registered Owner of such Bond that the deposit required by

(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. 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 the Indenture, except for the purpose of any payment from such moneys or securities deposited with the Trustee.

Events of Default

Each of the following is defined as and shall be deemed an “Event of Default” under the Indenture:

(a) Failure 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) Failure in the payment by the Authority of any installment of interest on any Bond when the same shall become due and payable.

(c) Failure shall be made in the observance or performance of any covenant, agreement, contract or other provision in the Bonds or the Indenture (other than as referred to in (a) or (b) of this Section) and such default shall continue for a period of 30 days after written notice to the Authority, the Charter School and the Trustee from the Registered Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding or to the Authority and the Charter School from the Trustee specifying such default and requiring the same to be remedied, provided, with respect to any such failure covered by this subsection (c), no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby within 90 days of such notification.

(d) A Determination of Taxability.

(e) The occurrence of an Event of Default under the Loan Agreement upon direction of the Owners of a majority of all Bonds Outstanding that such event will constitute an Event of Default under the Indenture.

Upon the occurrence of an Event of Default under the Indenture, the Trustee shall promptly notify the Registered Owners and the Charter School by facsimile, confirmed overnight mail or courier, of such occurrence, which notification shall set forth the specific nature of the Event of Default or Defaults and shall also state what actions are being taken or are being considered to be taken by the Trustee, the Authority or the Charter School to remedy such Event of Default. Throughout the continuance of any Event of Default under the Indenture, the Trustee shall promptly notify the Registered Owners of any plan or proposal of any defaulting party or the Charter School relating to the curing of such Event of Default which is known to the Trustee.

Remedies on Default

Upon the occurrence of an Event of Default under the Indenture, the Trustee may exercise and, at the direction of the Owners of a majority of the aggregate principal amount of all the Bonds Outstanding, shall exercise the following rights and remedies:

(i) The Trustee (i) may by notice in writing given to the Authority and the Charter School, or (ii) shall, upon the written request of the Owners of a majority of all Bonds 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 under the Indenture, the Trustee shall immediately declare all Loan Payments under the Agreement to be immediately due and payable as provided in the Agreement. The Owners of two-thirds in aggregate principal amount of the Bonds Outstanding shall have the right to annul such declaration of acceleration by providing notice in writing to the Trustee, the Authority and the Charter School.

(ii) Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers, of the rents, revenues, income, products and profits related to the Charter School and the Facilities, 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 the Indenture to, the Trustee.

(iii) The Trustee shall have the right to foreclose on all or any portion of the property subject to the Mortgage or any interest of the Authority therein to the extent permitted of a mortgagee 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 to exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto. Notwithstanding any provision in the Indenture to the contrary, the Trustee shall have the absolute right, regardless of direction from the Registered Owner or group of Registered Owners, to refuse to foreclose on the property subject to the Mortgage or any interest of the Authority as stated above unless a determination has been made of the potential environmental liability and indemnification satisfactory to the Trustee has been provided to the Trustee.

(iv) 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 the 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 the Indenture or any rights, powers or remedies of the Trustee under the Indenture, 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.

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 under the Indenture or now or hereafter existing at law or in equity or by statute.

Except as otherwise set forth in the Indenture, the Owners of a majority of an aggregate principal amount of the Bonds Outstanding shall have the right, at any time, 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 the Indenture, or for the appointment of a receiver, or any other proceedings or remedies under the Indenture provided that such direction shall not be otherwise than in accordance with the provisions of the Indenture. The Trustee shall not be required to act on any direction given to it pursuant to this Section unless indemnified or receiving other assurances as provided in the Indenture.

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 the Indenture or for the execution of any trust of the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by the Indenture it is deemed to have notice, nor unless such default shall have become an Event of Default and the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, nor unless they have also offered to the Trustee indemnity or other assurances as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time (not to exceed 30 days) the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name; and such notification, request, and offer of indemnity or other assurances are declared by the Indenture in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; 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 the Indenture by his, her or their action or to enforce any right under the Indenture except in the manner provided in the Indenture and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of the Bonds then Outstanding. Nothing in the 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 in the Indenture and in the Bonds.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys, including the fees, the expenses, liabilities and advances incurred or made by the Trustee, the costs and expenses of the Registered Owners and any Rebate Amounts, be held or deposited into the Bond Principal Fund and the Bond Interest Fund during the continuance of an Event of Default and will be applied as set forth in the Indenture.

The Trustee, upon prior written consent of the Owners of two-thirds in aggregate principal amount of the Bonds Outstanding, may, and at the direction of the Owners of two-thirds in aggregate principal amount of the Bonds Outstanding will, 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; 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 fees and expenses of the Trustee, and all amounts to be paid to the Authority and the Trustee 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 under the Tax Certificate. In case of any such waiver or rescission, or in case any proceedings

taken by the Trustee on account of any such default will 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 will be restored to their former positions and rights hereunder respectively, but no such waiver or rescission will extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon.

Trustee

The present or any future Trustee may resign by giving to the Authority, the Charter School and the Registered Owners 60 days' notice of such intent to resign. Such resignation shall take effect no earlier than 60 days after such notice and only upon the appointment of a successor and the acceptance of such trust by the successor trustee. 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 trustee. The Trustee may also be removed at any time for any breach of the Trustee obligations set forth in the Indenture.

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 may appoint a successor until a new successor shall be appointed by the Registered Owners as authorized in the Indenture. The Authority upon making such appointment shall forthwith give notice thereof to the Registered Owners and the Charter School, 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 under the Indenture, 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 under the Indenture shall execute, acknowledge and deliver to the Authority an instrument accepting such appointment under the Indenture, 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 under the Indenture with like effect as if originally named as Trustee in the Indenture; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts expressed in the Indenture, all the estates, properties, rights, powers and trusts of the predecessor (subject, however, to the terms and conditions set forth in the Indenture, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its fees and expenses pursuant to the Indenture and to be indemnified pursuant to the Agreement), who shall duly assign, transfer and deliver to the successor all properties and moneys held by it under the 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.

Supplemental Indentures of Trust

The Authority may and, at the request of the Charter School, the Trustee may, without the consent of, or notice to, the Registered Owners, enter into such indentures supplemental to the Indenture (which supplemental indentures shall thereafter form a part of the Indenture) for any one or more or all of the following purposes:

(a) To add to the covenants and agreements of the Authority contained in the Indenture for the protection or benefit of the Registered Owners, other covenants and agreements thereafter to be observed for the protection or benefit of the Registered Owners, or to surrender or limit any right or power reserved or conferred in the Indenture upon the Authority;

(b) To cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in the Indenture, or to make any provisions with respect to matters arising under the 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 the Indenture additional revenues, properties or collateral;

(d) To modify, alter, amend or supplement the Indenture in such a manner as shall permit the qualification of the Indenture under the Trust Indenture Act of 1939, as from time to time amended; or

(e) To provide for the issuance of Additional Bonds in accordance with the terms of the Indenture.

Exclusive of supplemental indentures covered by the previous paragraphs, the Registered Owners of not less than a majority 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 to the Indenture as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, that without the consent of the Registered Owners of all of the Bonds at the time Outstanding and adversely affected thereby nothing contained in the Indenture (exclusive of supplemental indentures covered by the paragraphs (a) through (e) above) 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 or the priority of the lien created by the Indenture (other than as permitted by the Indenture 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.

THE LOAN AGREEMENT

Pledge by Charter School

In fulfillment of its obligations under the Agreement, the Charter School pledges by the Agreement to the payment of the Loan and the Promissory Notes securing such Loan, the following:

- (1) all of the Charter School's right, title and interest in and to the Facilities, including all related additions, replacements, substitutions and proceeds for the purposes of securing such Loan;
- (2) all Pledged Revenues; and
- (3) 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 by the Charter School or by anyone on its behalf.

