

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2021**S&P GLOBAL RATINGS “_____”
SERIES 2021 BONDS NOT BANK QUALIFIED****NEW ISSUES
BOOK-ENTRY ONLY**

In the opinion of Kennedy & Graven, Chartered, Bond Counsel to the Issuer, under existing Minnesota and federal laws, regulations, rulings, and decisions, and assuming compliance by the Issuer, the Company, and the Charter School with all requirements of the Internal Revenue Code of 1986, as amended, interest on the Series 2021 A Bonds ~~(as hereafter defined)~~ is not included in gross income of the owners thereof for federal income tax purposes or in taxable net income of individuals, estates or trusts for Minnesota income tax purposes, and is not an item of tax preference for purposes of the computation of federal ~~or alternative minimum tax imposed on individuals or the~~ Minnesota alternative minimum tax applicable to individuals, estates and trusts. Interest on the Series 2021 A Bonds is subject to the Minnesota franchise tax measured by income and imposed on corporations and financial institutions. Interest on the Series 2021 B Bonds is taxable as ordinary income for federal and Minnesota income tax purposes. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Series 2021 A Bonds or arising with respect to the ownership of the Series 2021 A Bonds. ~~See “TAX MATTERS” in this Official Statement.~~ See “TAX MATTERS” in this Official Statement.



~~§ _____*~~
**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA
CHARTER SCHOOL LEASE REVENUE ~~AND~~ REFUNDING BONDS
(NOVA CLASSICAL ACADEMY PROJECT)**

§ _____* SERIES 2021 A
§ _____* TAXABLE SERIES 2021 B

Dated: Date of Issuance**Due: September 1 as shown on the inside front cover**

The above-referenced ~~Charter School Lease Revenue and Refunding Bonds (Nova Classical Academy Project), Series 2021 A Bonds~~ (the “Series 2021 ~~Bonds~~”), issued in the original aggregate principal amount of ~~§ _____* A Bonds~~ and Series 2021 B Bonds (the “Series 2021 B Bonds”) and, together with the Series 2021 A Bonds, the “Series 2021 Bonds”) are special, limited obligations of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Issuer”). The Series 2021 Bonds are being issued pursuant to a Second Amended and Restated Indenture of Trust, dated as of August 1, 2021 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). Undefined capitalized terms used herein are defined in the text hereof or APPENDIX G of this Official Statement.

Pursuant to a Second Amended and Restated Loan Agreement, dated as of August 1, 2021 (the “Loan Agreement”), between the Issuer and Friends of Nova Classical Academy (the “Company”), all proceeds of the Series 2021 Bonds will be loaned by the Issuer to the Company. Proceeds of the Series 2021 Bonds, along with funds held by the Trustee for the Series 2011A Bonds, will be applied by the Company to: (i) refund ~~on a current basis~~ the Issuer’s Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2011A, currently outstanding in the principal amount of \$4,840,000 and maturing on September 1, 2031 (the “Series 2011A Bonds”); (ii) ~~make fund~~ a deposit to the Reserve Fund ~~in an amount equal to, if necessary to meet~~ the Reserve Fund Requirement for the Series 2021 Bonds, and (iii) pay the costs of issuance of the Series 2021 Bonds. The Schoolhouse is owned by the Company and leased to Nova Classical Academy (the “Charter School”). The proceeds of the Series 2011A Bonds were used to finance a portion of the cost of the acquisition, construction and equipping by the Company of approximately 2.03 acres of land and constructing the current charter school facility located at 1455 Victoria Way in the City of Saint Paul, Minnesota (the “City”) (the “Original Schoolhouse”). The proceeds of the Series 2021 Bonds will not refund the Issuer’s outstanding (a) Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2016A (the “Series 2016A Bonds”), and (b) Taxable Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2016B (the “Series 2016B Bonds”) and together with the Series 2016A Bonds, the “Series 2016 Bonds”). *The Series 2021 Bonds are not secured by or payable from any taxes, revenues or assets of the Issuer except for the Issuer’s interest in the Loan Agreement and amounts held pursuant to the Indenture as described herein.*

The Series 2021 Bonds (and the Series 2016 Bonds) will be payable from the money held by the Trustee under the Indenture. *The Series 2021 Bonds are issued on a parity with the Issuer’s Series 2016 Bonds.* The Series 2021 Bonds and the Series 2016 Bonds will be equally and ratably secured by a mortgage lien on and security interest in the Schoolhouse and an assignment of all rents, revenues and profits of the Schoolhouse. The Schoolhouse will be leased pursuant to a [Second Amended and Restated Lease Agreement], dated as of August 1, 2021 (the “Lease”). The Series 2021 Bonds will be issued as fully registered bonds in minimum denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof and will initially be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of the Series 2021 Bonds will be made in book-entry form only. Purchasers of beneficial interests will not receive certificates representing their interest in the Series 2021 Bonds. See “APPENDIX F – BOOK-ENTRY ONLY SYSTEM” in this Official Statement.

THE SERIES 2021 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER AND WILL NOT CONSTITUTE A DEBT, LIABILITY, GENERAL OBLIGATION OR PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, THE CITY, THE STATE OF MINNESOTA (THE “STATE”), OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2021 BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE SERIES 2021 BONDS FROM TAXES OR TO MAKE ANY APPROPRIATION THEREFOR. NO BONDHOLDER WILL HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS OUT OF ANY FUNDS OR FROM ANY SOURCES OF REVENUE OTHER THAN THOSE EXPRESSLY PLEDGED TO THE PAYMENT OF THE SERIES 2021 BONDS PURSUANT TO THE INDENTURE.

The Series 2021 Bonds are subject to optional, mandatory, and extraordinary redemption as described under “THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds” in this Official Statement. An investment in the Series 2021 Bonds is subject to certain risks. See “BONDHOLDERS’ RISKS” in this Official Statement. This cover page contains certain information for quick reference only. This cover page is not intended to be a summary of the Series 2021 Bonds or the security therefor. Investors must read the entire Official Statement, including the Appendices hereto, to obtain information essential to the making of an informed decision.

SEE THE INSIDE FRONT COVER FOR THE MATURITY SCHEDULES FOR THE SERIES 2021 BONDS

The Series 2021 Bonds are offered when, as and if issued and accepted by Piper Sandler & Co (the “Underwriter”), subject to the opinion as to the validity of the Series 2021 Bonds and the tax-exempt status of the Series 2021 A Bonds by Kennedy & Graven, Chartered, Saint Paul and Minneapolis, Minnesota, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Underwriter by Ballard Spahr LLP, Saint Paul, Minnesota and for the Company and the Charter School by Best & Flanagan, LLP, Minneapolis, Minnesota. It is expected that the Series 2021 Bonds will be delivered on or about _____, 2021. For information with respect to the Underwriter, see “UNDERWRITING” in this Official Statement.

PIPER | SANDLER

The date of this Official Statement is _____, 2021

MATURITY SCHEDULES

\$ _____ *

Housing and Redevelopment Authority of the City of Saint Paul, Minnesota
Charter School Lease Revenue ~~and~~ Refunding Bonds
(Nova Classical Academy Project)
Series 2021A

\$ _____ % Series 2021A Term Bonds due September 1, 20__
Price of _____ % to Yield _____ %
CUSIP: _____ **

\$ _____ % Series 2021A Term Bonds due September 1, 20__
Price of _____ % to Yield _____ %
CUSIP: _____ **

\$ _____ *

Housing and Redevelopment Authority of the City of Saint Paul, Minnesota
Taxable Charter School Lease Revenue Refunding Bonds
(Nova Classical Academy Project)
Series 2021B

\$ _____ % Series 2021B Term Bonds due September 1, 20__
Price of _____ % to Yield _____ %
CUSIP: _____ **

~~\$ _____ % Series 2021 Term Bonds due September 1, 20__~~
~~Price of _____ % to Yield _____ %~~
~~CUSIP: _____ **~~

* Preliminary, subject to change.

** CUSIP is a registered trademark of American Bankers Association (“ABA”). CUSIP data is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of ABA. The CUSIP numbers listed above are being

provided solely for the convenience of bondholders only at the time of issuance of the Series 2021 Bonds and neither the Issuer nor the Underwriter nor the Company makes any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

Issuer

Housing and Redevelopment Authority of the City of Saint Paul, Minnesota

Bond Counsel to the Issuer

Kennedy & Graven, Chartered
[Saint Paul and](#) Minneapolis, Minnesota

Company

Friends of Nova Classical Academy
Saint Paul, Minnesota

Charter School

Nova Classical Academy
Saint Paul, Minnesota

Company and Charter School's Counsel

Best & Flanagan, LLP
Minneapolis, Minnesota

Underwriter

Piper Sandler & Co.
Saint Paul, Minnesota

Underwriter's Counsel

Ballard Spahr LLP
Saint Paul, Minnesota

Trustee and Paying Agent

U.S. Bank National Association,
Saint Paul, Minnesota

Auditor for the Company and the Charter School

CliftonLarsonAllen LLP
Minneapolis, Minnesota

Charter School Finance Manager

Dieci School Finance, LLC
Roseville, Minnesota

Picture of the front of the Schoolhouse



Aerial picture of Schoolhouse



Source: Google Maps

No person has been authorized by the Issuer, the Underwriter, the Company, or the Charter School to give any information regarding the Series 2021 Bonds, the Company, the Charter School, the Schoolhouse, the offering contained herein and related matters or to make any representations other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which it is unlawful for any person to make such offer or solicitation. The information contained in this Official Statement has been furnished by or on behalf of the Company and the Charter School and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement at any time nor any sale made hereunder creates any implication that the information herein is correct as of any time subsequent to its date.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, the Underwriter's responsibilities 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.

Neither the Issuer nor any of its members, agents, employees or representatives have reviewed this Official Statement or investigated the statements or representations contained herein, except for those statements relating to the Issuer set forth under the captions "THE ISSUER" and "ABSENCE OF LITIGATION – The Issuer." Except with respect to the information contained under such captions, neither the Issuer nor any of its members, agents, employees or representatives makes any representation as to the completeness, sufficiency and truthfulness of the statements set forth in this Official Statement. Members of the governing body of the Issuer and any other person executing the Series 2021 Bonds are not subject to personal liability by reason of the issuance of the Series 2021 Bonds. The Issuer assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein.

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Series 2021 Bonds. Except for information under the heading "THE TRUSTEE," the Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

References in this Official Statement to Minnesota law, the Series 2021 Bonds, the Indenture, the Loan Agreement, the Lease, the Pledge Agreement, the Mortgage, the Intercreditor Agreement, the Continuing Disclosure Agreement, the Assignment of Lease, the Account Control Agreement, the SNDA and other documents do not purport to be complete. Potential investors should refer to such statutes and documents for full and complete details of their provisions. Copies of such documents are on file with the Trustee and the Company.

THE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2021 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH SERIES 2021 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE

REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2021 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, CONTAINS STATEMENTS, WHICH SHOULD BE CONSIDERED “FORWARD-LOOKING STATEMENTS,” MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “BUDGET,” OR SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMPANY DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR. THE BUDGET PROJECTION CONTAINED IN APPENDIX C ATTACHED TO THIS OFFICIAL STATEMENT IS NOT A HISTORICAL STATEMENT OF FINANCIAL PERFORMANCE BUT IS A FORWARD-LOOKING PROJECTION OF FUTURE, PROJECTED FINANCIAL PERFORMANCE.

(The remainder of this page is intentionally left blank.)

TABLE OF CONTENTS

	Page		Page
SUMMARY INFORMATION	i	Competition for Students	2627
INTRODUCTORY STATEMENT	1	Effect of Student Enrollment upon Receipt of State Payments	2627
General	1	Key Personnel	2627
Loan of Series 2021 Bond Proceeds	2	Self-Management by the Charter School	2728
The Series 2016 Bonds	2	Factors Associated with Education	2728
Mortgage	3	Line of Credit for Operating Capital	2728
Lease	3	Tax-Exempt Status of the Company and the Charter School	2829
Pledge Agreement	3	IRS Compliance Program	2829
Parity Obligations	3	Tax-Exempt Status of the Series 2021 ^A Bonds	2829
Additional Bonds	4	Changes in Law; Annual Appropriation; Inadequate State Payments	2930
Reserve Fund	4	Value of Mortgaged Property	2930
Special Covenants of the Company and the Charter School	4	No Appraisal of the Schoolhouse	2930
Bondholders' Risks	5	Environmental Regulations	2930
Miscellaneous	5	Maintenance of the Schoolhouse	3031
THE ISSUER	5	Damage or Destruction	3031
THE COMPANY	6	Effect of Federal Bankruptcy Laws on Security for the Series 2021 Bonds	3132
THE CHARTER SCHOOL	6	Enforcement of Remedies	3132
PLAN OF FINANCING AND REFUNDING	7	Secondary Market	3132
SOURCES AND USES OF FUNDS	7	No Credit Enhancement	3132
DEBT SERVICE SCHEDULE	8	Failure to Provide Ongoing Disclosure	3132
THE SERIES 2021 BONDS	10	Private School Vouchers	3233
Interest; Maturity; Payment	10	MDE Rulemaking	3233
Redemption of Series 2021 Bonds	10	Education Reform and Desegregation Litigation 32 [to be updated]	33
Notice of Redemption; Payment	1213	Redemption Prior to Maturity	3334
SECURITY FOR THE SERIES 2021 BONDS	1314	Forward-Looking Statements	3334
Special, Limited Obligations	1314	Additional Indebtedness	3435
Payments under the Loan Agreement; Assignment of Loan Agreement	1314	Cybersecurity Risks	3435
Reserve Fund	1314	Summary	3435
Mortgage	1415	CHARTER SCHOOLS IN MINNESOTA	3435
Subordination, Non-Disturbance, and Attornment Agreement	1415	State Payments	3435
Lease	1415	AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL	3738
Pledge Agreement and Account Control Agreement	15	UNAUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL	3738
Additional Bonds [TO BE REVIEWED WITH BOND DOCUMENTS]	1516	THE BUDGET PROJECTION	3739
Intercreditor Agreement	17	TAX MATTERS	3839
Additional Indebtedness [TO BE REVIEWED WITH BOND DOCUMENTS]	1718	Tax Exemption	3839
Various Operating Covenants of the Charter School [TO BE REVIEWED WITH BOND DOCUMENTS]	1920	Other Federal Tax Considerations	3940
BONDHOLDERS' RISKS	2122	Bond Premium	3940
Nature of Special, Limited Obligations	2122	Original Issue Discount	3940
Impact of COVID-19 Pandemic [TO BE UPDATED]	2122	The Series 2021B Bonds	41
Dependence on Company's Ability to Pay Loan Repayments; Ability of Charter School to Pay Lease Payments	2223	Legislative Proposals	4041
Historical State Budget Issues ²³ [TO BE UPDATED WITH RESOURCES FROM THE DISCLOSURE ATTORNEY SESSION]	4142	BOND RATING	4042
No Taxing Authority; Dependence on State Payments	24	UNDERWRITING	4142
Budget Projection	2425	ENFORCEABILITY OF OBLIGATIONS	4244
Non-Renewal or Termination of Charter Contract by Authorizer	2425	LEGAL MATTERS	4244
Possible Future Unionization of Charter School Workforce	2526	RELATIONSHIPS AMONG THE PARTIES	4245
Department of Education Approval of Authorizer	2526	ABSENCE OF LITIGATION	4345
Financial Statements	2526	The Issuer	4345
Property Tax Exemption	2627	The Company	4345
		The Charter School	4345
		THE TRUSTEE	4446
		MISCELLANEOUS	4446

Registration of Series 2021 Bonds.....	4446	Interest of Certain Persons Named in this Official Statement.....	4547
		Official Statement Certification of the Company and the Charter School.....	4547
APPENDIX A	THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE.....		A-1
APPENDIX B	MINNESOTA LAWS RELATING TO CHARTER SCHOOLS.....		B-1
APPENDIX C	BUDGET PROJECTION.....		C-1
APPENDIX D	AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE FISCAL YEAR ENDED JUNE 30, 2020 AND 2019.....		D-1
APPENDIX E	UNAUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE TEN ELEVEN-MONTH PERIOD ENDED APRIL 30 , <u>MAY 31</u> , 2021.....		E-1
APPENDIX F	BOOK-ENTRY ONLY SYSTEM.....		F-1
APPENDIX G	DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS.....		G-1
APPENDIX H	FORM OF BOND COUNSEL OPINION.....		H-1
APPENDIX I	FORM OF CONTINUING DISCLOSURE AGREEMENT.....		I-1

SUMMARY INFORMATION

The following is a summary of certain information contained in this Official Statement. The summary is not comprehensive or complete and is qualified in its entirety by reference to the complete Official Statement. Undefined capitalized terms used below are defined in APPENDIX G hereto or elsewhere in this Official Statement.