The Charter School covenants and agrees in the Agreement that it shall direct the State to disburse all State Payments directly to the Trustee in accordance with the terms of the Indenture, and the Charter School shall not modify or revoke such direction so long as any obligation of the Charter School remains outstanding under the Loan Agreement.

The obligations of the Charter School to make the payments required under the Agreement and to perform and observe the other agreements on its part contained in the Agreement will be absolute and unconditional and are a recourse obligation of the Charter School. The Charter School (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in the Agreement, (b) will perform and observe all of its other agreements contained in the Agreement, the Deed of Trust and the Promissory Notes, and (c) except as provided in the Agreement, will not terminate the Agreement for any cause.

Term

The Agreement will remain in full force and effect from the date of delivery of the Agreement until such time as all of the payments on the Promissory Notes shall have been fully paid 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 Promissory Notes, all fees and expenses of the Authority accrued and to accrue through final payment of the Promissory Notes and all other liabilities of the Charter School accrued and to accrue through final payment of the Promissory Notes under the Agreement and the Indenture have been paid or provision is made for such payments pursuant to the Indenture; provided, however, notwithstanding any other provision of the Agreement (a) the indemnification provisions of the Agreement shall survive after the termination of the term of the Agreement; (b) all agreements, representations and certifications by the Charter School as to the excludability from gross income of interest on the Tax-Exempt Bonds shall survive termination of the term of the Agreement until the expiration of statutes of limitation applicable to the liability of the Registered Owners of the Tax-Exempt Bonds for federal and state income taxes with respect to interest on the Tax-Exempt Bonds; and (c) upon the defeasance of the Indenture, all such indemnification provisions shall be enforceable by the Authority Indemnified Parties, and all such agreements, representations and certifications regarding the excludability from gross income of the interest on the Tax-Exempt Bonds will be enforceable by the Registered Owners of the Tax-Exempt Bonds, directly against the Charter School until the expiration of statutes of limitation applicable to the liability of the Registered Owners of such Bonds for federal and state income taxes with respect to the interest on the Tax-Exempt Bonds.

Basic Loan Payments

The Charter School will pay (or cause to be paid) for repayment of the Loan until the principal of, premium, if any, and interest on the Bonds shall have been paid or provision for the payment thereof shall have been made in accordance with the Indenture, into the Revenue Fund on or prior to the fifth day of each calendar month during the term of the Agreement, amounts necessary to ensure that the Trustee has sufficient funds available under the Indenture to pay interest on and principal of the Bonds as such becomes due under the terms of the Indenture.

On or before the redemption of any Bonds pursuant to the Indenture (other than a sinking fund redemption date), whether an optional redemption or a mandatory redemption, the Charter School shall pay as repayment of the Loan for deposit into the Bond Principal Fund an amount of money meeting the definition of Protected Funds which, together with the payments made by the Charter School on its Promissory Notes then on deposit in the Bond Principal Fund, is sufficient to pay the principal of and premium, if any, on the Bonds called for redemption in an amount equivalent to the principal amount of the Promissory Notes being prepaid and for deposit into the Bond Interest Fund an amount of money which, together with the payments made by the Charter School on its Promissory Notes then on deposit in the Bond Interest Fund, is sufficient to pay the interest accrued to the redemption date of Bonds called for redemption in an amount equivalent to the principal amount of the Promissory Notes being prepaid.

During the term of the Agreement, the Charter School shall pay or provide for the payment of all taxes and assessments, general or special, concerning or in any way related to the Facilities and the Project or any part thereof, and any other governmental charges and impositions whatsoever related to the Facilities or the Project, and premiums for insurance policies maintained on the Facilities and the Project as required by the Agreement. In furtherance, thereof, the Charter School shall pay to the Trustee each month for deposit into the Tax and Insurance Escrow Fund an amount equal to the Tax and Insurance Escrow Monthly Payment.

The Charter School agrees to pay or cause to be paid to the Trustee the reasonable and necessary fees and expenses of the Trustee, including its attorney fees and expenses, as and when the same become due, upon submission of a statement therefore; provided that the Charter School may, without creating a default under the Agreement, contest in good faith any such fees or expenses.

The Charter School 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 Indenture and the Tax Certificate at the times and in the manner specified therein.

The Charter School agrees to pay or cause to be paid to the Authority the Authority's Administration Fee at closing, the Authority's Annual Fee, including any increase thereto, plus any other amounts required to reimburse the Authority for any expenses incurred by the Authority, whether out-of-pocket or internal, in connection with the Agreement, the Indenture, the Bonds, the Tax Certificate, the Bond Purchase Agreement, the Project or any other instrument or action relating to the foregoing, including fees and disbursements of attorneys of the Authority. The Charter School will provide notice of any increase in the Authority's Annual Fee to the Trustee as soon as practicable following such increase.

The Charter School shall pay or cause to be paid to the Trustee equal monthly amounts of at least \$187 until the Repair and Replacement Fund Requirement is met. Once the Repair and Replacement Fund Requirement is met, any draws made on the Repair and Replacement Fund shall be replenished in substantially equal monthly payments within one year of making such draw.

The Charter School covenants to maintain the balance on deposit in the Debt Service Reserve Fund at an amount not less than the Debt Service Reserve Fund Requirement. If on any valuation date, the value of the Debt Service Reserve Fund (as determined pursuant to the Indenture) is less than the Debt Service Reserve Fund Requirement, upon notice from the Trustee of the amount of such deficit, the Charter School will deposit such amount in equal monthly installments as per the Indenture. If at any time the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement due to a transfer of funds from such Fund because of deficiency in the Bond Principal Fund or the Bond Interest Fund, the Trustee will so notify the Charter School and the Charter School will be required to restore the amount on deposit in the Debt Service Reserve Fund prior to November 1 of each year to an amount equal to the Debt Service Reserve Fund Requirement in twelve (12) equal installments to be paid beginning on the next succeeding Disbursement Date.

The Charter School will reimburse the Authority for any appropriation made or any other amounts paid on behalf of the Charter School by the State or the Authority under the Credit Enhancement Program to restore the amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement or for any other purpose. Upon such appropriation or payment by the State or the Authority, the Trustee will notify the Charter School and the Authority and the Charter School will be required to immediately reimburse the Authority the amount appropriated or paid on its behalf.

The Charter School will also pay to the Trustee an amount necessary to pay the fees and expenses of the Rebate Analyst.

The Charter School will also pay to the Trustee an amount necessary to pay the fees and expenses of the Rating Agency required in connection with Bonds, including the annual surveillance fee.

In the event the Charter School should fail to make or fail to 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 Charter School until the amount in default shall have been fully paid, and the Charter School agrees to pay the same and, with respect to certain payments required by the Agreement, to pay interest at the highest rate of interest borne by any of the Bonds, or the maximum rate permitted by law if less than such rate.

On or prior to the Closing Date, the Charter School shall direct the State to make State Payments directly to the Trustee and the Charter School may not modify or revoke such direction so long as any obligation of the Charter School remains outstanding under the Loan Agreement. In the event any State Payments are disbursed directly from the State to the Charter School, the Charter School will immediately transfer such State Payments to the Trustee for deposit in the Revenue Fund.

Insurance

Throughout the term of the Agreement (except as provided in the Agreement), the Charter School will keep, or cause to be kept, the Facilities insured against the following risks, paying as the same become due and payable all premiums with respect thereto:

- (a) A mortgagee's title insurance policy in an amount not less than the principal amount of the Bonds or the insurable value of the Facilities, as permitted by applicable law in a form acceptable to the Authority and the Trustee, as required by the Agreement.
- (b) Insurance against loss or damage to the Facilities and all improvements therein (including during any period of time when the Charter School is making alterations, repairs or improvements to the Facilities, improvements and betterments 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 full replacement value of the Buildings or the aggregate principal amount of the Bonds then Outstanding (if available in that amount), whichever is greater.

(c) Commercial general liability, professional 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 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.

(e) If the Charter School leases the Facilities in accordance with the Agreement, rental value insurance covering all risks as to which insurance is required pursuant to (b) above, shall be provided in an amount equal to not less than the amounts required to be paid pursuant to the Agreement for a period of not less than 12 months. If any such loss or damage has occurred, the Charter School shall continue to be obligated to pay the amounts required to be paid pursuant to the Agreement, and any proceeds of such insurance shall be applied against all or part of such payment obligations of the Charter School.

(f) If the Facilities are in an area which has been, or is at any time during the term of the Agreement, identified by the Director of the Federal Emergency Management Agency (or a like successor agency) as being in a special flood or mud slide hazards area, and in which area the sale of flood insurance has been made available under The National Flood Insurance Act of 1968 (a "Flood Zone"), flood insurance shall be provided in an amount not less than the greater of the aggregate amount of (i) the aggregate principal amount of all the Outstanding Bonds or (ii) one hundred percent (100%) of the insurable replacement value of the Facilities (but in no event more than the amount of such flood insurance which is reasonably available to the Charter School). If any building or other improvement comprising part of the Facilities is not in an area identified as a Flood Zone, the Charter School will provide evidence of the same to the Trustee in a form satisfactory to the Trustee, and thereafter, notwithstanding the foregoing, the Charter School will only be required to obtain flood insurance in the greater of (x) the aggregate principal amount of all Outstanding Bonds and (y) one hundred percent (100%) of the insurable replacement value of the buildings and other improvements comprising part of the Facilities which are located in the Flood Zone (but in no event more than the amount of such flood insurance which is reasonably available to the Charter School).

(g) Builders risk insurance, insuring for all risks of physical loss of or damage to the facilities and improvements comprising or intended to comprise the Facilities in an amount equal to the full replacement cost of the improvements on the Land.

(h) Such other forms of insurance as are customary in the industry or as the Charter School is required by law to provide with respect to the Facilities, including, without limitation, any legally required worker's compensation insurance.

All the insurance coverage required by the Agreement may be subject to deductible clauses in such amounts as are customary for facilities of similar size, type and character within the State.

All policies maintained (or caused to be maintained) by the Charter School pursuant to the Agreement shall be taken out and maintained with the Utah Division of Risk Management or with generally recognized, responsible insurance companies rated not less than “A” by A.M. Best, authorized in the State, which may include “captive” insurance companies or governmental insurance pools, selected by the Charter School.

Damage, Destruction and Condemnation

In the event of a casualty or condemnation with respect to the Facilities, and so long as no Event of Default exists and is continuing, the proceeds from any insurance policy or the proceeds of any condemnation award resulting from such casualty or condemnation, shall be used to repair or replace the portion of the Facilities damaged, destroyed or taken or to prepay the Loan in accordance with the following provisions:

(a) In the event of a casualty or condemnation that results in an award less than or equal to \$100,000 (which amount shall be increased as of each July 1 by a percentage equal to the past year’s increase in the Consumer Price Index for the region in which the Facilities are located (the “CPI Adjustment”) as provided by the Charter School to the Trustee by evidence reasonably acceptable to the Trustee) from any insurance policy or condemnation award, such proceeds will be paid directly to the Charter School to provide for the repair, replacement or restoration of the Facilities to substantially the same condition as it was prior to such damage, destruction or condemnation.

(b) Whenever such Net Proceeds from any insurance policy or condemnation award are greater than \$100,000 (plus the applicable CPI Adjustment), such Net Proceeds shall be paid to the Trustee and held in the Repair and Replacement Fund to be applied to repair, replace or restore the Facilities or, if the Charter School chooses not to repair or rebuild the Facilities, to the prepayment of the Loan as provided in the Agreement. The Net Proceeds deposited into the Repair and Replacement Fund from such insurance policy or condemnation award, but excluding those deposits required to be made under the Indenture, shall be disbursed by the Trustee periodically at the written request of an Authorized Representative of the Charter School for the repair, restoration or replacement of the Facilities upon the receipt by the Inspecting Consultant from the Charter School of (i) a Consulting Architect’s Certificate which substantially states that such repairs, replacements or restorations will restore the Facilities to substantially its original condition, will be completed in accordance with plans and specifications previously provided to the Inspecting Consultant, and that such repairs, replacements or restorations when completed in accordance with the plans and specifications previously furnished to the Inspecting Consultant will comply with all applicable statutes, codes and regulations; (ii) a certificate of an Authorized Representative of the Charter School stating that sufficient moneys are available in the Repair and Replacement Fund to pay for such repair, restoration or replacements to be completed and together with other available Pledged Revenues, to pay debt service on the Bonds and Operating Expenses of the Facilities during the restoration period; (iii) requisitions and certificates from the Charter School substantially similar to those specified in a disbursing agreement; (iv) applicable Lien waivers; (v) a guaranteed maximum price construction contract; (vi) evidence of the existence of performance and payment bonds therefor; and (vii) evidence that the Charter School has acquired all permits and licenses necessary for such construction; and, if such net proceeds are in excess of \$250,000, in addition to those requirements listed in (i) through (vii) above, (A) an endorsement to the applicable title insurance policy insuring the continued priority of the Lien of the Mortgage; and (B) an opinion of Bond Counsel addressed to the Trustee to the effect that neither such repairs, replacements nor restorations nor such use of such casualty or condemnation proceeds adversely affects the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt

Bonds. The Trustee shall retain 5% of the requested disbursements to be disbursed upon final completion of the repairs, replacements, restorations or improvements as certified to the Inspecting Consultant by the Consulting Architect and receipt by the Inspecting Consultant of certificates of occupancy, waivers of Liens and, if such net proceeds are in excess of \$250,000, an endorsement to the title policy for the Facilities insuring the continued priority of the Mortgage. If at any time during the restoration, the insurance or casualty proceeds are less than the estimated costs to restore, repair or replace the Facilities, the Charter School shall provide the Trustee with cash or cash equivalents in an amount equal to the shortfall. If after completion of any such repairs, replacements, or improvements any funds remain in the Repair and Replacement Fund which exceed the Repair and Replacement Fund Requirement, the remaining funds shall be transferred by the Trustee to the Bond Interest Fund and Bond Principal Fund, accordingly, and used to prepay the Loan and to redeem Bonds pursuant to the provisions of the Agreement and the Indenture. Notwithstanding the above provisions, all proceeds of business interruption insurance shall be paid to the Trustee and deemed to be Pledged Revenues for purposes of the Agreement.

(c) Notwithstanding any of the foregoing, if net proceeds from the casualty or condemnation of all or any portion of the Facilities exceed \$100,000, and the Loan is not otherwise to be prepaid pursuant to the Agreement, the Charter School will immediately notify the Trustee and the Beneficial Owners regarding such casualty or condemnation and will, no later than 30 days following the occurrence of the events resulting in the casualty or condemnation, notify the Trustee in writing whether or not the Charter School intends to repair and/or rebuild the Facilities. If the Charter School does not intend to repair and/or rebuild the Facilities, the Trustee will cause such insurance proceeds to be used to prepay the Loan as provided in the Agreement. If the Charter School intends to repair and/or rebuild the Facilities, said notice from Charter School will contain the following additional information, together with a statement from an Authorized Representative of the Charter School certifying to the accuracy of such information:

- (1) a description of the damaged, destroyed or taken portion of the Facilities;
- (2) the estimated time to complete repair, replacement or restoration of the damaged, destroyed or taken portion of the Facilities, as determined by a qualified independent contractor retained by the Charter School;
- (3) the total estimated cost of such replacement, repair or restoration, as determined by a qualified independent contractor retained by the Charter School; and
- (4) the source of funds the Charter School has available (including, but not limited to, insurance proceeds), to complete the repair, replacement or restoration and to make payments due under the Agreement during the period of repair, replacement or restoration.