Issuer The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Issuer”) is authorized to issue the Series 2021 Bonds pursuant to Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”). See “THE ISSUER” in this Official Statement.

The Series 2021 Bonds The Issuer will issue its (i) Charter School Lease Revenue ~~and~~ Refunding Bonds (Nova Classical Academy Project), Series 2021A (the “Series 2021A Bonds”), in the original aggregate principal amount of \$ _____ * and (ii) Taxable Charter School Lease Revenue (Nova Classical Academy Project), Series 2021B (the “Series 2021B Bonds,” and together with the Series 2021A Bonds, the “Series 2021 Bonds”), in the original aggregate principal amount of \$ _____ *. The Series 2021 Bonds will be issued in authorized minimum denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof. The Issuer will issue the Series 2021 Bonds pursuant to (i) a resolution of the governing body of the Issuer, and (ii) a Second Amended and Restated Indenture of Trust, dated as of August 1, 2021 (the “Indenture”), between the Issuer and U.S. Bank National Association, Saint Paul, Minnesota, as trustee (the “Trustee”). The Series 2021 Bonds, the Series 2016 Bonds (as defined below), and any Additional Bonds issued under the Indenture are collectively referred to herein as the “Bonds.” See “THE SERIES 2021 BONDS” in this Official Statement.

The Company and the Charter School Friends of Nova Classical Academy (the “Company”), a Minnesota nonprofit corporation and 501(c)(3) organization, was formed for the purpose of owning and leasing school facilities such as the Schoolhouse (as defined herein) to Nova Classical Academy (the “Charter School”), a Minnesota nonprofit corporation. The Charter School is a 501(c)(3) organization and a public charter school organized under Minnesota law and operated pursuant to a Charter Contract between Friends of Education (the “Authorizer”) and the Charter School. See “THE CHARTER SCHOOL” and “THE COMPANY” in this Official Statement. See also “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE” and “APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS” in this Official Statement.

Use of Proceeds Proceeds of the Series 2021 Bonds will be loaned by the Issuer to the Company pursuant to a Second Amended and Restated Loan Agreement, dated as of August 1, 2021 (the “Loan Agreement”), between the Issuer and the Company. The Company will use proceeds of the Series 2021 Bonds, along with funds held by the Trustee for the Series 2011A Bonds, to: (i) refund ~~on a current basis~~ the Issuer’s Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2011A, currently outstanding in the principal amount of \$4,840,000 and maturing on September 1, 2031 (the “Series 2011A Bonds”); (ii) ~~make fund~~ a deposit to the Reserve Fund ~~in an amount equal to, if necessary to meet~~ the Reserve Fund Requirement for the Series 2021 Bonds, and (iii) pay the costs of issuance of the Series 2021 Bonds. The Schoolhouse is owned by the Company and leased to the Charter School under the terms of the Lease (as defined herein). The proceeds of the Series 2011A Bonds were used to finance a portion of the cost of the acquisition, construction and equipping by the Company of approximately 2.03 acres of land and constructing the current charter school facility located at 1455 Victoria Way in the City of Saint Paul,

Minnesota (the “City”) (the “Original Schoolhouse” or the “2011 Project”). See “SOURCES AND USES OF FUNDS” in this Official Statement.

The Series 2016 Bonds

The proceeds of the Series 2021 Bonds will not refund the Issuer’s outstanding (a) Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2016A (the “Series 2016A Bonds”), and (b) Taxable Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2016B (the “Series 2016B Bonds” and together with the Series 2016A Bonds, the “Series 2016 Bonds”). The Series 2016 Bonds were issued to: (i) advance refund the Issuer’s \$10,365,000 Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2011A maturing on September 1, 2042 (the “Refunded Series 2011 Bonds”); (ii) finance the acquisition of two parcels of land bounded by Madson Street, Mercer Way and Kay Avenue in the City and the construction and equipping of improvements to the land and to the [Original](#) Schoolhouse (the “2016 Project,” and together with the Original Schoolhouse/2011 Project, the “Schoolhouse”); (iii) make a deposit to increase the amount for the Reserve Fund equal to the Reserve Fund Requirement for the Non-Refunded Series 2011 Bonds and the Series 2016 Bonds, and (iv) pay the costs of issuance of the Series 2016 Bonds.

Payment

Interest accrues on the Series 2021 Bonds at the rates set forth on the inside cover hereof from the date of issue and is payable on March 1 and September 1 of each year commencing March 1, 2022, by check or draft of the Trustee to the persons who were the Registered Owners of the Series 2021 Bonds as of the 15th day of the month preceding each interest payment date provided that any Significant Bondholder may receive payment of interest by wire transfer upon proper instruction to the Trustee. Principal and premium, if any, will be payable at the designated corporate trust office of the Trustee. See “THE SERIES 2021 BONDS” in this Official Statement.

**Special,
Limited Obligations**

The Series 2021 Bonds (and the Series 2016 Bonds) are special, limited obligations of the Issuer payable solely from the Loan Payments to be made by the Company, and other funds pledged therefor under the Indenture. The Series 2021 Bonds (and the Series 2016 Bonds) are not secured by or payable from any taxes, revenues or assets of the Issuer, except for the Issuer’s interest in the revenues derived from the Loan Agreement and amounts held pursuant to the Indenture as described herein. The Series 2021 Bonds (and the Series 2016 Bonds) do not give rise to a general obligation or general liability of the Issuer, the City of Saint Paul, Minnesota (the “City”), the State of Minnesota (the “State”), or of any political subdivision or agency thereof, or a charge against the general credit of the Issuer, the City, the State or any political subdivision thereof, and shall never constitute nor give rise to a pecuniary liability of the Issuer, the City, the State, or any political subdivision or agency thereof. The Series 2021 Bonds (and the Series 2016 Bonds) do not constitute a debt, moral obligation, liability or loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the City, the State, or of any political subdivision thereof.

The obligations of the Company under the Loan Agreement are a general credit pledge of the Company, provided, however that the Company does not have taxing power and does not have the ability to charge fees to the Charter School’s students in the event that revenues of the Company under the Lease are not sufficient to pay operations and debt service on the Series 2021 Bonds and the Series 2016 Bonds. See “SECURITY FOR THE SERIES 2021 BONDS” in this Official Statement.

**Security for
the Series 2021 Bonds**

The Series 2021 Bonds will be secured on a parity with the Series 2016 Bonds by and payable from an assignment and pledge of (i) all money held under the Indenture, including the Series 2021 Bond proceeds initially deposited in the Reserve Fund, (ii) the interest of the Issuer in the Loan Agreement (except for certain rights to indemnification and payments of fees and expenses), and (iii) Lease Payments due from the Charter School, which will be automatically transferred to the Trustee from the Sweep Account pursuant to a Second Amended and Restated Pledge and Covenant Agreement, dated as of August 1, 2021 (the “Pledge Agreement”), between by the Charter School and for the benefit of the Trustee. The Series 2021 Bonds (on a parity with the Series 2016 Bonds) will be secured by a Third Amended and Restated Mortgage, Security Agreement, Assignment of Rents, dated as of August 1, 2021 (the Mortgage”), from the Borrower to the Trustee on the Schoolhouse. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT – Covenants of the School” in this Official Statement. The Series 2021 Bonds (and the Series 2016 Bonds) are not secured by or payable from any taxes, revenues or assets of the Issuer, except for the Issuer’s interest in the revenues derived from the Loan Agreement and amounts held pursuant to the Indenture as described herein. See “SECURITY FOR THE SERIES 2021 BONDS” in this Official Statement.

Parity Obligations

The Series 2021 Bonds are issued on a parity basis with the Issuer’s Series 2016 Bonds. The Series 2016 Bonds have a final maturity date of September 1, 2047 and principal will be due on the Series 2016 Bonds after the final maturity of the Series 2021 Bonds. The Series 2016 Bonds and the Series 2021 Bonds are equally and ratably secured under the terms of the Indenture, Loan Agreement, Pledge Agreement, Mortgage, and other documents relating to the Bonds.

Risk Factors

Purchase of the Series 2021 Bonds involves a degree of risk. A prospective purchaser of the Series 2021 Bonds is advised to read this entire Official Statement, including the Appendices attached hereto, in its entirety, particularly the section entitled “BONDHOLDERS’ RISKS” in this Official Statement, for a discussion of certain risk factors, which should be considered in connection with an investment in the Series 2021 Bonds.

Optional Redemption

The Series 2021 A Bonds maturing on or after September 1, 20__ are subject to optional redemption, in whole or in part, by the Issuer at the option of the Company on September 1, 20__, and any Business Day thereafter, at a redemption price equal to the principal amount of the Series 2021 A Bonds to be redeemed, plus accrued interest to the redemption date, [and, on certain dates, a premium]. The Series 2021B Bonds are not subject to optional redemption. The Series 2021 Bonds are also subject to redemption at a redemption price equal to the principal amount, plus accrued interest upon the occurrence of certain events of damage, destruction or condemnation. See “THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds” in this Official Statement.

Mandatory Redemption

The Series 2021 A Bonds are subject to (i) mandatory sinking fund redemption as described herein, and (ii) special mandatory redemption in the event of a Determination of Taxability (as defined in APPENDIX G), in whole, at a redemption price equal to the sum of the principal amount of the Series 2021 Bonds, plus accrued interest on the Series 2021 Bonds. If such mandatory redemption is as a result of a Determination of Taxability, then the redemption price for the Series 2021 A Bonds will also include a premium of 3% of the principal amount of the Series 2021 A Bonds redeemed. See “THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds” in this Official Statement.

Trustee and Paying Agent U.S. Bank National Association in Saint Paul, Minnesota. See “THE TRUSTEE” in this Official Statement.

Form and Exchange/Transfer The Series 2021 Bonds will be registered under a book-entry system in the name of The Depository Trust Company (“DTC”) or its nominees. While the Series 2021 Bonds remain in book-entry only form, transfer of ownership by Beneficial Owners may be made as described in “THE SERIES 2021 BONDS” and “APPENDIX F – BOOK-ENTRY ONLY SYSTEM” in this Official Statement.

Tax Status In the opinion of Kennedy & Graven, Chartered, Saint Paul and Minneapolis, Minnesota, as Bond Counsel to the Issuer, under existing laws, regulations, rulings, and decisions, and assuming compliance by the Issuer, the Charter School, and the Company with all requirements of the Internal Revenue Code of 1986, as amended, interest on the Series 2021^A Bonds is not included in gross income of the owners thereof for federal income tax purposes or, to the same extent, in taxable net income of individuals, estates or trusts for State income tax purposes, and is not an item of tax preference for purposes of the computation of federal alternative minimum tax imposed on individuals and the State alternative minimum tax applicable to individuals, estates, and trusts. Interest on the Series 2021^A Bonds is subject to the State franchise tax measured by income and imposed on corporations and financial institutions. No opinion will be expressed by Bond Counsel regarding other State or federal tax consequences caused by the receipt or accrual of interest on the Series 2021^A Bonds or arising with respect to the ownership of the Series 2021^A Bonds. See “TAX MATTERS” and “APPENDIX H – FORM OF BOND COUNSEL OPINION” in this Official Statement.

Continuing Disclosure Agreement Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the Company and the Charter School have agreed for the benefit of the Registered Owners and Beneficial Owners of the Series 2021 Bonds to provide certain financial information, other operating data and notices of material events. See “CONTINUING DISCLOSURE,” and “APPENDIX I – FORM OF CONTINUING DISCLOSURE AGREEMENT” in this Official Statement.

Delivery Information The Series 2021 Bonds are offered when, as, and if issued by the Issuer 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 delivery of the Series 2021 Bonds will be made on or about _____ 2021 through the facilities of DTC in New York, New York, against payment therefor.

Financial Statements The Charter School’s audited financial statements for the fiscal years ended June 30, 2020 and June 30, 2019 are included in this Official Statement as APPENDIX D. These are the most recent audited financial statements available for the Charter School. The financial statements in APPENDIX D have been audited by CliftonLarsonAllen LLP, Minneapolis, Minnesota (the “Auditor”). See “AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL” and “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019” in this Official Statement.

The unaudited financial statements for the {~~ten~~eleven-month period ended ~~April 30,~~ May 31, 2021} are contained in APPENDIX E. The unaudited financial statements contained in APPENDIX E have been prepared by the Charter School and have not been audited, reviewed or examined by the Auditor or any

independent accounting firm. See “APPENDIX E – UNAUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE ~~TEN~~ELEVEN-MONTH PERIOD ENDED ~~APRIL 30~~,MAY 31, 2021” in this Official Statement.

The financial statements of the Company are not included in this Official Statement because the Company does not have significant financial resources and is not anticipated to have significant assets other than the Schoolhouse. It is expected that the financial statements of the Company may be included in a consolidated schedule to the Charter School in the future.

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 Underwriter.

Budget Projection..... The Budget Projection (the “Budget Projection”) attached hereto in APPENDIX C is a projection of the future financial performance of the Charter School based upon certain assumptions made by the Charter School and contained therein. No assurances can be given that the operations of the Charter School will equal or exceed the projected future financial performance set forth in the Budget Projection. The Budget Projection is for the [five] fiscal years of the Charter School ending June 30, 2021 through June 30, 20[26]. Set forth below is selected projected data of the Charter School for the stated years.

[To come]

OFFICIAL STATEMENT

\$ _____ *
HOUSING AND REDEVELOPMENT AUTHORITY OF
THE CITY OF SAINT PAUL, MINNESOTA
CHARTER SCHOOL LEASE REVENUE ~~AND~~ REFUNDING BONDS
(NOVA CLASSICAL ACADEMY PROJECT)
\$ _____ * SERIES 2021A
\$ _____ * TAXABLE SERIES 2021B

INTRODUCTORY STATEMENT

The following is a brief introduction as to certain matters discussed elsewhere in this Official Statement and is qualified in its entirety as to such matters by such discussion and the text of the actual documents described or referenced. Any capitalized term not required to be capitalized is used with the meaning assigned in APPENDIX G or in the Indenture, the Loan Agreement or other document with respect to which the term is used. Definitions contained in the text hereof are for ease of reference only and are qualified in their entirety by the definitions in APPENDIX G or the documents with respect to which such terms relate. The Appendices hereto are an integral part of this Official Statement and each potential investor should review the Appendices in their entirety.

General

The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “Issuer”) will issue its Charter School Lease Revenue ~~and~~ Refunding Bonds (Nova Classical Academy Project), Series 2021A (the “Series 2021A Bonds”), in the original aggregate principal amount of \$ _____ * and (ii) Taxable Charter School Lease Revenue (Nova Classical Academy Project), Series 2021B (the “Series 2021B Bonds,” and together with the Series 2021A Bonds, the “Series 2021 Bonds”), in the original aggregate principal amount of \$ _____. The Series 2021 Bonds will be issued by the Issuer pursuant to (i) a resolution of the governing body of the Issuer, and (ii) a Second Amended and Restated Indenture of Trust, dated as of August 1, 2021 (the “Indenture”), between the Issuer and U.S. Bank National Association, Saint Paul, Minnesota, as trustee (the “Trustee”). The Series 2021 Bonds, the Series 2016 Bonds (as defined below), and any Additional Bonds issued under the Indenture are collectively referred to herein as the “Bonds.”

The Issuer will loan (the “Loan”) the proceeds of the Series 2021 Bonds to Friends of Nova Classical Academy (the “Company”), a Minnesota nonprofit corporation, pursuant to a Second Amended and Restated Loan Agreement, dated as of August 1, 2021 (the “Loan Agreement”), between the Issuer and the Company. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS” in this Official Statement.