Mandatory Prepayment from Insurance or Condemnation Proceeds

The Promissory Note is subject to mandatory prepayment as a whole or in part at the principal amount thereof plus accrued interest thereon to the date of prepayment, but without premium, from the Net Proceeds of any insurance policy or condemnation award remaining after the repair, replacement or improvement of the Facilities, if one or more of the events set forth in the Indenture are applicable to the Charter School and Bonds are required to be redeemed pursuant to the Indenture. The prepayment date shall be the earliest practicable date selected by the Trustee and any such prepayment shall be applied as provided in the Indenture.

Charter School's Covenant to Comply with Charter School Laws and Charter Contract

The Charter School covenants to comply fully and in all respects with the provisions of the Charter Schools Act and its Charter Contract so long as any Bonds remain Outstanding.

Maintenance and Modifications of Facilities by Charter School

The Charter School agrees that during the term of the Agreement the Facilities will be operated and maintained, in compliance with all governmental laws, building codes, ordinances, and regulations and zoning laws as shall be applicable to the Facilities, unless the same are being contested in good faith by appropriate proceedings which operate to stay any action to foreclose or otherwise realize on any property of the Charter School. The Charter School agrees that during the term of the Agreement it will at its own expense (a) keep the Facilities in a safe condition required by law and (b) except to the extent the Charter School has determined that any portion of the Facilities is obsolete or not useful in its operations, 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 all of which shall be accomplished in a workmanlike manner in accordance with all applicable laws. The Charter School 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 Charter School which are affixed to the Facilities shall become a part of the Facilities. The Charter School will not permit the removal of any personal property from the Facilities unless such personal property is obsolete, sold for fair market value or will be replaced with personal property of an equal or greater value. The Charter School 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 Facilities or any additions, modifications, improvements, repairs, renewals or replacements made by it to the Facilities; provided that if the Charter School first notifies the Trustee of its intention to do so, the Charter School may, so long as no Event of Default has occurred and is continuing, diligently prosecute, in good faith, at its own expense, a contest of 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 Charter School will promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will, at the expense of the Charter School, cooperate fully with the Charter School in any such contest. In the event that the Charter School shall fail to pay any of the expenses required by this Section to be paid by the Charter School, 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 Charter School under the Agreement to the one making the advance, which amount the Charter School agrees to pay on demand together with interest thereon at a rate which shall be 3% per annum above the highest rate of interest borne by any of the Bonds or the maximum rate permitted by law if less than such rate.

Taxes, Other Governmental Charges and Utility Charges

The Charter School will pay, 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 Charter School 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 the 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 Charter School shall be obligated to pay only such installments as may have become due during the term of the Agreement.

The Charter School may, at its own expense, but only if no Event of Default under the Agreement has occurred and is continuing, diligently prosecute and 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 if, in the Opinion of Counsel, the Facilities shall not be subject to loss or forfeiture. In the event that the Charter School is not able to obtain such Opinion of Counsel, such taxes, assessments or charges shall be paid promptly or secured by posting a bond equal to one and one half times the amount at issue with the Trustee in form satisfactory to the Trustee. The Authority at the expense of the Charter School shall cooperate fully with the Charter School in any such contest. In the event that the Charter School shall fail to pay any of the foregoing items required by this Section to be paid by the Charter School, 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 Charter School payable to the one making the advance, which amount the Charter School agrees to pay on demand together with interest thereon at a rate which shall be 3% per annum above the highest rate of interest borne by the Bonds or the maximum rate permitted by law if less than such rate.

The Charter School will do, or cause to be done, all things required by the appropriate government authority to obtain and maintain exemption from payment of real property taxes.

Consolidation, Merger, Sale or Conveyance

The Charter School agrees that during the term of the 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, or sell or convey, except as provided in the Agreement, all or substantially all of its assets to, any Person unless the provisions of (a) and (b) below have been met:

- (a) with respect to the Charter School:
 - (i) no Event of Default has occurred and is continuing;
 - (ii) Charter School first acquires the consent of the Authority to such transaction and provides to the Trustee notice of its intent at least 90 days in advance of such consolidation, merger, sale or conveyance;
 - (iii) Charter School will provide the Authority and the Trustee with an opinion of Bond Counsel acceptable to the Authority to the effect that such merger, consolidation, sale or conveyance, would not adversely affect the validity of any of the Bonds, the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds;
 - (iv) Charter School will provide the Authority and the Trustee with an Opinion of Counsel to the Charter School (which may be rendered in reliance upon the Opinion of Counsel to such other corporation), stating that none of the other corporations which are a party to such consolidation, merger or transfer has any pending litigation other than that arising in the ordinary course of business, or has any pending litigation which might reasonably result in substantial adverse judgment. For purposes of the preceding

sentence, the term “substantial adverse judgment” shall mean a judgment in an amount which exceeds the insurance or reserves therefor by a sum which is more than 2% of the aggregate net worth of the resulting, surviving or transferee corporation immediately after the consummation of such consolidation, merger or transfer and after giving effect thereto; and

- (v) The Charter School, in the case of a consolidation, merger, sale or conveyance, will provide evidence to the Trustee and the Authority that the entity can continue to operate the Facilities as a charter school in accordance with the Charter Schools Act, as amended and that the entity is entitled to receive the State Payments.

(b) and, with respect to the acquirer of such assets or the entity with which it shall be consolidated or the resulting entity in the case of a merger (the “Successor”):

- (i) the Successor provides to the Trustee a certificate of an authorized representative, accompanied by a confirming Accountant’s Certificate, to the effect that:
 - (1) the combined Maximum Annual Debt Service for outstanding Long-Term Indebtedness of the Successor immediately following the merger, consolidation, or acquisition is equal to or less than 10% of the Pledged Revenues of the Charter School and the acquirer of such assets or the entity with which it will be consolidated or the resulting entity in the case of a merger, as the case may be, as determined in their most recent budget(s); or
 - (2) the Net Income Available for Debt Service of the Charter School and the acquirer of such assets or the entity with which it will be consolidated or the resulting entity in the case of a merger, as the case may be, as determined in their most recent budget(s) must be sufficient to pay an amount representing not less than 120% of the combined Maximum Annual Debt Service for currently outstanding Long-Term Indebtedness of the Successor.
- (ii) the Successor will assume in writing the performance and observance of all covenants and conditions to the Agreement; and
- (iii) the Successor will deliver to the Trustee within 30 days of the close of such transaction, copies of all documents executed in connection therewith, one document of which will include an Opinion of Counsel to the Charter School that all conditions in the Agreement have been satisfied and that all liabilities and obligations of the Charter School under the Charter School Documents will become obligations of the Successor; provided, however, the Charter School will not be released from the same.

Tax Covenants

The Charter School will not take any action or omit to take any action, which action or omission will adversely affect the excludability from gross income of the interest on any Tax-Exempt Bonds for

federal income tax purposes or cause the interest on any Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code, and in the event of such action or omission, it will, promptly upon having such brought to its attention, take such reasonable actions based upon an Opinion of Bond Counsel, and in all cases at the sole expense of the Charter School, as may rescind or otherwise negate such action or omission. The Charter School will not directly or indirectly, use or permit the use of any Bond Proceeds of the Series 2022 Bonds or any other funds of the Charter School, or take or omit to take any action, that would cause the Tax-Exempt Bonds to be or become “arbitrage bonds” within the meaning of Section 148(a) of the Code (or their statutory predecessor) or to fail to meet any other applicable requirements of the Code (or their statutory predecessor). To that end, the Charter School will comply with all applicable requirements of the Code (or their statutory predecessor) to the extent applicable to any Tax-Exempt Bonds. In the event that at any time the Charter School is of the opinion that, for purposes of this Section, it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee or otherwise, the Charter School shall so instruct the Trustee in writing.

The Authority and the Charter School covenant and agree by the Agreement that they shall not enter into any arrangement, formal or informal, pursuant to which the Charter School (or any “related party,” as defined in Section 1.150-1(b) of the Treasury Regulations) shall purchase any Tax-Exempt Bonds. This covenant shall not prevent the Charter School from purchasing Bonds in the open market for the purpose of tendering them to the Trustee for purchase and retirement.

Audits; Financial Statements; Reports; Annual Certificate

The Charter School agrees that it will have its books and records audited annually, commencing with the Fiscal Year ending June 30, 2017, in accordance with State law as soon as practicable but no later than [150] days after the close of such Fiscal Year and will furnish to the Authority, the Trustee and the Dissemination Agent simultaneously with submission to the Office of the State Auditor within [150] days after the end of each Fiscal Year, a copy (which may be sent electronically) of the audit report. The Charter School will notify the Authority, the Registered Owners and the Trustee in writing of a change in its Accountant stating the reasons for such change.

The Charter School agrees that it will maintain and make available to the Beneficial Owners, the Authority and the Trustee proper books of records and accounts of all of its operations with full, true and correct entries of all of its dealings substantially in accordance with practices generally used for public school accounting and such other data and information as may reasonably be requested by the Authority, such Beneficial Owners and the Trustee from time to time.

The Charter School will provide the Dissemination Agent the information in subsections (a), (d) and (e) below and shall provide the Trustee and the Authority the following information, as applicable:

- (a) a copy (which may be sent electronically) of the Charter School’s adopted annual budget for the present Fiscal Year within 30 days of its adoption by the governing board;
- (b) a copy of revisions, if any, to the Charter School’s annual budget as approved by its governing board within two weeks of adoption by the governing board;
- (c) a copy (which may be sent electronically) of the allotment memo sent to the Charter School each month on or before the last day of the month by the Utah State Board of Education indicating the amount of Charter School’s State Payment amount for the month; and

(d) within 60 days following the end of each calendar quarter, unaudited financial statements for the previous quarter reflecting revenues and expenses in comparative form with Charter School's operating budget as submitted by Charter School to its governing board (which may be sent electronically); and

(e) any information provided to the Rating Agency as part of such Rating Agency's ongoing surveillance.

The Trustee shall transmit the information contained in (a) through (e) above to any Beneficial Owner requesting such in writing and certifying to the Trustee its beneficial ownership of Bonds. The Trustee shall have no duty regarding such information other than to retain any such information that it receives and to transmit same in accordance with the Agreement.

Within two weeks of submission to the State, but in no event later than November 1 of each year, the Charter School shall provide the Authority, the Dissemination Agent and the Trustee with a copy (which may be by electronic transfer) of each of the following reports:

- (i) Three years' current enrollment history, broken down by grade and totaled;
- (ii) An updated waiting list for enrollment by grade, with each student on such waiting list updated and confirmed electronically or in writing, in the form required under the Credit Enhancement Program;
- (iii) Three years' current re-enrollment data by grade level;
- (iv) Headcount, membership and attendance records; and
- (v) Any other similar reports as requested.

The Charter School will provide the Dissemination Agent with a copy of every notice, report, certificate, opinion or other document required to be provided to the Trustee or to the Electronic Municipal Market Access system at the same time required to be delivered to such party.

Further, the Charter School will deliver to the Trustee and the Authority within [150] days after the end of the Charter School's Fiscal Year a certificate executed by the Charter School's president or chief financial officer stating that:

(a) A review of the activities of the Charter School during such Fiscal Year and of performance under the Agreement has been made under [his/her] supervision; and

(b) [He/She] is familiar with the provisions of the Charter School Documents and to the best of [his/her] knowledge, based on such review and familiarity, the Charter School has fulfilled all of its obligations under the Charter School Documents throughout the Fiscal Year, and there have been no defaults under the Charter School Documents or, if there has been a default in the fulfillment of any such obligation in such Fiscal Year, specifying each such default known to [him/her] and the nature and status thereof and the actions taken or being taken to correct such default.

Within two weeks of receipt from the Authorizer, the Charter School will deliver to the Trustee and the Authority any notice or report with respect to charter compliance that would allow the Authorizer to begin any process or proceedings towards charter revocation or non-renewal.

Simultaneously with delivery to the Authorizer or the State, and in any event within 30 days of delivery, the Charter School will deliver to the Dissemination Agent and the Trustee the result of any educational testing required by State or federal law.

The Charter School will deliver to the Trustee copies of the meeting minutes of the Board of Directors of the Charter School within 30 days of receipt thereof by the Charter School, but in no event later than the last day of each calendar month in which a board meeting was conducted. Such meeting minutes will include updates regarding the construction of the Facilities, if any.

Limitations on Incurrence of Long-Term Indebtedness

The Charter School will not incur, assume, guarantee, or otherwise become liable for any Long-Term Indebtedness other than:

(a) Upon satisfaction of the following:

(i) No Default – Delivery of a certificate signed by an Authorized Representative of the Charter School stating that no Event of Default is then existing under the Indenture or any debt outstanding or any agreement entered into by the Charter School in conjunction with such debt;

(ii) Satisfaction of Authority's Coverage Requirement: An independent management consultant selected by the Charter School provides a written report setting forth projections which indicate that the estimated Net Income Available for Debt Service for each of the three consecutive Fiscal Years beginning in the earlier of the first full Fiscal Year following the estimated date of completion and initial use of all revenue-producing facilities to be financed with such Indebtedness, based upon a certified written estimated completion date by the consulting engineer for such facility or facilities, is equal to at least 1.05 times Maximum Annual Debt Service on all Indebtedness then outstanding during each such respective Fiscal Year plus the additional Annual Debt Service Requirements for the Long-Term Indebtedness to be issued. The Authority may, in its sole discretion, waive the requirement contained in this subsection (ii).

(b) Refunding Debt. If Long-Term Indebtedness is being issued for the purpose of refunding any outstanding Indebtedness, such Indebtedness may be issued upon the delivery of a certificate signed by an Authorized Representative of the Charter School referenced in subsection (a)(i) of this Section and stating that the Annual Debt Service Requirement of the Charter School will be reduced after the refunding of such Indebtedness; or

(c) Completion Debt. In the event such Indebtedness is being issued or incurred for the purpose of completing any related project, such Indebtedness may be issued in amounts not to exceed 10% of the principal amount of the Indebtedness originally issued for such related project upon delivery of a certificate signed by an Authorized Representative of the Charter School that such Long-Term Indebtedness is required to fund the costs of completion.

The satisfaction of the conditions set forth in subsections (a)(i), (a)(ii), (b) and (c) of this Section shall be evidenced to the Trustee by delivery of a certificate signed by an Authorized Representative of the Charter School.

The Trustee shall have no duty regarding such information delivered in accordance with this Section other than to retain any such information that it receives and transmit same in accordance herewith.

Default by the Charter School

The following shall be “Events of Default” under the Agreement (subject to the notice requirements of the Agreement) and the term “Event of Default” will mean, whenever it is used in the Agreement, any one or more of the following events:

(a) Failure by the Charter School to pay the Loan Payments required to be paid under the Agreement.

(b) Failure by the Charter School to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Agreement other than as referred to in subsection (a) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Charter School by the Authority or the Trustee; provided, with respect to any such failure covered by this subsection (b), no Event of Default shall be deemed to have occurred so long as a course of action adequate in the judgment of the Trustee to remedy such failure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby within 90 days of such occurrence, or so long as the covenant is expressly excluded as an Event of Default under the Agreement.

(c) The dissolution or liquidation of the Charter School, or failure by the Charter School promptly to contest and have lifted 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 the Agreement. The phrase “dissolution or liquidation of the Charter School,” as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Charter School resulting either from a merger or consolidation of the Charter School into or with another domestic corporation or a dissolution or liquidation of the Charter School following a transfer of all or substantially all of its assets under the conditions permitting such actions contained in the Agreement.