Proceeds of the Series 2021 Bonds, along with funds held by the Trustee for the Series 2011A Bonds, will be applied by the Company to: (i) refund ~~on a current basis~~ the Issuer’s Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2011A, currently outstanding in the principal amount of \$4,840,000 and maturing on September 1, 2031 (the “Series 2011A Bonds”); (ii) ~~make fund~~ a deposit to the Reserve Fund ~~in an amount equal to, if necessary to meet~~ the Reserve Fund Requirement for the Series 2021 Bonds, and (iii) pay the costs of issuance of the Series 2021 Bonds. The Schoolhouse is owned by the Company and leased to Nova Classical Academy (the “Charter School”). The proceeds of the Series 2011A Bonds were used to finance a portion of the cost of the acquisition, construction and equipping by the Company of approximately 2.03 acres of land and constructing the current charter school facility located at 1455 Victoria Way in the City of Saint Paul, Minnesota (the “City”) (the “Original Schoolhouse” or the “2011 Project”). The proceeds of the Series 2021 Bonds will not refund the Issuer’s outstanding (a) Charter School Lease Revenue Bonds (Nova

*Preliminary, subject to change.

Classical Academy Project), Series 2016A (the “Series 2016A Bonds”) maturing on September 1, 2047 and currently outstanding in the principal amount of \$16,830,000, and (b) Taxable Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2016B (the “Series 2016B Bonds” and together with the Series 2016A Bonds, the “Series 2016 Bonds”), maturing on September 1, 2022 and currently outstanding in the principal amount of \$100,000. See “SOURCES AND USES OF FUNDS” and “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE” in this Official Statement.

The Series 2021 Bonds are issued on a parity with the Series 2016 Bonds. The Company, the Charter School, and the Trustee will enter into an Amended and Restated Intercreditor Agreement, dated as of August 1, 2021 (the “Intercreditor Agreement”), with Old National Bank (previously Anchor Bank, N.A.), as line of credit provider and depository bank for the Charter School (the “Bank”), and U.S. Bank National Association, as Trustee for the Series 2016 Bonds and Series 2021 Bonds.

The Series 2021 Bonds are special, limited obligations of the Issuer, payable solely from amounts pledged under the Indenture to the payment of principal, interest and premium, if any, on the Series 2021 Bonds (which includes Loan Repayments (defined below) from the Company, amounts in the Reserve Fund, Lease Payments from the Charter School and other amounts held by the Trustee under the Indenture and proceeds realized under the Mortgage (defined herein)), and do not give rise to a general obligation or general liability of the Issuer, the City, the State of Minnesota (the “State”), or any political subdivision or agency thereof, or constitute a charge against its general credit or taxing powers of the Issuer, the City, the State, or any political subdivisions thereof, and shall never constitute nor give rise to a pecuniary liability of the Issuer, the State, or any political subdivision or agency thereof. The Series 2021 Bonds (and the Series 2016 Bonds) do not constitute a debt, moral obligation, liability or loan of credit or a pledge of the full faith and credit or taxing powers of the Issuer, the City, the State, or of any political subdivision thereof.

Loan of Series 2021 Bond Proceeds

The Loan will be made by the Issuer to the Company under the terms of the Loan Agreement. The Loan Agreement requires the Company to make monthly payments (“Loan Repayments”) which, if fully and promptly paid, will be sufficient to pay when due the scheduled principal of and interest on the Series 2021 Bonds and the Series 2016 Bonds. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT” in this Official Statement. Pursuant to the Indenture, the Issuer will pledge to the Trustee, for the benefit of the Registered Owners of the Bonds, all of its interest in the Loan Agreement (other than certain unassigned rights) to secure payment of the principal of, premium, if any, and interest on the Series 2021 Bonds and the Series 2016 Bonds. Pursuant to a Tax Certificate dated as of August 1, 2021 (the “Tax Certificate”), by the Company and the Charter School, endorsed by the Issuer ~~and the Charter School~~, the Company will make certain representations and covenants related to maintaining the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds.

The Series 2016 Bonds

The Series 2016 Bonds were issued to: (i) advance refund the Issuer’s \$10,365,000 Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2011A maturing on September 1, 2042 (the “Refunded Series 2011 Bonds”); (ii) finance the acquisition of two parcels of land bounded by Madson Street, Mercer Way and Kay Avenue in the City and the construction and equipping of improvements to the land and to the Original Schoolhouse (the “2016 Project,” and together with the Original Schoolhouse/2011 Project, the “Schoolhouse”); (iii) make a deposit to increase the amount for the Reserve Fund equal to the Reserve Fund Requirement for the Non-Refunded Series 2011 Bonds and the Series 2016 Bonds, and (iv) pay the costs of issuance of the Series 2016 Bonds.

Mortgage

Pursuant to a Third Amended and Restated Mortgage, Security Agreement, Assignment of Rents, dated as of August 1, 2021 (the “Mortgage”), to be executed by the Company in favor of the Trustee, relating to the Schoolhouse, the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds (and the Series 2016 Bonds) will be secured by a mortgage lien on and security interest in the Schoolhouse, subject to certain “Permitted Encumbrances” described in the Mortgage. The Mortgage secures the Series 2016 Bonds and the Series 2021 Bonds equally and ratably on a parity basis. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE MORTGAGE” in this Official Statement.

Lease

Pursuant to a [First Amended and Restated Lease Agreement], dated as of August 1, 2021 (the “Lease”), between the Company, as lessor, and the Charter School, as lessee, the Company will lease the Schoolhouse to the Charter School. The Charter School will use the Schoolhouse for the charitable purpose of operating a public charter school in accordance with Minnesota Statutes, Chapter 124E.

The term of the Lease is equal to the term of the Series 2021 Bonds [with options of the Charter School to extend]. Payments due from the Charter School, as lessee, to the Company, as lessor, under the Lease will be withdrawn by the Trustee from the Charter School’s Sweep Account (as defined herein) for deposit in the Revenue Fund, and are expected, in the aggregate, to exceed the amount necessary for the Company to pay annual debt service on the Series 2021 Bonds and the Series 2016 Bonds and certain other fees and costs in connection with the Series 2021 Bonds and the Series 2016 Bonds.

Lease payments made by the Charter School shall be paid, in part, from Building Lease Aid received by the Charter School from the State pursuant to Minnesota Statutes, Section 124E.22, as amended (“Building Lease Aid”). See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LEASE” in this Official Statement.

Pledge Agreement

As additional security on the Series 2021 Bonds and the Series 2016 Bonds, the Charter School pledges certain of its revenues to the Trustee for payments on the Series 2021 Bonds and the Series 2016 Bonds as necessary, pursuant to a Second Amended and Restated Pledge and Covenant Agreement, dated as of August 1, 2021 (the “Pledge Agreement”), ~~from~~by the Charter School ~~to~~for the benefit of the Trustee. The Pledge Agreement also provides that in the event Building Lease Aid is insufficient to make lease payments under the Lease, general education funding from the State, and other State and federal pass-through education funding sources shall be applied to the payment of such insufficiency. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE INDENTURE” and “ – THE PLEDGE AND COVENANT AGREEMENT” in this Official Statement. Under the Pledge Agreement, the education revenues received by the Charter School from the State will be deposited into a Sweep Account, from which the Trustee shall withdraw the payments due from the Charter School under the Lease.

Parity Obligations

The Series 2021 Bonds are issued on a parity with the Series 2016 Bonds. The Series 2016 Bonds were issued pursuant to an Amended and Restated Indenture of Trust, dated as of October 1, 2016 (the “2016 Indenture”), between the Issue and U.S. Bank National Association, as trustee (the “2016 Trustee”). The Indenture amends and restates the 2016 Indenture. Pursuant to an Amended and Restated Loan Agreement, dated as of October 1, 2016 (the “2016 Loan Agreement”). The Loan Agreement

amends and restates the 2016 Loan Agreement. The Charter School entered into an Amended and Restated Pledge and Covenant Agreement, dated as of October 1, 2016 (the “2016 Pledge Agreement,” and together with the 2016 Indenture and the 2016 Loan Agreement, the “Series 2016 Documents”), with the Series 2016 Trustee by which certain revenues were pledged for the payment of the Series 2016 Bonds and certain covenants were entered for the benefit of the holders of the Series 2016 Bonds. The Pledge Agreement amends and restates the 2016 Pledge Agreement. The Series 2016 Bonds have a final maturity date of September 1, 2047 and principal will be due on the Series 2016 Bonds after the final maturity of the Series 2021 Bonds.

Additional Bonds

Pursuant to the Indenture, the Issuer, at the request of the Company, is authorized to issue Additional Bonds secured and payable on a parity basis with the Series 2016 Bonds and Series 2021 Bonds as further described in this Official Statement under the heading “SECURITY FOR THE SERIES 2021 BONDS – Additional Bonds.”

The Pledge Agreement also provides similar limitations on the Charter School’s ability to incur Indebtedness subordinate to the Series 2016 Bonds and the Series 2021 Bonds. See “SECURITY FOR THE BONDS – Additional Indebtedness” and “APPENDIX G –DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS - THE LOAN AGREEMENT - Additional Bonds and Additional Indebtedness.”

Reserve Fund ~~TO BE UPDATED~~

On the closing date for the issuance of the Series 2021 Bonds, proceeds of the Series 2016 Bonds and Series 2021 Bonds on deposit in the Reserve Fund in an amount equal to the Reserve Fund Requirement will secure the repayment of the Series 2016 Bonds and the Series 2021 Bonds. Earnings on amounts in the Reserve Fund will be deposited therein so long as the balance therein is less than the Reserve Fund Requirement. The Reserve Fund Requirement was funded in part with the proceeds of the Series 2016A Bonds in the amount of \$49,596.52 and the Series 2021A Bonds in the amount of \$ _____, and such amounts, plus any interest earned thereon, may not be applied to the payment of the principal of or interest on the Series 2016B Bonds or the Series 2021B Bonds in the event of any deficiency in the appropriate subaccount for the Bond Fund for the payment thereof. Amounts in the Reserve Fund will secure, equally and ratably, the Series 2016 Bonds and the Series 2021 Bonds and may be used by the Trustee to pay principal of and interest on the Series 2016 Bonds and the Series 2021 Bonds in the event sums in the Bond Fund are insufficient for such purpose. See “SECURITY FOR THE SERIES 2021 BONDS – Reserve Fund” and “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE INDENTURE – The Reserve Fund” in this Official Statement.

Special Covenants of the Company and the Charter School

The Loan Agreement places certain restrictions on the incurrence of indebtedness by the Company and requires the Company to impose certain restrictions on the Charter School pursuant to the Lease or the Pledge Agreement. In particular, the Loan Agreement prohibits the Company from incurring any additional Long-Term Indebtedness other than Additional Bonds issued pursuant to the Indenture. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT – Additional Bonds and Additional Indebtedness” in this Official Statement.

The Company has also agreed in the Loan Agreement to cause the Charter School to make certain covenants in the Lease or Pledge Agreement to (a) limit additional Indebtedness, (b) provide

certain periodic financial reports, (c) make all applications for applicable state and federal funds, and (d) maintain unrestricted Cash on Hand (as defined in the Indenture) in the amounts required by the Loan Agreement and Pledge Agreement and maintain debt service coverage ratios. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT – Covenants of the School” and “ – THE LEASE” in this Official Statement.

Bondholders’ Risks

Certain risks associated with an investment in the Series 2021 Bonds are discussed under “BONDHOLDERS’ RISKS” in this Official Statement.

Miscellaneous

This Official Statement (including the Appendices hereto) contains descriptions of, among other matters, the Indenture, the Loan Agreement, the Mortgage, the Lease, the Assignment of Lease, the Pledge Agreement, the Intercreditor Agreement, the Issuer, the Schoolhouse, the Company, the Charter School, and the Series 2021 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references to documents described herein are qualified in their entirety by reference to such documents, copies of which are available for inspection at the designated corporate trust office of the Trustee.

THE ISSUER

The Issuer was organized in 1947. Its functions include the administration of programs for housing and redevelopment in the City. Pursuant to State legislation enacted in 1976, the City Council of the City is the governing body of the Issuer. In 1978, the staff of the Issuer was incorporated into a separate operating department of the City designated as the Department of Planning and Economic Development. The Director of the Department of Planning and Economic Development is the Executive Director of the Issuer, which exists as an independent corporate entity and exercises the powers granted to housing and redevelopment authorities under Minnesota law.

Pursuant to Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”), the Issuer is empowered to issue the Series 2021 Bonds. The Issuer is not pledging its revenue, credit, or taxing power to the Series 2021 Bonds. The Issuer does not and will not in the future monitor the financial condition of the Company or the Charter School, the operation of the Charter School, or otherwise monitor payment of the Series 2021 Bonds or compliance with the documents relating thereto. The responsibility for the operation of the Charter School will rest entirely with the Company and the Charter School.

The Series 2021 Bonds are special, limited obligations of the Issuer. No recourse by any Holder of the Series 2021 Bonds will be had for the payment of the principal of, premium, if any, or interest on any of the Series 2021 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 Issuer, the City or any successor thereto, as such, directly or through the Issuer, the City 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 2021 Bonds.

All payments made by the Company pursuant to the Loan Agreement will be made directly to the Trustee. None of the revenues to pay the Series 2021 Bonds will come from the Issuer and therefore the Issuer's financial information and status is irrelevant to any investment decision with respect to the Series 2021 Bonds. As a result, no information regarding the Issuer will be provided in respect of any continuing disclosure requirement relating to the Series 2021 Bonds. The Issuer has not assumed responsibility for any information in this Official Statement, except for the information under this caption and the caption "ABSENCE OF LITIGATION – The Issuer" in this Official Statement.

THE COMPANY

The Company is a Minnesota nonprofit corporation and 501(c)(3) organization, and is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as a result of the application of Section 501(c)(3) of the Code. The Company was formed on March 28, 2008. The Company owns the Schoolhouse and leases the Schoolhouse to the Charter School pursuant to the Lease. Additional information about the Company and the Schoolhouse is located in "APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE" in this Official Statement.

THE CHARTER SCHOOL

The Charter School is a Minnesota nonprofit corporation, is exempt from federal income taxation pursuant to Section 501(a) of the Code, as a result of the application of Section 501(c)(3) of the Code. The Company will lease the Schoolhouse to the Charter School.

The Charter School is a public charter school and will operate the Schoolhouse under applicable laws of the State. Under the provisions of Minnesota Statutes, Chapter 124E, as amended (the "Charter School Act"), an organization can be approved by the State to authorize one or more charter school(s). The authorization for a charter school must be in the form of a written contract between the authorizer and the charter school, for a term not exceeding five years, and which must contain a description of the charter school program, the specific outcomes that the charter school pupils are expected to achieve, admission policies and procedures, management and administration of the charter school, requirements and procedures for program and financial audits, insurance coverage, and certain additional information required by law. The Charter School has executed a contract (the "Charter Contract") with Friends of Education (the "Authorizer"), a non-profit corporation approved by the State to authorize charter schools in conformity with the Charter School Act.

The Charter Contract with the Authorizer was originally entered into on July 1, 2005 and has been renewed four times, most recently July 1, 2017 for a five-year term and will remain in effect until June 30, 2022. The Charter School has no reason to believe that the Charter Contract will not continue to be renewed by the Authorizer. The Charter Contract contains a description of the charter school program, the specific outcomes that the charter school pupils are expected to achieve, admission policies and procedures, management and administration of the charter school, requirements and procedures for program and financial audits, insurance coverage, and certain additional information required by law.

The Charter School is authorized to educate students in grades kindergarten through twelve. The Charter School opened for the 2003-2004 school year, and in its first year of operation enrolled 175 students in grades kindergarten through sixth. As of [_____, 20__], [_____] students are enrolled in grades kindergarten through twelfth for the 2021-2022 school year. See "APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE" in this Official Statement.

The Charter School receives its funding from a combination of (a) State aids under the following programs: General Education Aid (which coincides with enrollment), Special Education, Limited English Proficiency, Compensatory Aid and Building Lease Aid (which coincides with enrollment), and (b) Federal programs administered by the State including Title I, Part A of the No Child Left Behind Elementary and Secondary Education Act (NCLB/ESEA), Improving Basic Program, Title II, Part A of the NCLB/ESEA, Teacher/Principal Training and Recruitment, Title II, Part D, Enhancing Education Through Technology, Title III, Limited English Proficient Students, and Title V, Part A – Regular Innovative Programs. Additional information about the Charter School is located in “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE” in this Official Statement. See also “CHARTER SCHOOLS IN MINNESOTA – State Payments” and “APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS” in this Official Statement for further information regarding State funding of charter schools.

PLAN OF FINANCING AND REFUNDING

A portion of the proceeds of the Series 2021 Bonds, together with other moneys held by U.S. Bank National Association as trustee for the Series 2011A Bonds (the “Prior Trustee”), will be used by the Company to refund the Series 2011A Bonds. The Series 2011A Bonds were originally issued in October 2011 by the Issuer to finance the 2011 Project.