(d) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Charter School 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 Charter School 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 60 consecutive days.

(e) The commencement by the Charter School 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 Charter School 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 Charter School generally to pay its debts as such debts become due, or the taking of corporate action by the Charter School in furtherance of any of the foregoing.

(f) Failure of the Charter School to comply with any covenants contained in the Tax Certificate.

(g) The occurrence of an Event of Default under the Indenture, the Mortgage or any of the Charter School Documents.

(h) Any representation or warranty made by the Charter School in the Agreement or made by the Charter School in any statement or certificate furnished by the Charter School either required by the Agreement or in connection with the execution and delivery of the Agreement and the sale and the issuance of the Bonds, shall prove to have been untrue in any material respect as of the date of the issuance or making thereof.

(i) A writ or warrant of attachment or any similar process shall be issued by any court against the Facilities of the Charter School, and such writ or warrant of attachment or any similar process is not released or bonded within 60 days after its entry.

(j) Any of Charter School's representations and warranties in the Agreement or in any of the other Charter School Documents with respect to environmental matters are false in any material respect.

(k) The occurrence and continuation of any event of default under any other parity Indebtedness of the Charter School or any agreement in connection with or securing such parity Indebtedness if as a result of such event of default the holder of such parity Indebtedness would have the right to declare the principal thereof to be immediately due and payable.

(l) A termination of the Charter School's charter by the chartering entity pursuant to Section 53G-5-503 of the Charter Schools Act.

The foregoing provisions of subsection (b) above are subject to the following limitations: if by reason of force majeure the Charter School is unable in whole or in part to carry out its agreements contained in the Agreement, other than certain obligations on the part of the Charter School contained in the Agreement, the Charter School shall not be deemed in default during the continuance of such inability.

Remedies on Default

If an Event of Default occurs under the Agreement, then the majority of Registered Owners must direct the Trustee to pursue a remedy unless such Event of Default is waived as contemplated in the Agreement. Whenever an Event of Default referred to in the Agreement shall have occurred and is continuing, the Authority, or the Trustee where so provided in the Agreement, may, and at the direction of the Beneficial Owners of a majority of all Bonds Outstanding shall, 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 under the Agreement for the remainder of the term of the Agreement to be immediately due and payable, whereupon the same shall become due and payable.

(b) The Trustee (acting as assignee of the Authority) or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may exercise the power of sale or foreclosure under the Mortgage on the property subject thereto and may exercise all the rights and remedies of a secured party under the Utah Uniform Commercial Code with respect thereto and with respect to the Pledged Revenues.

(c) The Trustee (acting as assignee of the Authority) or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may 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 Charter School under the Agreement and all other Charter School Documents.

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 Charter School may, at any time, pay all accrued payments under the Agreement (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 Charter School shall be fully reinstated to its position under the Agreement as if such Event of Default had never occurred.

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

Waiver

In the event any agreement contained in the 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 under the Agreement. In view of the assignment of the Authority's rights in and under the Agreement to the Trustee under the Indenture, the Authority shall have no power to waive any Event of Default under the Agreement without the consent of the Trustee and the Owners of two-thirds in aggregate principal amount of the Bonds Outstanding. Notwithstanding the foregoing, unless otherwise required by the Owners of two-thirds in aggregate principal amount of all Bonds Outstanding, a waiver of an Event of Default under the Indenture or a rescission of a declaration of acceleration of the Bonds and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under the 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 under the Agreement or impair any right consequent thereon.

Amendments, Changes and Modifications

Except as otherwise provided in the Agreement or in the Indenture, the Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Authority.

Any proposed amendment, modification or supplement of the Agreement which provides for less restrictive covenants than required by the Authority, but permitted by law, shall require the Authority's consent, which may not be unreasonably withheld.

General Option to Prepay the Loan

So long as no Event of Default pursuant to the Agreement exists, the Charter School will have and is granted by the Agreement the option exercisable at any time to prepay all or any portion of the Loan evidenced by the Promissory Note by depositing with the Trustee an amount of money or securities to the extent permitted by the Indenture representing the principal amount, the premium, if any, and interest on the Loan to be paid at maturity, with respect to one or more Series of Bonds, or prepaid to the date a corresponding amount of such Series of Bonds are redeemed. 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 Charter School specifies the date for such redemption and provides written direction as per the Indenture. Prior to the date a specific Series of Bonds is subject to redemption as provided in the Indenture, the corresponding Promissory Note is prepayable at any time in an amount sufficient to defease a related amount of such Series of Bonds in accordance with the Indenture. In the event the Charter School prepays all of the Loan evidenced by the Promissory Note pursuant to this Section, pays all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Bonds as a result of such prepayment, and all of its liabilities accrued and to accrue under the Agreement to the Authority through final payment of the Bonds as a result of such prepayment, and all other amounts payable by the Charter School under the Agreement, including payments of any Rebate Amount, the Agreement shall terminate except as otherwise provided in the Agreement.

Notice of Prepayment

In order to exercise the option to prepay the Loan granted in the Agreement, the Charter School shall give written notice to the Trustee and the Authority at least 45 days prior to the prepayment date, which notice shall specify therein the prepayment date and the prepayment amount. In the case of any prepayment pursuant to the Agreement, the Charter School will make arrangements with the Trustee for giving notice of redemption as required by the Indenture, if any, with respect to any Bonds to be redeemed will, if applicable, provide evidence of the Charter School's ability to deliver sufficient Protected Funds to redeem all Bonds called for redemption at least 45 days prior to the redemption date and, if applicable, will pay to the Trustee an amount of money which constitutes Protected Funds sufficient to redeem all of the Bonds to be called for redemption at the appropriate price no later than the redemption date.

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APPENDIX F

FORM OF BOND COUNSEL OPINION

Utah Charter School Finance Authority
C180 State Capitol Complex
PO Box 142315
Salt Lake City, Utah 84114-2315

Re: \$_____ Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A and \$_____ Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable)

We have acted as bond counsel to the Utah Charter School Finance Authority (the “Authority”) in connection with the issuance of its \$_____ Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A (the “Series 2022A Bonds”) and its \$_____ Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable) (the “Series 2022B Bonds” and together with the Series 2022A Bonds, the “Series 2022 Bonds”). The Series 2022 Bonds are being issued pursuant to: (i) Title 53G, Chapter 5, Part 6, Utah Code Annotated 1953, as amended, and the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (collectively, the “Act”); (ii) a resolution adopted by the Authority; and (iii) a Trust Indenture, dated as of February 1, 2017 (the “Original Indenture”), as supplemented by a First Supplement to Trust Indenture, dated as of March 1, 2022 (the “First Supplement to Trust Indenture” and together with the Original Indenture, the “Indenture”), each between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the following: the Act, an executed copy of the Indenture, an executed copy of the Loan Agreement, dated as of February 1, 2017 (the “Original Loan Agreement”), as amended by a First Amendment to Loan Agreement, dated as of August 1, 2021 (the “First Amendment to Loan Agreement”) as further amended by a Second Amendment to Loan Agreement, dated as of March 1, 2022 (the “Second Amendment to Loan Agreement” and together with the Original Loan Agreement and the First Amendment to Loan Agreement, the “Loan Agreement”), each between the Authority and Syracuse Arts Academy (the “Borrower”), a nonprofit corporation organized under the laws of the State of Utah and authorized to do business as a charter school in the State of Utah, the Tax Compliance Agreement among the Authority, the Trustee and the Borrower dated the date hereof (the “Tax Certificate”), an opinion of counsel to the Authority, an opinion of counsel to the Borrower, certificates of the Authority, the Borrower and others and such other documents, instruments, proceedings and opinions as we have deemed relevant in rendering this opinion.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the Authority. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions referred to herein. To the extent that the opinions rendered herein are dependent on the organization and operation of the Borrower as an organization described in Section

501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and exempt from tax under Section 501(a) of the Code, no part of the net earnings of which inures to the benefit of any person, we are relying on the representations of the Borrower and the opinion of the Borrower’s counsel dated the date hereof. Furthermore, we have assumed compliance with the covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements, compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2022A Bonds to be includable in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations of the Authority under the Series 2022 Bonds, the Indenture, the Loan Agreement and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of any offering material relating to the Series 2022 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, it is our opinion that:

1. The Authority is a body politic and corporate of the State of Utah with the power to enter into and perform its obligations under the Indenture and the Loan Agreement and to issue the Series 2022 Bonds.