The Series 2011A Bonds to be refunded and optionally redeemed on September 1, 2021 (the “Redemption Date”) are as follows:

Series 2011A Bonds

Maturity Date (September 1)	Interest Rate	Principal Amount to be Refunded	Redemption Date	Redemptio n Price	CUSIP (852297)
2031	6.375%	\$4,840,000	September 1, 2021*	100%	AB6

SOURCES AND USES OF FUNDS

Following are the expected sources and uses for funds (excluding investment income) associated with the Series 2021 Bonds and the Schoolhouse:

Sources of Funds*

Series 2021A Bonds Par Amount	
Series 2021B Bonds Par Amount	
Funds Held by the Prior Trustee	
Original Issue Premium/Discount	

Total Sources of Funds

Uses of Funds*

Refunding of Series 2011A Bonds	
Deposit to Reserve Fund	
Costs of Issuance*(1)	

Total Uses of Funds

*() *Includes Underwriter's compensation, legal fees and expenses, printing, Rating Agency fees, Trustee fees, Issuer fees, accountant fees, real estate fees, and other expenses associated with the issuance of the Series 2021 Bonds.*

DEBT SERVICE SCHEDULE

The table on the next page sets forth the amounts required to be paid with respect to the Series 2016 Bonds and Series 2021 Bonds, assuming no prepayments other than from scheduled mandatory sinking fund redemptions. All amounts shown in the table below are gross debt service prior to the application of any earnings on amounts deposited in the Reserve Fund or other funds and accounts established under the Indenture. Interest on the Series 2021 Bonds will be paid on March 1 and September 1 of each year, commencing March 1, 2022. Principal of the Series 2021 A Bonds will be paid on September 1 of each year, commencing (i) September 1, ~~2022-2022*~~ for the Series 2021A Bonds and (ii) September 1, 20__* for the Series 2021B Bonds.

(The remainder of this page is intentionally left blank.)

Year Ending September 1*	Series 2021A Bonds		Series 2021B Bonds		Series 2016A Bonds		Series 2016B Bonds		Total Debt Service
	Principal Amount*	Interest Amount	Principal Amount*	Inter- est Amou- nt	Principal Amount	Interest Amount	Principal- Amount	Interes- t- Amount	
2017									
2018									
2019									
2020									
2021					\$ 50,000	\$687,431	\$50,000	\$4,750	
2022					50,000	687,431	50,000	2,375	
2023					50,000	687,431			
2024					55,000	685,681			
2025					55,000	683,756			
2026					60,000	681,831			
2027					60,000	679,731			
2028					60,000	677,331			
2029					65,000	674,931			
2030					70,000	672,331			
2031					70,000	669,531			
2032					740,000	666,731			
2033					770,000	637,131			
2034					805,000	606,331			
2035					835,000	574,131			
2036					870,000	540,731			
2037					905,000	505,931			
2038					940,000	468,600			
2039					980,000	429,825			
2040					1,020,000	389,400			
2041					1,060,000	347,325			
2042					1,105,000	303,600			
2043					1,150,000	258,018			
2044					1,200,000	210,581			
2045					1,250,000	161,081			
2046					1,300,000	109,518			
2047*					1,355,000	55,893			

Year Ending September 1*	Series 2021A Bonds		Series 2021B Bonds		Series 2016A Bonds		Series 2016B Bonds		Total Debt Service
	Principal Amount*	Interest Amount	Principal Amount*	Inter est Amou nt	Principal Amount	Interest Amount	Principal Amount	Interes t Amount	
<u>1)</u>									
Totals					\$16,830,000	16,930,000	\$13,759,368		

Combine these columns?

*1) Does not include application of the amount on deposit in the Reserve Fund to the final payment of principal due on the Series 2021A Bonds.

* Preliminary, subject to change.

THE SERIES 2021 BONDS

Interest; Maturity; Payment

The Series 2021 A Bonds will be issued in the original aggregate principal amount of \$ _____* and the Series 2021 B Bonds will be issued in the original aggregate principal amount of \$ _____*. The Series 2021 Bonds will bear interest as set forth on the inside front cover hereof. Interest will be payable semiannually on March 1 and September 1 (each an “Interest Payment Date”) of each year, commencing on March 1, 2022. Interest on the Series 2021 Bonds will be calculated on the basis of a 360-day year with twelve (12) months of thirty (30) days. The Series 2021 Bonds are being issued on a parity with the Series 2016 Bonds.

The Series 2021 Bonds will be issued in the form of fully registered bonds without interest coupons in minimum denomination of \$25,000 or any integral multiple of \$5,000 in excess thereof.

The principal of, interest on, and premium, if any, on the Series 2021 Bonds shall be payable when due by wire of the Trustee to The Depository Trust Company, New York, New York (“DTC”), which will in turn remit such principal, interest and premium, if any, to Participants (as defined below), which Participants will in turn remit such principal, interest and premium, if any, to the Beneficial Owners (as defined below) of the Series 2021 Bonds as described herein. See “APPENDIX F – BOOK-ENTRY ONLY SYSTEM” in this Official Statement.

In the event the Series 2021 Bonds are not registered in the name of Cede & Co., as nominee of DTC, or another eligible depository as described below, the principal of, interest on, and premium, if any, on each Series 2021 Bond will be payable only at the corporate trust operations center of the Trustee in Saint Paul, Minnesota, as described in the Indenture. Payment of interest on the Series 2021 Bonds will be paid by check or draft mailed on each Interest Payment Date by the Trustee to the Registered Owners of record appearing on the registration books kept by the Trustee as of the applicable Regular Record Date preceding each Interest Payment Date or upon request, as provided in the Indenture, of any Significant Bondholder (an owner of at least \$1,000,000 in aggregate principal amount of Series 2021 Bonds), by electronic wire transfer on each Interest Payment Date to the account designated by such Registered Owner to the Trustee in writing on or before the Regular Record Date for any interest payment.

The Registered Owner of any Series 2021 Bond will be the person or persons in whose name or names a bond is registered on the registration books kept for that purpose by the Trustee in accordance with the terms of the Indenture.

Redemption of Series 2021 Bonds

Optional Redemption.

Series 2021 Bonds. The Series 2021 A Bonds maturing ~~on or~~ after September 1, 20__ are subject to optional redemption ~~on September 1, 20__, and any Business Day thereafter~~ by the Issuer at the option of the Company, ~~in whole or in part, and in inverse order of maturity except as otherwise directed by the Company, and, if less than all of a~~ on any day from and after September 1, 20__, in whole or in part on any date, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date of redemption. If only a portion of the Series 2021 Bonds are redeemed, such Series 2021 Bonds to be redeemed will be selected from maturities designated by the Company. If less than all of one maturity, ~~then~~ are to be redeemed, Series 2021 Bonds of such maturity shall be selected by lot in such manner

determined by the Trustee, at the following redemption prices, plus accrued interest to the date fixed for redemption:

<u>Optional Redemption Date</u>	<u>Price</u>
September 1, 20__ through August 31, 20__	102%
September 1, 20__ through August 31, 20__	101%
September 1, 20__ and thereafter	100%

The Series 2021B Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption.

Series 2021A Bonds. Series 2021A Bonds maturing September 1, 20__ and 20__, will be subject to mandatory redemption prior to maturity ~~in part,~~ and are to be redeemed by lot or ~~in~~ such other manner as the Trustee may determine ~~through the operation of mandatory sinking fund payments as provided in the Indenture,~~ at 100% of the principal amount so to be redeemed thereof plus accrued interest to the date of redemption ~~date,~~ on the following dates and in ~~accordance with~~ the following ~~schedules~~ principal amounts:

\$ _____ *Series 2021A Bonds Maturing on September 1, 20__*

<u>Redemption Date (September 1)</u>	<u>Principal Amount</u>
--	-------------------------

*Stated Maturity.

\$ _____ *Series 2021A Bonds Maturing on September 1, 20__*

<u>Redemption Date (September 1)</u>	<u>Principal Amount</u>
--	-------------------------

*Stated Maturity.

Series 2021B Bonds. Series 2021B Bonds maturing September 1, 20__, will be subject to mandatory redemption prior to maturity, and are to be redeemed by lot or such other manner as the Trustee may determine, at 100% of the principal amount thereof plus accrued interest to the date of redemption, on the following dates and in the following principal amounts:

§ Series 2021B Bonds Maturing on September 1, 20

<u>Redemption Date (September 1)</u>	<u>Principal Amount</u>

*Stated Maturity.

At the option of the Company exercised not less than 45 days prior to any sinking fund redemption date, the Company may (i) deliver to the Trustee for cancellation such Series 2021 Bonds of the applicable series in any aggregate principal amount desired, or (ii) receive a credit in respect of such sinking fund obligation for any Term Bonds which prior to such date have been purchased or redeemed (otherwise than through the operation of the sinking fund) and not otherwise previously applied as a credit against sinking fund payments.

Extraordinary Redemption. The Bonds (except for the Series 2021 Bonds upon the occurrence of an event set forth in paragraph (d) below) are subject to redemption at the option of the Company in whole, and not in part (except pursuant to (a) below in which case partial redemption is permitted), at their principal amount plus accrued interest, if any of the events set forth below shall occur:

(a) If, at any time the Schoolhouse or any portion thereof is damaged or destroyed or taken in a condemnation proceeding and the Company elects to apply Net Proceeds (as defined in APPENDIX G) to redemption ~~of a portion~~ of the Series 2021 Bonds.

(b) If at any time, the Schoolhouse shall have been damaged or destroyed (i) to such extent that it cannot be reasonably restored within a period of six (6) months to substantially the condition thereof immediately preceding such damage or destruction, (ii) to such extent that the Company or the Charter School is thereby prevented, in the Company's judgment, from carrying on its normal operations at the Schoolhouse for a period of six (6) months or more, or (iii) to such extent that the cost of restoration thereof would exceed the Net Proceeds of insurance required to be carried thereon pursuant to the requirements of the Loan Agreement.

(c) If, at any time, title to, or the temporary use for a period of six (6) months or more of all or substantially all of the Schoolhouse, or such part thereof as shall materially interfere, in the Company's judgment, with the operation of the Schoolhouse for the purpose for which the Schoolhouse was designed, shall have been taken under the exercise of the power of eminent domain or be effectively taken through the exercise of police or other similar power by any governmental body or by any person, firm or corporation acting under governmental authority (including such a taking or takings which results in the Company or the Charter School being thereby prevented from carrying on its normal operations at the Schoolhouse for a period of six (6) months or more).

(d) If, at any time, changes which the Company cannot reasonably control or overcome in the economic availability of materials, supplies, labor, equipment and other properties and things necessary for the efficient operation of the Schoolhouse for the purpose contemplated by this Agreement shall have occurred, or technological or other changes shall have occurred which in the judgment of the Company render the continued operation of the Schoolhouse uneconomic for such purposes.

(e) If, at any time, 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 Company in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the Company in respect to the Schoolhouse, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement which in the judgment of the Company render the continued operation of the Schoolhouse uneconomic.

~~(e) — Upon acceleration because of an Event of Default under the Indenture~~ Please note that the Series 2021 Bonds are not subject to redemption upon the occurrence of an event set forth in paragraph (d) above. To exercise its options under (a), (b), (c), (d) or ~~(d)~~ above, the Company must, within sixty (60) days following the event authorizing or requiring such redemption, give notice to the Issuer and the Trustee, specifying a redemption date not less than fifty (50) days nor more than ninety (90) days from the date such notice is mailed. The Company must also make arrangements with the Trustee for redemption and the giving of required notice in connection therewith.

Mandatory Redemption Upon Determination of Taxability. All Bonds are subject to mandatory redemption in whole, at their principal amount, plus accrued interest, plus for the Series 2021 A Bonds and the Series 2016 A Bonds, a 3% premium, upon the occurrence of a Determination of Taxability (as defined in APPENDIX G), on a redemption date not later than thirty (30) days following the finalization of such Determination of Taxability.

Acceleration. Upon an Event of Default under the Indenture, all Bonds are subject to acceleration and prepayment on any date selected by the Trustee at their principal amount, plus accrued interest, without premium.

Notice of Redemption; Payment

The Trustee is required to cause notice of redemption to be mailed to the owner of each Series 2021 Bond to be redeemed, by first class mail not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date. Failure to mail or any defect in any such notice shall not affect the validity of any proceedings for the redemption of any Series 2021 Bond not affected by such failure or defect. Interest on any Series 2021 Bonds or portions thereof called for redemption ceases to accrue on the date established for redemption.

In the case of an optional redemption under the Indenture ~~(except in the event of acceleration)~~, the notice may state (a) that it is conditioned upon the deposit of money, in an amount sufficient to effect the redemption, with the Trustee on or before the redemption date, or (b) that the Company retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is rescinded as hereinafter described. On or before the redemption date, funds sufficient to redeem such Series 2021 Bonds, including accrued interest thereon to the redemption date, shall be deposited with the Trustee. The Series 2021 Bonds thus called shall not, on or after the specified redemption date, bear any interest and, except for the purpose of payment, shall not be entitled to the lien of the Indenture. Any Conditional Redemption may be rescinded in whole or in part at any time on or before the redemption date if the Company delivers a certificate of the Company to the Issuer and the Trustee at least five days prior to the effective date of the rescission, which shall be no later than five days prior to the redemption date instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Registered Owners. Any Series 2021 Bonds

subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of the Company to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default, and the Trustee shall give immediate notice to DTC or the affected Registered Owners that the redemption did not occur and that the Series 2021 Bonds called for redemption and not so paid remain outstanding.

SECURITY FOR THE SERIES 2021 BONDS

Special, Limited Obligations

THE SERIES 2021 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER AND WILL NOT CONSTITUTE A DEBT, LIABILITY, GENERAL OBLIGATION OR PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2021 BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE CITY, OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE SERIES 2021 BONDS FROM TAXES OR TO ANY APPROPRIATION THEREFOR. NO BONDHOLDER WILL HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS AND THE SERIES 2016 BONDS OUT OF ANY FUNDS OR FROM ANY SOURCES OF REVENUE OTHER THAN THOSE EXPRESSLY PLEDGED TO THE PAYMENT OF THE SERIES 2021 BONDS AND THE SERIES 2016 BONDS PURSUANT TO THE INDENTURE.

Payments under the Loan Agreement; Assignment of Loan Agreement

Monthly Loan Repayments from the Company are required under the Loan Agreement to be paid directly to the Trustee in amounts that will be sufficient, if paid promptly and in full, to pay when due all principal of and interest on the Series 2021 Bonds and the Series 2016 Bonds. Under the Indenture, the Issuer has pledged its interest in the Loan Agreement (including the payments payable thereunder to the Issuer by the Company, but excluding certain rights of the Issuer to payment of fees, expenses and indemnification) to the Trustee to secure the Series 2021 Bonds and the Series 2016 Bonds. The flow and priority of the payments set forth in “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE INDENTURE – Use of Money in the Revenue Fund” in this Official Statement. The Trustee is authorized to exercise the rights of the Issuer and enforce the obligations of the Company under the Loan Agreement. Payments are due from the Company on a full-recourse basis.

Reserve Fund

On the date of issuance of the Series 2021 Bonds, proceeds of the Series 2021 Bonds in the Reserve Fund in an amount equal to the Reserve Fund Requirement will secure repayment of the Series 2016 Bonds and the Series 2021 Bonds. Thereafter, unless needed to maintain the amount in the Reserve Fund at the Reserve Fund Requirement, investment income on amounts in the Reserve Fund will be deposited in the Bond Fund.

Amounts in the Reserve Fund may be used by the Trustee to pay principal of, premium, if any, and interest on the Series 2021 Bonds in the event sums in the Bond Fund are insufficient for such purpose. Up to \$17,865 (which The Reserve Fund Requirement was originally funded from in part with the proceeds of the Issuer's Taxable Charter School Lease Revenue Bonds (Nova Classical Academy Project), Series 2011B which are no longer outstanding) of the amount in the Reserve Fund Series 2016A Bonds in the amount of \$49,596.52 and the Series 2021A Bonds in the amount of \$_____ , and

such amounts, plus any interest earned thereon, ~~plus any amounts to be deposited by the Company in the Reserve Fund to satisfy a deficiency in the Reserve Fund to the extent such amounts do not constitute proceeds of the tax-exempt bonds is available for payment of the Series 2016B Bonds. All other amounts are available for payment of the Series 2021 Bonds~~ may not be applied to the payment of the principal of or interest on the Series 2016B Bonds or the Series 2021B Bonds in the event of any deficiency in the appropriate subaccount for the Bond Fund for the payment thereof.

Amounts in the Reserve Fund are valued semi-annually as provided in the Indenture.}— In accordance with the Loan Agreement, the Company is required to cure any deficiency in the Reserve Fund within ~~thirty (30)~~ days that occurs as a result of a valuation, and if the deficiency occurs as a result of a withdrawal, the Company is required to restore such withdrawal within ~~ninety (90)~~ days. Amounts in the Reserve Fund may be invested in Permitted Investments.

Mortgage

Under the Mortgage, the Company will grant to the Trustee a mortgage lien on and security interest in the Schoolhouse, subject to certain Permitted Encumbrances as described in the Mortgage. Under the Mortgage, the Company also will grant a security interest in all leases and rents with respect to the Schoolhouse. The Series 2016 Bonds and the Series 2021 Bonds are equally and ratably secured on a parity under the Mortgage. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS - THE MORTGAGE” in this Official Statement.

Subordination, Non-Disturbance, and Attornment Agreement

In connection with the issuance of the Series 2021 Bonds, the Trustee, the Company, and the Charter School will enter into a Subordination, Non-Disturbance, and Attornment Agreement, dated as of August 1, 2021 (the “SNDA”). Pursuant to the SNDA, the Trustee, the Company and the Charter School agree, among other items, that (i) the lien of the Mortgage is at all times superior to the rights of the Charter School under the Lease, (ii) the Trustee and the Company will not disturb the Charter School and its use of the Schoolhouse under the terms of the Lease (even during a foreclosure event) unless the Charter School is in default under the Lease, (iii) if a transfer of the Schoolhouse occurs, then the purchaser/transferee taking possession of the Schoolhouse will attorn to the rights of the Charter School under the terms of the Lease (for the balance of the Lease term), and (iv) the Charter School will not take any action to assign, cancel, or terminate the Charter School’s obligations under the Lease and the Pledge Agreement, except as expressly permitted.

Lease

Payments due under the Lease will be in amounts sufficient to pay debt service on the Series 2021 Bonds and the Series 2016 Bonds. Pursuant to the Mortgage and the Assignment of Leases, the Company will assign its interest in the Lease to the Trustee as additional security for the Series 2021 Bonds and the Series 2016 Bonds. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LEASE” in this Official Statement.

Pledge Agreement and Account Control Agreement

Under the Pledge Agreement, the Charter School will grant to the Trustee a security interest in certain revenues and assets of the Charter School as additional security for the Series 2021 Bonds. The Charter School will further agree in the Pledge Agreement to establish and maintain a depository account (the “Sweep Account”) at Old National Bank, Saint Paul, Minnesota or another FDIC insured banking institution into which there shall be deposited twice each month all funding provided to the Charter School from the State of Minnesota Department of Education (“MDE”), including but not limited to

General Education Revenues, Building Lease Aid, other special funds and pass-through payments of federal education funds. The Trustee and the Charter School will also enter into an amended and restated Account Control Agreement, dated as of August 1, 2021 (the “Account Control Agreement”), between the Charter School, the Trustee, and Old National Bank, as depository bank (and along with any successor depository bank, the “Depository Bank”) relating to the Charter School’s accounts held at the Depository Bank..

Under the terms of the Account Control Agreement (defined below), there shall be withdrawn by the Trustee (as assignee of the Company) an amount from the Sweep Account equal to all amounts then-due and payable by the Charter School pursuant to the Lease. Each Lease Payment from the Charter School is structured to include an amount sufficient to pay then-due and payable principal and interest on the Series 2021 Bonds and the Series 2016 Bonds. Such withdrawals by the Trustee are to be made on the 5th day of each month or the next succeeding Business Day. In the event that such payment is insufficient to pay the amounts due under the Lease, the amount of any such insufficiency shall be transferred to the Trustee from the next succeeding monthly deposit of State funds. The amounts in the Sweep Account are available to the Charter School and shall be available to the Charter School to use for any authorized purposes. The Sweep Account shall not otherwise be available to pay any expenses or secure any obligations of the Charter School. In the event the Charter School moves its depository account to a new depository bank other than the Depository Bank, the new depository bank shall enter into any account control agreement substantially in the same form as the Account Control Agreement attached to the Pledge Agreement. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE PLEDGE AGREEMENT” in this Official Statement.

Additional Bonds ~~[TO BE REVIEWED WITH BOND DOCUMENTS]~~

Pursuant to the Indenture, the Issuer, ~~or another municipality authorized by the Act (the “Alternate Issuer”)~~, at the request of the Company, is authorized to issue Additional Bonds secured and payable on a parity basis with the Series 2021 Bonds provided that, prior to the issuance of any such Additional Bonds, the following terms and conditions have been met:

(a) the Trustee has received a copy, duly certified by ~~the Issuer or Alternate~~ an authorized officer of the issuer Issuer, of the resolution adopted by the ~~Issuer or Alternate~~ Issuer authorizing the issuance of such Additional Bonds and the execution and delivery of (i) a supplemental indenture, supplementing and amending the Indenture, which supplemental indenture shall not require the approval of any Registered Owner of the Series 2021 Bonds, providing the date, interest rates and maturities of such Additional Bonds, options and requirements for redemption prior to maturity with respect to such Additional Bonds, deposit of proceeds to the various funds and accounts, and such other terms as may be required by reason of the foregoing and which adopts the applicable provisions of the Indenture, (ii) an amendment supplementing and amending the Loan Agreement, (iii) an amendment supplementing and amending the ~~Mortgage, mortgage;~~ and (iv) an amendment to the Pledge Agreement, ~~the or~~ Lease pursuant to which the Charter School is obligated to make additional Lease Payments sufficient to pay the principal and interest due with respect to such Additional Bonds and any related costs or expenses;

(b) the Trustee has either: (1) received (i) an opinion or report of an independent certified public accountant ~~selected by the Company~~ to the effect that the Charter School’s Net Income Available for Debt Service for the Fiscal Year immediately preceding the date on which such Additional Bonds are to be issued for which audited financial statements are available; plus Eliminated Expenses; totals at least 100% of maximum Principal and Interest Requirements on Long-Term Indebtedness of the Charter School (including such requirements for the proposed

Additional Bonds but excluding such requirements for any Indebtedness of the Charter School to be refinanced thereby) payable in any Fiscal Year, and (ii) a certificate of the executive director of the Charter School, verified by an independent certified public accountant selected by the Company, to the effect that Net Income Available for Debt Service for the next Fiscal Year beginning after the Fiscal Year in which any improvements being financed by such proposed Additional Bonds are to be placed in service, or, if no improvements are to be financed thereby, beginning with the first Fiscal Year after the Fiscal Year in which the proposed ~~Additional Bonds are~~Long-Term Indebtedness is to be ~~issued~~incurred, will be at least 125% of the maximum Principal and Interest Requirements on Long-Term Indebtedness of the Charter School (including such requirements for the proposed ~~Additional Bonds~~Long-Term Indebtedness but excluding such requirements for any then outstanding Long-Term Indebtedness of the Charter School or Bonds to be refinanced by the proposed ~~Additional Bonds~~Long-Term Indebtedness) for each Fiscal Year beginning with the second Fiscal Year after the Fiscal Year in which any improvements being financed by such proposed ~~Additional Bonds~~Long-Term Indebtedness are to be placed in service, or, if no improvements are to be financed thereby, beginning with the first Fiscal Year after the Fiscal Year in which the proposed ~~Additional Bonds are~~Long-Term Indebtedness is to be ~~issued~~incurred, but before the final stated maturity of all then Outstanding Bonds; or (2) received the prior written consent of the Majority Bondholder to the issuance of such Additional Bonds;

(c) the Trustee has received a certificate of the Company Representative to the effect that there is no Event of Default then existing under the Loan Agreement or the Indenture;

(d) the Trustee has received a Certificate of the School Representative to the effect that no Event of Default has occurred and is continuing under the ~~Deposit Account Control Agreement for Checking Accounts, as amended (the "Account Control Agreement")~~ or the Pledge Agreement;

(e) the Trustee has received an opinion of Bond Counsel to the effect that the issuance of such Additional Bonds will not ~~affect adversely the exclusion from gross income for federal income tax purposes of interest on any Outstanding Tax-Exempt Bonds~~cause interest on any Outstanding Tax-Exempt Bonds to become included in gross income for federal income tax purposes;

(f) the Trustee has received an opinion from Company's counsel in form and substance acceptable to Bond Counsel and the original purchaser;

(g) the Trustee has received original executed counterparts of the agreement supplementing and amending the Loan Agreement, the Mortgage, the Pledge Agreement, the Lease, the Account Control Agreement, the new or amended Tax Regulatory Agreement or other tax certificate, and the supplemental indenture supplementing and amending the Indenture;

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

(i) the Trustee has received an executed opinion of Bond Counsel to the effect that (i) the Additional Bonds have been duly authorized, executed and delivered and constitute the binding limited obligations of the Issuer, 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.

(j) the Trustee has received written confirmation from any Rating Agency then maintaining a rating on the Bonds that the rating on the Bonds will not be ~~lowered because of~~ adversely affected by the issuance of the Additional Bonds; provided that the Trustee has been notified in writing regarding whether any Bonds are rated and the identity of the applicable Rating Agency, if any.

The Pledge Agreement also provides similar limitations on the Charter School's ability to incur Indebtedness. See "SECURITY FOR THE SERIES 2021 BONDS – Additional Indebtedness" and "APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT - Additional Bonds and Additional Indebtedness" in this Official Statement.

Intercreditor Agreement

The Charter School maintains a line of credit (the "Line of Credit") with the Bank for an amount not to exceed [\$500,000]. The Charter School currently does not have an outstanding balance with respect to the Line of Credit and the Line of Credit does not have an unused facility fee. If the Charter School borrows against the Line of Credit, such funds will bear interest at a variable rate based on the Prime Rate as published each Business Day by the Wall Street Journal (the "Prime") plus [1.75%] (currently %) with a minimum interest rate of [5.00%]. The Line of Credit matures annually. The Charter School and the Bank have renewed the Line of Credit in the past and it is anticipated that the Charter School will continue to renew the Line of Credit with the Bank in the future. The Charter School does not anticipate increasing the Line of Credit amount at its next renewal, but there is no guarantee that the Bank or another lender will agree to grant any increase or agree to the same terms as currently contemplated. The Charter School may need to increase the Line of Credit amount in the future if Minnesota law increases the amount of the holdback applicable to public education funding. Any future increase in the Line of Credit will need to comply with additional Indebtedness provisions in the Loan Agreement and Pledge Agreement.

The Amended and Restated Intercreditor Agreement, dated as of August 1, 2021 (the "Intercreditor Agreement"), by and between the Bank, the Trustee, the Charter School, and the Company establishes the priority of security interests granted by the Charter School in favor of the Bank and the Trustee in the event of a default under the Indenture or the Line of Credit. The Line of Credit is secured by a first priority lien on the General Education Funding (as defined in APPENDIX G) from the State until all obligations of the Charter School to the Bank under the Line of Credit have been paid in full. Pursuant to the Intercreditor Agreement, the Bank's interest in any funding sources other than the General Education Funding or assets of the Company or the Charter School is subordinated to the interests of the Registered Owners. See "SECURITY FOR THE SERIES 2021 BONDS," "APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – BUDGET; ACCOUNTING; DEBT; FUNDRAISING – Existing Debt and Obligations" in this Official Statement.

Additional Indebtedness ~~[TO BE REVIEWED WITH BOND DOCUMENTS]~~

The Loan Agreement places certain restrictions on the incurrence of indebtedness by the Company and requires the Company to impose certain restrictions on the Charter School pursuant to the Lease or the Pledge Agreement.

Additional Indebtedness of the Company

Without the prior written consent of the Majority Bondholder, an ~~Amendment~~ amendment to the Lease providing for additional Lease Revenues sufficient to pay the principal and interest and any related fees for such Additional Bonds, the Company has covenanted in the Loan Agreement that it will not incur any indebtedness other than the Series 2016 Bonds, the Series 2021 Bonds, or Additional Bonds issued pursuant to the Indenture. See “THE BONDS – Additional Bonds” and “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT – Additional Bonds and Additional Indebtedness” in this Official Statement.

Additional Indebtedness of the Charter School

The Charter School has covenanted in the Pledge Agreement that it will not incur any indebtedness unless the Charter School can satisfy certain requirements described in the Loan Agreement and Pledge Agreement.

Long-Term Indebtedness. Pursuant to the Loan Agreement and Pledge Agreement, the Charter School may incur Long-Term Indebtedness, on a parity with or subordinate to the Series 2016 Bonds or the Series 2021 Bonds, upon the satisfaction of certain requirements, ~~which includes a forecast accompanied by an Accountant’s examination report stating that the Charter School’s estimated~~ including:

(a) the provision of a certificate to the Trustee of the School Representative as required by the Loan Agreement;

(b) the submission by the School to the Trustee of an (A) an opinion or report of an Independent Accountant to the effect that the Net Income Available for Debt Service for the Fiscal Year immediately preceding the date on which such Long-Term Indebtedness is to be issued for which audited financial statements are available plus Eliminated Expenses totals at least 100% of maximum Principal and Interest Requirements on Long-Term Indebtedness (including such requirements for the proposed Long-Term Indebtedness but excluding such requirements for any Indebtedness to be refinanced thereby) payable in any Fiscal Year, and (B) a certificate of the executive director of the School, verified by an Independent Accountant, to the effect that Net Income Available for Debt Service for the next Fiscal Year beginning after the Fiscal Year in which any improvements being financed by such proposed Long-Term Indebtedness are to be placed in service, or, if no improvements are to be financed thereby, beginning with the first Fiscal Year after the Fiscal Year in which the proposed Long-Term Indebtedness is to be incurred, will be at least 125% of the maximum Principal and Interest Requirements on Long-Term Indebtedness (including such requirements for the proposed Long-Term Indebtedness but excluding such requirements for any then outstanding Long-Term Indebtedness or Bonds to be refinanced by the proposed Long-Term Indebtedness) for each Fiscal Year beginning with the second Fiscal Year after the Fiscal Year in which any improvements being financed by such proposed Long-Term Indebtedness are to be placed in service, or, if no improvements are to be financed thereby, beginning with the first Fiscal Year after the Fiscal Year in which the proposed Long-Term Indebtedness is to be incurred, but before the final stated maturity of all then Outstanding Bonds.

Notwithstanding the requirements of the prior paragraph, the Charter School may incur Long-Term Indebtedness: (A) if and to the extent necessary to provide additional funds for completing payment of the cost of any improvements or alterations for which any Long-Term Indebtedness shall have been incurred; or (B) for refinancing the principal amount of any outstanding Long-Term Indebtedness provided the Principal and Interest Requirements on Long-Term Indebtedness (including such requirements for the proposed Long-Term Indebtedness but excluding such requirements for the Long-Term Indebtedness to be refinanced thereby) for each Fiscal Year after the Fiscal Year in which the

proposed Long-Term Indebtedness is to be incurred but before the final Stated Maturity of all then Outstanding Bonds will not exceed the amount of Principal and Interest Requirements on Long-Term Indebtedness that would have been available for each such Fiscal Year had such proposed Long-Term Indebtedness not been incurred.

The Charter School may only incur Long-Term Indebtedness if the incurrence of such Long-Term Indebtedness will not cause the Rating Agency to lower or withdraw its rating on Outstanding Bonds.

Purchase Money Indebtedness. The Charter School may also incur Long-Term Indebtedness without regard to the limitations set forth in the Indenture and Loan Agreement if: (i) such Long-Term Indebtedness is secured solely by a security interest in personal property financed with such Long-Term Indebtedness; (ii) the aggregate principal amount of such Long-Term Indebtedness incurred in any Fiscal Year does not exceed \$75,000 in each Fiscal Year; (iii) such Long-Term Indebtedness amortizes over a period of not more than sixty (60) months; and (iv) the Charter School certifies that the incurrence of such Long-Term Indebtedness will not cause it to be in violation of State or Federal law or its articles, bylaws or charter.