2. The Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, are valid and binding obligations of the Authority. The Indenture creates a valid lien on the rights of the Authority under the Loan Agreement (except for the Authority’s Unassigned Rights).

3. The Series 2022 Bonds are valid and binding special obligations of the Authority payable solely from the revenues and other assets pledged therefor under the Indenture and from the enforcement of the security provided therefor and do not constitute a general obligation debt or liability of the Authority, the State of Utah or any political subdivision thereof.

4. The interest on the Series 2022A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes. The opinions set forth in this paragraph are subject to the condition that the Authority and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority and the Borrower have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2022A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022A Bonds.

5. Interest on the Series 2022B Bonds is taxable as ordinary income for federal income tax purposes.

6. Under the laws of the State of Utah as enacted and construed on the date hereof, interest on the Series 2022 Bonds is exempt from Utah individual income taxes.

Although we have rendered an opinion that interest on the Series 2022A Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on such Series 2022A Bonds may otherwise affect a bondholder's federal, state or local tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and the bondholder's other items of income or deduction. We express no opinion regarding any such other such tax consequences.

Respectfully submitted,

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of March 1, 2022 (this “Disclosure Agreement”), is executed and delivered by and between Syracuse Arts Academy, a Utah nonprofit corporation (the “Charter School”), and U.S. Bank Trust Company, National Association, as dissemination agent, (the “Dissemination Agent”), in connection with the issuance by Utah Charter School Finance Authority (the “Authority”) of its \$[PAR-A]* Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A (the “Series 2022A Bonds”) and its \$[PAR-B]* Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable) (the “Series 2022B Bonds” and together with the Series 2022A Bonds, the “Series 2022 Bonds”). The Series 2022 Bonds are being issued by the Authority pursuant to (i) a resolution of the governing body of the Authority, and (ii) a Trust Indenture, dated as of February 1, 2017, as supplemented by a First Supplement to Trust Indenture, dated as of March 1, 2022 (together, the “Indenture”), each between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms used but not otherwise defined in this Disclosure Agreement shall have the meanings assigned thereto in the Indenture.

1. Purpose of Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Charter School for the benefit of the Registered Owners of the Series 2022 Bonds (for such purpose beneficial owners of the Series 2022 Bonds shall also be considered Registered Owners of the Series 2022 Bonds) and to assist D.A. Davidson & Co. (the “Underwriter”) in complying with the Rule.

2. Defined Terms.

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

“Authority” means the Utah Charter School Finance Authority, its successors and assigns.

“Beneficial Owner” means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2022 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2022 Bonds for federal income tax purposes.

“Charter School” means Syracuse Arts Academy, a Utah nonprofit corporation, its successors and assigns.

“Dissemination Agent” means U.S. Bank Trust Company, National Association, as dissemination agent under this Disclosure Agreement, its successors and assigns.

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

“Financial Obligation” means a (i) debt obligation; (ii) 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) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

* Preliminary, subject to change.

“Indenture” means the Trust Indenture, dated as of September 1, 2017, as supplemented by the First Supplement to Trust Indenture, dated as of March 1, 2022, each between the Authority and the Trustee.

“Listed Events” means the notices required to be given by the Charter School pursuant to Section 5 of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, located at 1300 I St., Number 1000, Washington, DC 20005, its successors and assigns.

“Official Statement” means the Official Statement, dated _____, 2022, relating to the Series 2022 Bonds.

“Operations Report” means the financial information and operating data required to be transferred by the Charter School to the Dissemination Agent pursuant to the Section 3(a)(3) of this Disclosure Agreement.

“Quarterly Report” means the financial information and operating data required to be transferred by the Charter School to the Dissemination Agent pursuant to the Section 3(a)(2) of this Disclosure Agreement.

“Repository” means EMMA.

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

“SEC” means the Securities and Exchange Commission, its successors and assigns.

“Series 2022 Bonds” means the Authority’s Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A and its Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable).

“Trustee” means U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, its successors and assigns.

“Underwriter” means D.A. Davidson & Co., as original purchaser of the Series 2022 Bonds, its successors and assigns.

3. Provision of Annual Reports, Quarterly Reports, and Operating Data.

(a) (1) *Annual Reports.* Not later than one hundred fifty (150) days after the end of the Charter School’s fiscal year, commencing with the fiscal year ended June 30, 2022, the Charter School shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Charter School may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date, but the unaudited financial information available on such date is submitted. The Annual Report shall be provided at least annually notwithstanding a fiscal year longer than twelve (12) calendar months. The Charter School may change its

current fiscal year, but must notify the Authority and the Repository or any other filing system approved by the SEC, of each such change within thirty (30) days after the later of the adoption of a new fiscal year and the end of the fiscal year that occurs before the former fiscal year would have ended.

(2) *Quarterly Reports.* On or before sixty (60) days after the end of each fiscal quarter (each a “Quarterly Submission Date”), commencing with the quarter ending December 31, 2021, the Charter School shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, certain financial information relating to the Charter School as specified in Section 4(b) hereof (the “Quarterly Reports”). In each case, the Quarterly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement.

(3) *Operations Reports.* The Charter School shall provide to the Repository, or shall cause the Dissemination Agent to provide to the Repository, a copy (which may be sent electronically) of the Charter School’s adopted annual budget for the present Fiscal Year within 30 days of its adoption by the governing board.

(b) As soon as is practicable after the completion of any of the disclosure reports required by paragraph (a) (collectively referred to as the “Disclosure Reports”), the Charter School shall provide each Disclosure Report to the Dissemination Agent. The Dissemination Agent shall, at the Charter School’s cost, transmit the information contained in the Disclosure Reports in accordance with the requirements of Section 7 hereof.

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

(d) The Dissemination Agent shall:

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

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

4. Content of Annual Reports and Quarterly Reports.

(a) *Annual Reports.* The Annual Report shall contain or include by reference the audited financial statements of the Charter School for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time. If the Charter School’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain financial statements that have not been reviewed in a format similar to the

Charter School's audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statements of the Charter School, the Annual Report shall also include a certificate substantially in the form attached hereto as EXHIBIT A that provides certain Charter School data and demonstrates the Charter School's compliance with certain operating covenants contained in the Loan Agreement.

(b) *Quarterly Reports.* The Quarterly Report shall contain unaudited financial statements of the Charter School for such fiscal quarter consisting of at least statements of financial position (balance sheets and income statements) as of the end of such quarter and statements of activities for such fiscal quarter and year to date, each prepared in accordance with generally accepted accounting principles, as in effect from time to time (subject to year-end adjustments and except such financial statements may omit footnotes that would be required by generally accepted accounting principles), consistently applied, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles beyond the reasonable control of the Charter School noting the discrepancies therefrom and the effect thereof.

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

5. Listed Events.

(a) Pursuant to the provisions of this Section 5, the Charter School shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2022 Bonds in a timely manner but in no event more than ten (10) Business Days after the occurrence of the Listed Event:

- (i) principal and interest payment delinquencies with respect to the Series 2022 Bonds;
- (ii) non-payment related defaults with respect to the Series 2022 Bonds, if material;
- (iii) unscheduled draws on any debt service reserve reflecting financial difficulties;
- (iv) unscheduled draws on any 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 Series 2022 Bonds, or other material events affecting the tax status of the Series 2022 Bonds;
- (vii) modifications to rights of holders of the Series 2022 Bonds, if material;
- (viii) (1) bond calls, if material, and (2) tender offers;

- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Charter School;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Charter School or the sale of all or substantially all of the assets of the Charter School, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) the 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; and
- (xvi) a 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.