Short-Term Indebtedness. The Charter School may incur Short-Term Indebtedness in an amount that does not exceed \$500,000. The average monthly outstanding balance of any such Short-Term Indebtedness may not exceed five (5%) of the Gross Revenues of the Charter School. The Line of Credit and any future extension of the Line of Credit must comply with such limitations. Except as provided in any Intercreditor Agreement, any Short-Term Indebtedness incurred by the Charter School must be subordinate to the lien of the Bondholders and may not be secured by any security interest in or lien against the Schoolhouse.

See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT – Additional Bonds and Additional Indebtedness” and “ – Covenants of the School” in this Official Statement.

Various Operating Covenants of the Charter School ~~[TO BE REVIEWED WITH BOND DOCUMENTS]~~

The Loan Agreement and the Pledge Agreement also contain other financial requirements and covenants that the Charter School must comply with in the future. See “APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT” and “ – THE PLEDGE AGREEMENT” in this Official Statement.

Operating Reserve Balance and Days Cash on Hand Covenant. Pursuant to the terms of the Pledge Agreement, the Charter School covenants and agrees to maintain an unrestricted Cash on Hand (as defined in the Indenture) in its operation fund such that on each testing date the amount on deposit in such fund shall be equal to or greater than thirty (30) Days Cash on Hand. “Days Cash on Hand” means (a) Cash on Hand of the Charter School, as shown on the financial statements for each Fiscal Year divided by (b) the quotient of Operating Expenses, as shown on the financial statements for such Fiscal Year, divided by 365. The Cash on Hand will be tested as of the end of each Fiscal Year. The Charter School’s Cash on Hand will be tested as of June 30 of each year. The Charter School will provide the Trustee with a certification no later than two weeks after the completion of the Charter School’s audit for each Fiscal Year that the operating reserve fund balance required above has been met. The Trustee is to be fully protected in relying upon such certificate without independent investigation or inquiry. Amounts on deposit in such operating fund may be used to pay Operating Expenses or may be used for any other lawful purpose. The foregoing is subject to the qualification that if applicable state or federal laws or regulations, or the rules and regulations of agencies having jurisdiction (including, without limitation,

changes in State or federal funding schedules), will not permit or enable the Charter School to maintain such level of Cash on Hand, then the Charter School will, in conformity with the then prevailing laws, rules or regulations, maintain its Cash on Hand equal to the maximum permissible level.

If the Cash on Hand for any testing date is less than thirty (30) Days Cash on Hand, then, upon the written direction ~~of a majority~~ of the ~~Beneficial Owners~~ Majority Bondholder, the Charter School will promptly employ an Independent Consultant to review and analyze the operations and administration of the Charter School, inspect the ~~Facilities~~ Project Buildings, and submit to the Charter School and Trustee written reports, and make such recommendations as to the operation and administration of the Charter School as such Independent Consultant deems appropriate, including any recommendation as to a revision of the methods of operation thereof. The Charter School agrees to consider any recommendations by the Independent Consultant and, to the fullest extent practicable, to adopt and carry out such recommendations. So long as the Charter School is otherwise in full compliance with its obligations under the Loan Agreement, including the operating reserve balance covenant, and to the fullest extent practicable, the recommendations of the Independent Consultant, it shall not constitute an Event of Default if the Cash on Hand for any testing date, is less than thirty (30) Days Cash on Hand.

Debt Service Coverage Ratio Covenants. In addition to the operating reserve balance covenant discussed above, the Charter School shall also comply with either of the following covenants: (i) maintain sixty (60) Days Cash on Hand and Net Income Available for Debt Service in each Fiscal Year, that will be at least 100% of the Principal and Interest Requirements on Long-Term Indebtedness during such Fiscal Year; or (ii) if the Charter School maintains less than sixty (60) Days Cash on Hand, then the Charter School will maintain a Net Income Available for Debt Service in each Fiscal Year, that will be at least 110% of the Principal and Interest Requirements on Long-Term Indebtedness during such Fiscal Year.

If the Charter School is maintaining sixty (60) Days Cash on Hand, then the Charter School will budget and set expenses and will operate its ~~Facilities~~ Project Buildings, subject to applicable requirements or restrictions imposed by law, such that the Charter School's Net Income Available for Debt Service in each Fiscal Year, will be at least 100% of the Principal and Interest Requirements on Long-Term Indebtedness during such Fiscal Year. If the Charter School is meeting the operating reserve balance covenant discussed above, but the Charter School has not maintained or does not budget that the Charter School will maintain sixty (60) Days Cash on Hand for the next Fiscal Year, then the Charter School will budget and set expenses and will operate its ~~Facilities~~ Project Buildings, subject to applicable requirements or restrictions imposed by law, such that the Charter School's Net Income Available for Debt Service in each Fiscal Year will be at least 110% of the Principal and Interest Requirements on Long-Term Indebtedness during such Fiscal Year. The foregoing is subject to the qualification that if applicable state or federal laws or regulations, or the rules and regulations of agencies having jurisdiction, do not permit the Charter School to produce such level of Net Income Available for Debt Service, then the School will, in conformity with the then prevailing laws, rules or regulations, maintain its Net Income Available for Debt Service equal to the maximum permissible level.

If (i) the Charter School does not maintain sixty (60) Days Cash on Hand and the Net Income Available for Debt Service for any Fiscal Year is less than 110% of the Principal and Interest Requirements on Long-Term Indebtedness during such Fiscal Year, or (ii) the Charter School is maintaining sixty (60) Days Cash on Hand, but, the Net Income Available for Debt Service for any Fiscal Year is less than 100% of the Principal and Interest Requirements on Long-Term Indebtedness during such Fiscal Year; then, upon the written direction ~~of a majority~~ of the ~~Beneficial Owners~~ Majority Bondholder, the Charter School will promptly employ an Independent Consultant to review and analyze the operations and administration of the Charter School, inspect the ~~Facilities~~ Project Buildings, and submit to the Charter School and Trustee written reports, and make such recommendations as to the

operation and administration of the Charter School as such Independent Consultant deems appropriate, including any recommendation as to a revision of the methods of operation thereof. The Charter School agrees to consider any recommendations by the Independent Consultant and, to the fullest extent practicable, to adopt and carry out such recommendations. Such Independent Consultant shall be acceptable to the ~~Trustee~~ Majority Bondholder.

So long as the Charter School is otherwise in full compliance with its obligations under the Loan Agreement, including following, to the fullest extent practicable, the recommendations of the Independent Consultant, it shall not constitute an Event of Default if the Net Income Available for Debt Service for any Fiscal Year, is less than 110% of the Principal and Interest Requirements on Long-Term Indebtedness for such Fiscal Year (as evidenced by the Charter School's audited financial statements for such Fiscal Year).

Notwithstanding the immediately preceding paragraph, regardless of whether the Charter School has retained an Independent Consultant, ~~or if at the end of~~ any subsequent Fiscal Year, the Net Income Available for Debt Service as of the end of such Fiscal Year is less than 100% of the Principal and Interest Requirements on Long-Term Indebtedness for such Fiscal Year (as evidenced by the Charter School's audited financial statements for such Fiscal Year), then ~~a majority of the Beneficial Owners~~ Majority Bondholder may either (y) direct the Trustee to declare an Event of Default or (z) subject to the provisions of the Indenture, direct the Trustee to exercise one or more of the remedies permitted under the Loan Agreement and the Indenture. In the absence of Majority Bondholder direction, the Trustee may take the action described in clauses (y) and (z) of the preceding sentence.

Capital Assessment Plan. Commencing with the Fiscal Year ending [June 30, 2022] and every 5th anniversary thereof, the Company has agreed to furnish to the Trustee, the Original Purchaser and any Significant Bondholder (and to the Issuer, upon request), by no later than 150 days after the close of such Fiscal Year during the term hereof, within thirty (30) days of approval by the Board of the Company, a five-year comprehensive capital assessment plan (which may be sent electronically) to be prepared by an independent engineer, building inspector or other qualified professional with respect to the Company's capital facilities, detailing the condition and projected sources of funding such needs. If funds on hand are not sufficient to meet the capital needs set forth in the capital assessment plan, the Company shall budget for such capital needs such that the capital needs can be met within the five-year period covered by the capital assessment plan.

Repair and Replacement Fund. The Company has covenanted to deposit a portion of the Lease Payment to be made by the Charter School to the Company to the Repair and Replacement Fund established pursuant to the Indenture in an amount equal to the Monthly Deposit. Amounts in the Repair and Replacement Fund will be used by the Company for the payment of items of repair, improvement, and replacement with respect to the Schoolhouse, which constitute capital expenditures under generally accepted accounting principles or which constitute major periodic repair or maintenance of the Schoolhouse, such as the annual painting or recarpeting a section of the Schoolhouse (as opposed to incidental repairs). Such costs include but are not limited to items such as architect, professional, and engineering fees and improvements on the betterment of land, in addition to the improvement and betterment of the Schoolhouse. See "APPENDIX G – DEFINITIONS \ OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS" in this Official Statement.

BONDHOLDERS' RISKS

No person should purchase any Series 2021 Bonds without carefully reviewing the following information, which summarizes some, but not all factors that should be carefully considered before such purchase.

Nature of Special, Limited Obligations

The Series 2021 Bonds and the Series 2016 Bonds are special, limited obligations of the Issuer, payable solely from amounts pledged under the Indenture to the payment of principal, interest and premium, if any, on the Series 2021 Bonds and the Series 2016 Bonds (which includes Loan Repayments from the Company, amounts in the Reserve Fund, Lease Payments from the Charter School and other amounts held by the Trustee under the Indenture and proceeds realized under the Mortgage), and do not give rise to a general obligation or general liability of the Issuer or the City or a charge against ~~its~~their general credit or taxing powers and shall never constitute nor give rise to a pecuniary liability of the Issuer or the City. The Series 2021 Bonds and the Series 2016 Bonds do not constitute a debt, moral obligation, liability or loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the City, the State, or of any political subdivision thereof.

Impact of COVID-19 Pandemic [TO BE UPDATED]

In late 2019, a novel strain of coronavirus (“COVID-19”) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declared a national emergency on March 13, 2020. Minnesota Governor Tim Walz originally declared a peacetime emergency under Executive Order 20-01 on March 14, 2020. Governor Walz has subsequently extended the peacetime emergency thirteen times through the issuance of various executive orders. The most recent Executive Order 21-22 extending the peacetime emergency was issued May 14, 2021. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve.

COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which COVID-19 impacts the Charter School and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the Charter School and the Company, including the duration of the outbreak and measures taken to address the outbreak. The State’s finances may materially be adversely affected by COVID-19 or efforts taken to control the COVID-19 pandemic, which efforts could affect the amount or timing of State aid appropriated to public schools, including charter schools such as the Charter School. See “BONDHOLDERS’ RISKS – Effect of Student Enrollment upon Receipt of State Payments” and “– Changes in Law; Annual Appropriation; Inadequate State Payments” in this Official Statement. In addition, the COVID-19 pandemic has caused changes to enrollment patterns for school aged children and could have an adverse effect on future enrollment. For example, if it is perceived that competitors of the Charter School, including traditional public schools, private schools or other charter schools, 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 or families could decide to home school their students. See “BONDHOLDERS’ RISKS – Competition for Students” in this Official Statement.

Minnesota Governor Tim Walz has issued various Executive Orders, including Executive Order 20-20 which directs Minnesotans to stay at home and shelter in place (subject to certain exceptions) beginning on Friday, April 27, 2020 at 11:59 p.m. through Friday, April 10, 2020 at 5:00 p.m. as extended by Executive Order 20-33 to May 3, 2020 at 11:59 p.m. On April 15, 2020, Minnesota Governor Tim Walz issued Emergency Executive Order 20-02 which was additionally supplemented by Executive Order 20-19 (collectively, the “Executive Orders”) that authorized and directed the Minnesota Commissioner of Education to temporarily close all K-12 schools to plan for a safe educational environment in response to the COVID-19 pandemic. The Executive Orders initially closed all public

and private Minnesota K-12 schools for in-person instruction through Friday April 27, 2020 but such period was extended to May 4, 2020 pursuant to Executive Order 20-19 (the “Initial Closure Period”). During the Initial Closure Period, Minnesota K-12 schools implemented and operated distance learning programs and the Charter School utilized its distance learning plan. Many public schools, including as the Charter School transitioned to distance learning as the incidence of COVID-19 rose. [SCHOOL SPECIFIC INFORMATION TO BE ADDED]. See “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE PROJECT – CURRICULUM AND EXTRACURRICULAR ACTIVITIES – [COVID-19 Impacts on Curriculum]” in this Official Statement.

At this time, the Charter School is not anticipating a reduction in revenue from the State of Minnesota for the 2021-2022 school year. The State has stated that public school funding will continue to be disbursed as scheduled through the end of the 2021-2021 school year. However, no assurance can be given that the State will not encounter unforeseen circumstances as a result of the COVID-19 pandemic and will not reduce or delay public education funding in future budget cycles.

Dependence on Company’s Ability to Pay Loan Repayments; Ability of Charter School to Pay Lease Payments

Payment of principal of, premium, if any, and interest on the Series 2021 Bonds is intended to be made from payments of Loan Repayments by the Company under the Loan Agreement, except to the extent payment is intended to be made from other amounts held under the Indenture such as Series 2021 Bond proceeds or investment earnings. The Company has no significant assets or business other than the assets and business related to the Schoolhouse. The ability of the Company to make Loan Repayments will depend on the Company’s ability to generate revenues sufficient to pay the Loan Repayments from the Lease to the Charter School. Future revenues of the Company from the Schoolhouse will primarily depend on the ability of the Charter School to make payments under the Lease.

The Charter School’s ability to make payments under the Lease is dependent on its revenues, including Building Lease Aid received from the State of Minnesota, which are largely dependent on student enrollment and educational funding from the State. Because lease aid is limited to 90% of the lease amount, subject to certain caps as described under the heading “CHARTER SCHOOLS IN MINNESOTA – State Payments – Building Lease Aid” in this Official Statement, lease aid alone will be insufficient to make the total payments due under the Lease. See “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE,” and “APPENDIX C – BUDGET PROJECTION” in this Official Statement. The Charter School’s general revenues are a combination of (a) State aid provided under the following programs: General Education Aid (which coincides with enrollment), Special Education, Limited English Proficiency, Compensatory Aid and Building Lease Aid (which coincides with enrollment), and (b) Federal programs administered by the State including Title I, Part A of the No Child Left Behind Elementary and Secondary Education Act (NCLB/ESEA), Improving Basic Program, Title II, Part A of the NCLB/ESEA, Teacher/Principal Training and Recruitment, Title II, Part D, Enhancing Education Through Technology, Title III, Limited English Proficient Students, and Title V, Part A – Regular Innovative Programs. Prior enrollment history of the Charter School is no guaranty of future enrollment and revenue.

In addition, State aid payments are not always received by the Charter School from the State on a timely basis, which may result in late payments by the Charter School under the Lease and Pledge Agreement, which may, in turn, result in late payments by the Company under the Loan Agreement.

Future revenues and expenditures of the Company will be subject to the amounts and the timing of future revenues to the Charter School, which cannot be determined with assurance. Prior revenues and expenditures of the Charter School are no guaranty as to future revenue and expenditures of the Charter School.

Historical State Budget Issues [TO BE UPDATED WITH RESULTS OF THE 2021 LEGISLATIVE SESSION]

The State has experienced budget shortfalls in recent bienniums. Rather than relying upon increased tax revenue to fund K-12 education costs (except for a minor increase of \$50 per student in both Fiscal Year 2011 and Fiscal Year 2012), the State Legislature previously enacted a number of funding reductions/spending shifts and holdbacks to close such budget shortfalls. Although the holdback is currently set at 10% for Fiscal Year 2020, the holdback was as high as 35.7% as recently as Fiscal Year 2013.

The current State budget biennium runs from July 1, 2019 through June 30, 2021. During the 2013 Legislative session, the State Legislature made substantive changes in State funding for charter schools, including a change to the Average Daily Membership (“ADM”) formula to create funding for all-day every-day Kindergarten. The new formula went into effect for the State’s Fiscal Year 2015 (commencing in July 2014). The 2017 and 2019 Legislative session added certain slight increases to education funding for public schools, including the Charter School. See “CHARTER SCHOOLS IN MINNESOTA – State Payments – *General Education Revenue*” in this Official Statement.

Future State budget agreements may involve further revisions to State education funding that cannot be determined at this time. As mentioned above, the COVID-19 pandemic has seen unprecedented changes to education nationally and in Minnesota and no assurances can be given that the resulting economic consequences from the COVID-19 pandemic will not cause the State to take budgetary actions that delay or reduce public education funding in the future. See “– Impact of COVID-19 Pandemic” above and “– No Taxing Authority; Dependence on State Payments,” “– No Taxing Authority; Dependence on State Payments” and “– Changes in Law; Annual Appropriation; Inadequate State Payments” below in this BONDHOLDERS’ RISKS section, “CHARTER SCHOOLS IN MINNESOTA,” and “APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS” in this Official Statement.

No Taxing Authority; Dependence on State Payments

The Charter School does not possess any taxing authority and is substantially dependent upon the State to continue to provide funding for public charter schools. Moreover, the Company does not have any taxing authority. The obligation of the State under State law to fund the Charter School is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the Building Lease Aid or other State aids, no liability accrues to the State in such event. In the event the State were to withhold the payment of money from the Charter School for any reason, even a reason that is ultimately determined to be invalid or unlawful, it is likely that the Charter School would be forced to cease operations.

State aid payments are distributed to all public schools according to a “holdback” system that allows adjustments to be made after the end of each fiscal year. Legislation passed for the 2011-2012 school year increases this holdback amount to 35.7%. As a result, 64.3% of each school’s allocated state aid funds will be distributed over 16 payments from July through February. No state aid funds will be distributed April through June. The remaining 35.7% holdback of each school’s allocated state aid, as adjusted for fluctuations in pupil enrollment, will be distributed to each school the following July and October. See “CHARTER SCHOOLS IN MINNESOTA” and “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – STATE AID PAYMENTS” in this Official Statement.

Budget Projection

The Budget Projection (the “Budget Projection”) prepared by the Charter School and contained in “APPENDIX C – BUDGET PROJECTION” is based upon certain assumptions made by the Charter School. No assurance can be given that the results described in the Budget Projection will be achieved. The Charter School does not intend to issue an additional Budget Projection and, accordingly, there are risks inherent in using the Budget Projection in the future as the Budget Projection becomes outdated. The Budget Projection is only for fiscal years ending June 30, 2021 through June 30, 20__, and does not cover the entire period during which the Series 2021 Bonds may be outstanding. The Budget Projection assumes that the Charter School will be able to renew its Charter Contract with the Authorizer after the term of the Charter Contract that ends on [June 30, 2022]. See “APPENDIX C – BUDGET PROJECTION” in this Official Statement.

No guaranty can be made that the Budget Projection will correspond with the results actually achieved in the future by the Charter School because there is no assurance that actual events will correspond with the assumptions made by the Charter School. For example, the Budget Projection makes certain assumptions as to continued demand for educational facilities such as the Schoolhouse and future enrollment at the Charter School. Actual operating results of the Charter School may be affected by many factors, including, but not limited to, increased costs, lower than anticipated enrollment, reduced State funding, changes in demographic trends, and local and general economic conditions. The Budget Projection, which appears in “APPENDIX C – BUDGET PROJECTION” in this Official Statement, should be read in its entirety.

Non-Renewal or Termination of Charter Contract by Authorizer

Under the Charter School Act, a charter school sponsor (known as an “authorizer” under State law) may or may not renew the Charter Agreement at the end of any renewal term, or may unilaterally terminate the Charter Agreement (subject to certain reasonable notice and appeal procedures available to the Charter School) upon any of the following grounds: (1) failure to meet the requirements for pupil performance contained in the Charter Agreement; (2) failure to meet generally accepted standards of fiscal management; (3) violations of law; or (4) other good cause shown. Decisions made by the Charter School’s Authorizer, will depend upon the policies and evaluations of future board members and staff of the Authorizer. Although the Charter School expects that the Charter Agreement will be renewed and extended for the term of the Series 2021 Bonds, no assurance can be given that future boards or administrative staffs of the Authorizer will continue to renew the Charter Agreement.

The Charter School’s current Charter Contract is for a [five]-year term from July 1, 2017 through [June 30, 2022]. See “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – THE CHARTER CONTRACT AND AUTHORIZER” and APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS” in this Official Statement.

Possible Future Unionization of Charter School Workforce

As of the date of this Official Statement, the workforce of the Charter School is not unionized and management of the Charter School is not aware of any active unionization efforts with respect to its employees. There are currently several charter schools in the State who have union teachers. In the event that the labor relations of the Charter School and its employees change in the future and, if the employees of the Charter School were to vote to unionize, then the operational costs of the Charter School would likely rise, and such increase could be significant. If the employees of the Charter School were to unionize, no assurance could be given that such change would not adversely affect the amount of State General Education Aid available for the portion of the Lease payment not covered by State Lease Aid.

Department of Education Approval of Authorizer

Every charter school in the State must be authorized by a 501(c)(3) organization, school district, or post-secondary institution approved by the Commissioner of the Minnesota Department of Education (the “Commissioner”), pursuant to State law as an “authorizer”. The “authorizer” of the Charter School is Volunteers of America – Minnesota (the “Authorizer”). Each authorizer must be approved by MDE and is subject to review every five years. If the Commissioner finds that an authorizer such as the Authorizer has not fulfilled its requirements under State law, the Commissioner may subject the authorizer to corrective action, which may include terminating the charter contract with any schools the authorizer has chartered. Further, State law was amended in 2009 to change the criteria for becoming an authorizer and the oversight and accountability requirements applicable to authorizers such as the Authorizer. As a result, a number of previously approved authorizers are no longer eligible to sponsor charter schools. There can be no guarantee that the Authorizer will continue to remain in good standing with the State as an approved authorizer. See “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – THE CHARTER CONTRACT AND AUTHORIZER” and “APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS” in this Official Statement.

Financial Statements

The Audited Financial Statements of the Charter School attached hereto as “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019” reflect the last two years of operation of the Charter School for which audited financial statements have been prepared. Unaudited financial statements of the Charter School are attached hereto as “APPENDIX E – UNAUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE ~~TEN~~ELEVEN-MONTH PERIOD ENDED ~~APRIL 30,~~MAY 31, 2021.” The unaudited financial statements of the Charter School have been prepared by the Charter School’s finance manager, Dieci School Finance, LLC and have not been audited, reviewed or examined by CliftonLarsonAllen LLP or any other independent accounting firm. For information regarding the Company’s and the Charter School’s expectations after the issuance of the Series 2021 Bonds, see “APPENDIX C – BUDGET PROJECTION” in this Official Statement. The financial statements of the Company are not included in this Official Statement because the Company does not have significant financial resources and is not anticipated to have significant assets other than the Schoolhouse.

Property Tax Exemption

Under present State law and rulings, generally, public charter school buildings owned by affiliated building companies that are nonprofit corporations are exempt from property taxes levied by political subdivisions of the State so long as such property is used for public school purposes (although such property is subject to special assessments for local improvements to the property). The Budget Projection does not anticipate the payment of property taxes by either the Company or the Charter School. Laws, regulations and rulings are subject to change, and no assurance can be given that any future change in exempt status would not have a material adverse effect on the Company.

Competition for Students

A significant portion of the Charter School’s revenues is based on the number of students enrolled in the educational facilities of the Charter School. The Charter School faces competition from other educational facilities and could face additional competition in the future as a result of the organization of, the construction of new, or the renovation of existing, public schools or other public charter schools in the areas served by the Charter School. No assurance can be given that the enrollment

of the Charter School will not be adversely affected by the availability of other educational facilities in the service areas of the Charter School and elsewhere.

The Primary Service Area (the “PMA”) of the Charter School includes multiple public school districts, as well as private schools and other public charter schools located within or near the PMA, all as more fully described in Appendix A. See “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – SERVICE AREA” and “– COMPETING SCHOOLS” in this Official Statement. No assurance can be given that the Charter School will attract and retain the number of students that are needed to produce the Pledged Revenues that are necessary to pay the principal of and interest on the Series 2021 Bonds and the Series 2016 Bonds, or that additional schools will not be created in or near the Charter School’s service area.

Effect of Student Enrollment upon Receipt of State Payments

The State General Education Revenues and Building Lease Aid payments to the Charter School are based on the number of students enrolled in the Charter School. See “CHARTER SCHOOLS IN MINNESOTA – State Payments” and “APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS – Funding for Charter Schools” in this Official Statement. For the 2020-2021 school year, the Charter School has enrolled ___ students, and has a current wait list of ___ students. The Charter School’s State Aid payments will be adjusted to reflect the Average Daily Membership of students at the Charter School. In addition, the Budget Projection contains certain assumptions regarding enrollment, and the extension of the Charter Contract for school years after [June 30, 2022], of the Charter School in future school years and State education funding payments in the future. No assurance can be given that the Charter School will attract or retain the number of students set forth in the Budget Projection or that are needed to produce the Pledged Revenues in amounts sufficient to pay the principal of and interest on the Series 2021 Bonds. See “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – ENROLLMENT, DEMOGRAPHICS AND TRANSPORTATION” and “APPENDIX C – BUDGET PROJECTION” in this Official Statement.

Key Personnel

The Charter School’s creation, curriculum, educational philosophy, and day-to-day operations reflect the vision and commitment of the individuals who serve as the Charter School’s administrators or serve on the Charter School’s Board of Directors (the “Key Personnel”). In the absence of an outside manager, the Charter School is highly dependent upon its Key Personnel. The loss of any Key Personnel could adversely affect the Charter School’s operations, its ability to attract and retain students, and ultimately its financial results. The Charter School has not obtained any “key person” insurance policies with respect to any of its Key Personnel. For more information regarding the Charter School’s Key Personnel see “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – GOVERNANCE; ADMINISTRATION; FACULTY AND FACULTY RETENTION” in this Official Statement.

Self-Management by the Charter School

Other than the Charter School’s contract with its outside Finance Manager (See “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE - THE CHARTER SCHOOL’S FINANCE MANAGER” in this Official Statement), the Charter School does not contract with outside professionals, such as a professional charter school management company, for the management and operation of the Charter School. As a general rule, charter school management companies assist charter schools in their crucial management functions including: recruiting and evaluating staff; human resources and payroll; budgeting and fiscal management and reporting; and other

administrative functions. In the absence of a professional management company, such duties are done by Charter School administrators and staff.

Factors Associated with Education

There are a number of factors affecting schools in general, including the Charter School, that could have an adverse effect on the Charter School's financial position and its ability to make the payments required under the Lease. These factors include, but are not limited to (i) the ability to attract a sufficient number of students; (ii) future legislation and regulations affecting charter schools and the educational industry in general; (iii) 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; (iv) increased costs of attracting and retaining or a decreased availability of a sufficient number of teachers, including as related to any unionization of the Charter School's work force with consequent impact on wage scales and operating costs of the Charter School; (v) cost and availability of insurance for charter schools in the State; and (vi) 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 the financial results of operations.

Line of Credit for Operating Capital

As previously discussed under the heading "SECURITY FOR THE SERIES 2021 BONDS – Intercreditor Agreement," the Charter School has entered into a Line of Credit with the Bank, in an amount not to exceed [\$500,000] for cashflow purposes due to the State holdbacks of certain education payments. The Intercreditor Agreement establishes the priority of security interests granted by the Charter School in favor of the Bank and the Trustee in the event of a default under the Indenture or the Line of Credit. No assurance can be given that, in the event that the Bank does not renew the Line of Credit on terms that are acceptable to the Charter School in the future, the Charter School will be able to obtain other operating financing on terms similar to those of the Line of Credit to meet its cash-flow needs. Any future working capital financing incurred by the Charter School will have to comply with the restrictions set forth in the Pledge Agreement. See "SECURITY FOR THE SERIES 2021 BONDS," "APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – BUDGET; ACCOUNTING; DEBT; FUNDRAISING – Existing Debt and Obligations," and "APPENDIX G – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE LOAN AGREEMENT" and "– THE PLEDGE AGREEMENT" in this Official Statement.

Tax-Exempt Status of the Company and the Charter School

The Charter School and the Company are currently exempt from federal income tax. The Charter School is a public charter school. The Charter School and the Company are Minnesota nonprofit corporations and organizations described in Section 501(c)(3) of the Code. Under present federal law, regulations and rulings, the income and revenue of nonprofit, 501(c)(3) qualified exempt organizations are exempt from federal income tax, except for any unrelated business income as defined in the Code, and their revenues are exempt from the State sales tax except for certain services. If the Charter School fails to continue to meet the requirements necessary to preserve its status as a non-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Code, the interest on the Series 2021 Bonds may become taxable retroactive to the date of issuance of the Series 2021 Bonds. If the Charter School does not maintain its status, the Charter School could experience expenses which are greater than expected, which would adversely affect the Charter School's ability in the future to pay the amount due under the Lease and the Company's ability to pay the amount due under the Loan Agreement with respect to the Series 2021 Bonds. The Charter School has covenanted in the Lease, the Pledge Agreement, and other financing documents that it will not take any actions or fail to take any action, the

result of which would adversely affect the Charter School's status as a nonprofit corporation and its status as a tax-exempt charitable organization under Section 501(c)(3) of the Code.

IRS Compliance Program

The Internal Revenue Service has an active program of conducting examinations of tax-exempt bonds through its Tax-Exempt and Government Entities Division (the "TE/GE Division"). In recent years, the number of Internal Revenue Service tax-exempt bond examinations has increased, and public statements made by individual Internal Revenue Service officials indicate that the number of Internal Revenue Service Examinations of tax-exempt bonds may continue to increase in the future. However, neither the Company nor the Charter School has sought or are expected to seek a ruling from the Internal Revenue Service with respect to the tax-exempt status of the Series 2021^A Bonds. No assurance can be given that the Internal Revenue Service will not examine the Series 2021^A Bonds. If the Internal Revenue Service examines the Series 2021^A Bonds, such examination may have an adverse impact on the marketability and price of the Series 2021^A Bonds. See "THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds – *Mandatory Redemption upon Determination of Taxability*," and "TAX MATTERS" in this Official Statement.

Tax-Exempt Status of the Series 2021^A Bonds

The tax-exempt status of the interest on the Series 2021^A Bonds is conditioned upon the Charter School and the Company complying with the requirements of the Code and applicable Treasury Regulations as they relate to the Series 2021^A Bonds and the Charter School and Company continuing to be tax-exempt organizations under Section 501(c)(3) of the Code. Failure of the Charter School or the Company to comply with the terms and conditions of the Loan Agreement, the Tax Regulatory Agreement, the Tax Certificate, the Indenture, the Lease, and other documents as described herein, or failure of the Charter School or Company to continue to be recognized as tax-exempt organizations under Section 501(c)(3) of the Code, may result in the loss of the tax-exempt status of the interest on the Series 2021^A Bonds retroactive to the date of issuance of the Series 2021^A Bonds. See "TAX MATTERS" in this Official Statement. Holders of Series 2021^A Bonds will not receive additional interest to compensate them for federal income taxes, interest and penalties which may be assessed with respect to such interest. The Series 2021^A Bonds are subject to mandatory redemption upon a Determination of Taxability with respect to the Series 2021^A Bonds, at a redemption price equal to par, plus accrued interest, and with respect to the Series 2021^A Bonds, a premium. There can be no assurance that, in the event of a Determination of Taxability, sufficient money would be available in such event to redeem the Series 2021^A Bonds. Further, there can be no assurance that a Determination of Taxability will follow promptly after the events which give rise to the Determination of Taxability, so that tax obligations may accrue for substantial periods preceding the redemption of Series 2021^A Bonds upon a Determination of Taxability. If interest on the Series 2021^A Bonds should become includable in gross income for purposes of federal income taxation, the market for and value of the Series 2021^A Bonds would be adversely affected. See "THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds – *Mandatory Redemption upon Determination of Taxability*" and "TAX MATTERS" in this Official Statement.

Changes in Law; Annual Appropriation; Inadequate State Payments

Future changes to the Charter School Act by the State Legislature could be adverse to the financial interests of the Charter School and could adversely affect the security for the Series 2021 Bonds. There can be no assurance given that the State Legislature will not in the future amend the Charter School Act in a manner which is adverse to the interests of the registered owners of the Series 2021 Bonds.

Minnesota may experience downturns in its economy and tax revenues in the future. The provisions of the Charter School Act are subject to amendment by the State Legislature, including the reduction of State funding, which could adversely affect the Charter School. STATE BUDGET CONSIDERATIONS MAY ALSO ADVERSELY AFFECT APPROPRIATIONS FOR CHARTER SCHOOL FUNDING. See “No Taxing Authority, Dependence on State Payments” above.