(b) Whenever the Charter School obtains knowledge of the occurrence of a Listed Event, the Charter School shall as soon as possible determine if such event would be material under applicable federal securities laws; provided, however, that any listed event under subsections (a)(i), (iii), (iv), (v), (vi) (viii)(2), (ix), (xi), (xii), and (xvi) will always be deemed to be material.

(c) If the Charter School determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Charter School shall promptly provide the Dissemination Agent with a notice of such occurrence so that the Dissemination Agent shall, in a timely manner but in no event more than ten (10) Business Days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB.

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

7. Dissemination Agent. The Charter School has engaged the Dissemination Agent to assist the Charter School in disseminating information hereunder. The Charter School shall send all Disclosure Reports required by Section 3 hereof, and Listed Events required by Section 5 hereof, to the Dissemination Agent. The Dissemination Agent shall, within thirty (30) days of receipt of such Disclosure Report and within ten (10) days of the occurrence of a Listed Event requiring a notice, forward such information to (i) the Repository and/or the MSRB or any other filing system approved by the SEC, as appropriate; (ii) the Authority; (iii) the Underwriter; and (iv) any Registered or Beneficial Owner of the Series 2022 Bonds identified in writing by the Underwriter. The Charter School agrees to pay any reasonable costs incurred

by the Dissemination Agent as a result of disseminating information to any requesting Registered or Beneficial Owners of the Series 2022 Bonds. The Charter School may discharge the Dissemination Agent or any successor Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent does not have any duty to review the materials described in this paragraph prior to disseminating such materials.

8. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the Charter School's obligation to provide the Disclosure Reports and any Listed Events notice, as set forth in this Disclosure Agreement, shall terminate if and when the Charter School no longer remains an obligated person with respect to the Series 2022 Bonds, which shall occur upon either payment of the Series 2022 Bonds in full or the legal defeasance of the Series 2022 Bonds in accordance with the Indenture.

9. Enforceability and Remedies. This Disclosure Agreement is intended to be for the sole benefit of the Registered Owners of the Series 2022 Bonds (for such purpose beneficial owners of the Series 2022 Bonds shall also be considered Registered Owners of the Series 2022 Bonds), the Authority, and the Underwriter and shall create no rights in any other person or entity.

This Disclosure Agreement shall be enforceable by or on behalf of any such Registered Owner of the Series 2022 Bonds, provided that the right of any Registered Owner to challenge the timely filing, failure to file or the adequacy of the information furnished pursuant to this Disclosure Agreement shall be limited to an action by or on behalf of Registered Owners representing at least 25% of the aggregate outstanding principal amount of the Series 2022 Bonds. This Disclosure Agreement is also enforceable on behalf of the Registered Owners of the Series 2022 Bonds by the Trustee, and the Trustee may, and upon the written direction of (i) the Registered Owners of not less than 25% of the aggregate outstanding principal amount of the Series 2022 Bonds or (ii) the Underwriter shall, proceed to protect and enforce the rights of the Registered Owners of the Series 2022 Bonds pursuant to this Disclosure Agreement; provided that in all cases the Trustee shall be entitled to the indemnification and other provisions of the Indenture with regard to any actions. Prior to proceeding at the request or direction of the Underwriter the Trustee may require the same types of indemnification and related protections from the Underwriter to which the Trustee would otherwise be entitled under the Indenture if so requested or directed by the Registered Owners under the terms of the Indenture. Any failure by the Charter School to comply with the provisions of this Disclosure Agreement shall not be an Event of Default under the Loan Agreement or the Indenture.

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

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

- (a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Charter School, or type of business conducted;

(b) This Disclosure Agreement, as amended or with the provision so waived, would have complied with the requirements of the Rule at the time of the original issuance of the Series 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interest of Registered Owners of the Series 2022 Bonds, as determined either by parties unaffiliated with the Charter School (which shall include the Trustee or Bond Counsel, or any other party determined by any of them to be unaffiliated), or by approving vote of Registered Owners of the Series 2022 Bonds pursuant to the terms of the Indenture at the time of the amendment or waiver.

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

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

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

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

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

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

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

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

SYRACUSE ARTS ACADEMY

By: _____
Name: _____
Title: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF CERTIFICATE FOR ANNUAL FILING OF CERTAIN OPERATING COVENANTS

Name of Authority: Utah Charter School Finance Authority

Name of Bond Issues: Utah Charter School Finance Authority Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A and Utah Charter School Finance Authority Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable)

Dissemination Agent: U.S. Bank Trust Company, National Association

Name of Charter School: Syracuse Arts Academy

Date of Issuance: February [__], 2022

NOTICE IS HEREBY GIVEN that the Charter School is providing to the Dissemination Agent the following operational information as required under Section 4(a) of the Continuing Disclosure Agreement, dated as of March 1, 2022 (the “Disclosure Agreement”), between the Dissemination Agent and the Charter School. The Disclosure Agreement requires that the Charter School provide this information to the Dissemination Agent within one hundred fifty (150) days of the end of each fiscal year. Defined terms used in this certificate and not defined herein shall have the meanings granted to such terms in the Trust Indenture, dated as of February 1, 2017, as supplemented by the First Supplement to Trust Indenture, dated as of March 1, 2022 (together, the “Indenture”), each between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee. The information contained below is unaudited.

As of June 30, 20__, the Charter School’s:

- (a) Cash on Hand was equal to \$_____.
- (b) Days Cash on Hand was ____ days (Cash on Hand in the amount of \$_____, divided by the quotient of Operating Expenses for the 20__ fiscal year of \$_____, for the fiscal year ended June 30, divided by 365).
- (c) The amount on deposit in the Repair and Replacement Fund is \$_____.
- (d) The Charter School’s Debt Service Coverage Ratio for fiscal year 20__ was ____x.

As of October __, 20__, the Borrower’s enrollment and waitlist are as follows:

School Year	Enrollment	Retention	Waiting List
20__-__			
Grade __			
Total			

This certificate is being provided by the Charter School to the Dissemination Agent on a date which is [within][outside] of one hundred fifty (150) days from the end of the Charter School's prior fiscal year.

Dated: _____

SYRACUSE ARTS ACADEMY,
as Charter School

By: _____

Its: _____

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL OR QUARTERLY REPORT

Name of Authority: Utah Charter School Finance Authority

Name of Bond Issues: Utah Charter School Finance Authority Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022A and Utah Charter School Finance Authority Charter School Revenue Bonds (Syracuse Arts Academy Project) Series 2022B (Federally Taxable)

Dissemination Agent: U.S. Bank Trust Company, National Association

Name of Borrower: Syracuse Arts Academy

Date of Issuance: February [__], 2022

NOTICE IS HEREBY GIVEN that the Charter School has not provided an [Annual Report][Quarterly Report] with respect to the above-named Series 2022 Bonds as required by the Continuing Disclosure Agreement, dated as of March 1, 2022, between the undersigned Dissemination Agent and the Charter School. The Charter School anticipates that the [Annual Report][Quarterly Report] will be filed by _____.

Dated: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Dissemination Agent

By _____
Authorized Signatory

cc: Syracuse Arts Academy
D.A. Davidson & Co.
Utah Charter School Finance Authority

APPENDIX H

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, Charter School, Trustee and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 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 2022 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of each series of the Series 2022 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 3.6 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 Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2022 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 2022 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 2022 Bonds, except in the event that use of the book entry-system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 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 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial

ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 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 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022 Bond documents. For example, Beneficial Owners of the Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 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 2022 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022 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 2022 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 2022 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2022 Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Series 2022 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2022 Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2022 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2022 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Series 2022 Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 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 2022 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.