Value of Mortgaged Property

Security for the Series 2021 Bonds includes a mortgage lien on the Schoolhouse evidenced by the Mortgage from the Company to the Trustee. Attempts to foreclose under the Mortgage may be met with protracted litigation and/or bankruptcy proceedings, which proceedings cause delays. See “ENFORCEABILITY OF OBLIGATIONS.” Thus, there can be no assurance that upon the occurrence of an Event of Default, the Trustee will be able to obtain possession of the Schoolhouse and generate revenue therefrom in a timely fashion. Because of the special nature, location, and other factors relating to the Schoolhouse, there can be no assurance that proceeds derived from the sale of the Schoolhouse upon default and foreclosure of the Mortgage would be sufficient to pay all amounts due in respect of the Series 2021 Bonds. Furthermore, the Mortgage contains several Permitted Encumbrances as described in the Mortgage. See “APPENDIX F – DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS – THE MORTGAGE” in this Official Statement.

No Appraisal of the Schoolhouse

Neither the Company, the Charter School nor the Underwriter has engaged an appraiser in connection with the issuance of the Series 2021 Bonds. In the event of a foreclosure of the Mortgage, the value of the either of the Charter School’s campuses in such event cannot be determined and no assurance that the value received for the Schoolhouse will be sufficient to pay the principal of and interest due on the Series 2021 Bonds and the Series 2016 Bonds.

Environmental Regulations

The Schoolhouse is subject to various federal, state and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability to the owner of the Schoolhouse (and to any beneficiary of a mortgage on the Schoolhouse, particularly following any sale or foreclosure proceeding) for remediating adverse environmental conditions on or relating to the Schoolhouse, whether arising from preexisting conditions or conditions arising as a result of the activities conducted in connection with the ownership and operation of the Schoolhouse.

Although the Charter School believes that it is in material compliance with applicable environmental laws for the Schoolhouse, costs incurred by the Company with respect to environmental remediation or liability could adversely affect its financial condition and its ability to own and operate the Schoolhouse. If excessive costs are incurred by the Company in connection with remediating environmental problems or from liability to third parties, such costs could make it impractical for the Loan Agreement to be continued pursuant to its current terms or such costs could make it more difficult to successfully relet the Schoolhouse.

A Phase I Environmental Site Assessment (the “Phase I”), was completed by Braun Intertec (“Braun”), dated _____, 2021 for the site of the Schoolhouse. The Phase I Report identified no recognized conditions in connection with the site of the Schoolhouse and the assessment identified no controlled recognized environmental conditions in connection with the site except for (i) environmental investigations at the site and surrounding areas which identified no significant or widespread areas of petroleum-impacted soil or rock and groundwater quality data showed only trace elements of petroleum constituents and (ii) a sub-slab vapor barrier and passive vents were installed during construction of the

2011 Project to address potential vapor issues which includes a sub-slab vapor collection system, sub-slab vapor retarder, and passive vent piping to the roof of the Schoolhouse.

The 2011 Project ~~(the site of the Schoolhouse)~~ was constructed on a site that was part of a Koch-Mobile tank farm previously located on the Land and surrounding property. A Response Action Plan, dated April 22, 2011, was prepared in connection with the 2011 Project. The Company and the prior environmental consultant for the Company believed that the successful implementation of the Response Action Plan addressed the identified recognized environmental conditions identified in a prior Phase One. As part of the construction of the 2011 Project, the Company complied with the Response Action Plan for remediating the known recognized environmental conditions on the land upon which the 2011 Project is located.

The Company believes that it is in material compliance with applicable environmental laws for the Project. Owners of real estate such as the Company may, in the future, be adversely affected by legislative, regulatory, administrative and enforcement actions involving environmental controls.

Maintenance of the Schoolhouse

The Company will, at all times and at the Company's own expense, ~~the Company will~~ maintain, preserve and keep the Schoolhouse open as school facilities, or cause the Charter School to maintain, preserve and keep the Schoolhouse, with the appurtenances and every part and parcel thereof, open as a public school facility and in good repair, working order and condition and that the Company will from time to time make or cause the Charter School to make all repairs, replacements and renewals deemed proper and necessary by it. A Repair and Replacement Fund is established pursuant to the Indenture with a Monthly Deposit requirement, no assurance can be given that the Charter School and the Company will have sufficient revenues in the future to be able to maintain a regular capital improvements program for the Schoolhouse in the future.

Damage or Destruction

Although the Company and Charter School will be required to obtain certain insurance, as set forth in the Loan Agreement and the Lease, there can be no assurance that the Schoolhouse will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the Schoolhouse cannot generate revenues, will not exceed the coverage of such insurance policies.

Effect of Federal Bankruptcy Laws on Security for the Series 2021 Bonds

Bankruptcy proceedings and equity principles may delay or otherwise adversely affect the enforcement of Bondholders' rights in the property granted as security for the Series 2021 Bonds and the Series 2016 Bonds. Furthermore, if the security for the Series 2021 Bonds is inadequate for payment in full of the Series 2021 Bonds and the Series 2016 Bonds, bankruptcy proceedings and equity principles may also limit any attempt by the Trustee to seek payment from other property of the Company, if any. See "ENFORCEABILITY OF OBLIGATIONS" in this Official Statement. Also, federal bankruptcy law permits adoption of a reorganization plan, even though it has not been accepted by the holders of a majority, in the aggregate principal amount of the Series 2021 Bonds and the Series 2016 Bonds if the Bondholders are provided with the benefit of their original lien or the "indubitable equivalent." In addition, if the bankruptcy court concludes that the Bondholders have "adequate protection," it may (a) substitute other security subject to the lien of the Bondholders, and (b) subordinate the lien of the Bondholders to (i) claims by persons supplying goods and services to the Company after bankruptcy, and to (ii) the administrative expenses of the bankruptcy proceeding. The bankruptcy court may also have the

power to invalidate certain provisions of the Mortgage that make bankruptcy and related proceedings by the Company an event of default thereunder.

Enforcement of Remedies

The remedies available to the Trustee or the Registered Owners of the Series 2021 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 2021 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

The Underwriter expects to effect secondary market trading in the Series 2021 Bonds. However, the Underwriter is not obligated to repurchase any Series 2021 Bonds at the request of the Registered Owners thereof and cannot assure that there will be a continuing secondary market in the Series 2021 Bonds. In addition, adverse developments, including insufficient cash flow, may have an unfavorable effect upon prices for the Series 2021 Bonds in the secondary market.

No Credit Enhancement

There is no letter of credit, bond insurance policy, or other credit enhancement securing the Series 2021 Bonds or the Series 2016 Bonds, nor is there any provision for a credit enhancement to be provided to secure any of the Series 2021 Bonds or the Series 2016 Bonds.

Failure to Provide Ongoing Disclosure

The Company and the Charter School will enter into the Continuing Disclosure Agreement pursuant to Rule 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). Failure by the Company or the Charter School to comply with the Continuing Disclosure Agreement and Rule 15c2-12 may adversely affect the liquidity of the Series 2021 Bonds and their market price in the secondary market. See “CONTINUING DISCLOSURE” and “APPENDIX I – FORM OF CONTINUING DISCLOSURE AGREEMENT” in this Official Statement.

Private School Vouchers

Various proposals offering private school vouchers to families to assist with the cost of private schools have been considered across the country and in the State, and enacted in several locations. No such voucher program is currently in place in the State. However, if similar private school voucher programs are enacted in the future, private schools may become more desirable, due to the availability of financial assistance. If private school vouchers are provided for in the State, this may lead to the organization of more private schools and increased competition for the Charter School.

MDE Rulemaking

MDE has the ability to promulgate administrative rules that relate to the operation of public schools (including charter schools such as the Charter School). The rulemaking authority of MDE is

broad and could affect the operations of public schools, such as the Charter School, in the future. Any future increase in the scope or amount of rules promulgated by MDE in the future that affect the operations of the Charter School could have the result of increasing reporting requirements, increasing operational costs, increasing legal and professional costs, or affecting the operations of the Charter School in a way that cannot be determined at this time.

Education Reform and Desegregation Litigation [to be updated]

The operations of the Charter School could be adversely affected in the future by judicial decisions relating to education reform litigation and/or litigation relating to segregation in public schools in Minnesota. Cases could be filed in Minnesota and federal court in the future that could alter the operations of public schools in Minnesota (including the Charter School) in the future. An example of this type of possible litigation is the *Cruz-Guzman v. State of Minnesota* desegregation litigation filed in Hennepin County in late 2015. The Charter School is not a party to the litigation. The three parties in the *Cruz-Guzman* suit are (1) the Plaintiffs, consisting of Cruz-Guzman and other parents of children attending Minneapolis and St. Paul public schools; (2) the Intervenors, consisting of three Minnesota charter schools and the MN Association of Charter Schools; and (3) the State Defendants, consisting of the State of Minnesota, the Governor, and other officials, represented by the MN Attorney General's Office. The Plaintiffs accused the State and lawmakers and other officials of enabling school segregation in the seven-county metro area that denied students of color an adequate education. In January 2016, the State moved to dismiss the lawsuit on the basis that the District Court lacked subject matter jurisdiction and that the Plaintiffs' Complaint failed to properly state a claim. After a hearing in April 2016, the District Court dismissed the Complaint only as to Governor Dayton, State Senator Sandra L. Pappas, and State Representative Kurt Daudt on the basis that they were entitled to legislative immunity under the Speech or Debate Clause of the Minnesota Constitution. The District Court also dismissed one of the claims under the Minnesota Human Rights Act, concluding that the Plaintiffs lacked standing to assert such a claim. Otherwise, the District Court denied the State's motion to dismiss and their request for more defined claims. The remaining State defendants appealed the District Court's decision to the Minnesota Court of Appeals on several grounds and also requested that the Court of Appeals review the District Court's refusal to dismiss the Plaintiffs' claims on the merits. In response, the Plaintiffs moved the Court of Appeals to dismiss the State's appeal.

On April 13, 2017, the Court of Appeals reversed the District Court's decision, deciding to dismiss the remaining claims, citing that Plaintiffs' claims that minority students do not receive an adequate education is a political question that the courts cannot address. The Court of Appeals stated "[W]hile we share the desire of respondents, and indeed of all Minnesotans, for an excellent system of public education, the establishment of qualitative standards necessary to achieve that laudable goal is entrusted to the elected representatives in our legislature and local branches of government." On April 14, 2017, an appeal was made to the Minnesota Supreme Court. The Minnesota Supreme Court responded on April 3, 2017 and issued an order on April 26, 2017 granting the appeal of the Plaintiffs. The Minnesota Supreme Court heard oral arguments on this matter on January 9, 2018.

On July 25, 2018, the Minnesota Supreme Court issued its opinion reversing the Court of Appeals' decision. The Minnesota Supreme Court held that Minnesota courts may address claims regarding whether the legislature has violated its duty under the Education Clause or violated the Equal Protection or Due Process Clauses of the Minnesota Constitution. In a November 2018 ruling, the Minnesota District Court in Hennepin County allowed the litigation to move forward as a class action focusing on all types of racial imbalance. The parties to the *Cruz-Guzman* litigation are currently engaged in mediation. The Minnesota Supreme Court's ruling allows *Cruz-Guzman*, and similar cases that may be brought as a challenge to the adequacy of the Minnesota public education system, to be decided in the future by Minnesota courts. Further education reform and/or desegregation litigation in

the Minnesota courts may take a long time to resolve and the outcome of any such litigation cannot be known at this time

Redemption Prior to Maturity

The Series 2021 Bonds are subject to redemption at the option of the Company and in the event of certain occurrences. See “THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds” in this Official Statement.

Forward-Looking Statements

This Official Statement contains certain statements that are “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact included in this Official Statement, including without limitation statements that use terminology such as “estimate,” “plan,” “budget,” “expect,” “intend,” “anticipate,” “believe,” “may,” “will,” “continue,” and similar expressions, are forward-looking statements. These forward-looking statements include, among other things, the discussions related to the Charter School’s operations and expectations regarding student enrollment, future operations, revenues, capital resources, and expenditures for capital projects. Although the Company and the Charter School believe that the assumptions upon which the forward-looking statements contained in this Official Statement are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions also could be incorrect. All phases of the operations of the Company and the Charter School involve risks and uncertainties, many of which are outside the control of the Company and the Charter School and any one of which, or a combination of which, could materially affect the results of the Company’s or the Charter School’s operations and whether the forward-looking statements ultimately prove to be correct. Factors that could cause actual results to differ from those expected include, but are not limited to, general economic conditions such as inflation and interest rates, both nationally and in the State where the Schoolhouse is located; the willingness of the State to fund charter school operations at present or increased levels; competitive conditions within the Charter School’s market, including the acceptance of the education services offered by the Charter School; lower enrollments than projected; unanticipated expenses; the capabilities of the Charter School’s management; changes in government regulation of the education industry or in the Charter School Act; future claims for accidents at the Schoolhouse and the extent of insurance coverage for such claims; and other risks discussed in this Official Statement.

No representation or assurance can be given that the Company will realize revenues in amounts sufficient to make the required payments under the Loan Agreement or that the Charter School will realize revenues in an amount sufficient to make the required payments under the Lease. No market study or demand analysis has been prepared for the Charter School to analyze the existing or future demand for the Charter School’s educational services. The realization of future Revenues is dependent upon, among other things, the matters described in the foregoing paragraphs and future changes in economic and other conditions that are unpredictable and cannot be determined at this time. The Underwriter makes no representation as to the accuracy of the projections contained herein or as to the assumptions on which the projections are based.

Additional Indebtedness

The Loan Agreement requires the Company to impose certain restrictions on the incurrence of indebtedness by the Charter School pursuant to the Lease or the Pledge Agreement. The Company has covenanted in the Loan Agreement that it will not incur any ~~indebtedness~~ [Long Term Indebtedness](#) other than the Series 2021 Bonds, the Series 2016 Bonds, or Additional Bonds issued pursuant to the Indenture

without the consent of the Majority Bondholder. In the Pledge Agreement, the Charter School has covenanted that it will only incur Long-Term Indebtedness, Short-Term Indebtedness, or Purchase Money Indebtedness in accordance with the restrictions imposed by the Loan Agreement and Pledge Agreement. See “SECURITY FOR THE SERIES 2021 BONDS – Additional Indebtedness” in this Official Statement.

Cybersecurity Risks

The Charter School’s services and systems may be critical to operations or involve the storage, processing and transmission of sensitive data, including valuable intellectual property, other proprietary or confidential data, regulated data, and personal information of employees, students and others. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorized access to, disclosure, modification, misuse, loss, or destruction of the Charter School’s or other third party data or systems; theft of sensitive, regulated, or confidential data including personal information and intellectual property; the loss of access to critical data or systems; service or system disruptions or denials of service.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2021 Bonds. In order for potential investors to identify risk factors and make an informed decision, potential investors should be thoroughly familiar with this entire Official Statement and the appendices hereto.

CHARTER SCHOOLS IN MINNESOTA

State Payments

As further described in “APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS – Funding for Charter Schools,” State charter schools receive funding from state, local, and federal sources. The primary source of funding for State charter schools is State funding. The various types of State funding distributed to a State charter school can be divided conceptually into several main categories: (i) General Education Revenue, (ii) transportation revenue, (iii) special education revenue, (iv) Building Lease Aid, (v) compensatory aid, and (vi) other state funding.

General Education Revenue. General Education Revenue is paid to a charter school as though it were a traditional school district. The amount is distributed from the State through a statutory formula. In Minnesota, funding is determined by pupil units, or a Minnesota resident pupil under age 21. The system of pupil units, as defined by Minn. Stat. §126C.05 subd. 1, is applied to a charter school by first determining the Average Daily Membership of students in each grade level. Average Daily Membership is a pupil count that reflects actual student enrollment over the school year. It is determined by calculating the sum for all pupils of the number of days in the charter school’s school year that each pupil is enrolled, divided by the number of days the charter school is in session. In the 2013 Legislative session, the State Legislature changed the Average Daily Membership formula to create funding for all-day every-day kindergarten. The new formula went into effect for fiscal year 2017. For fiscal year 2017 and thereafter, the Average Daily Membership is multiplied by the following factor to determine the pupil units:

- (i) a kindergarten pupil who is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil’s school is counted as 1.0 pupil units;

- (ii) a kindergarten pupil that is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil’s school is counted as .55 pupil units.
- (iii) a pupil in grades 1-6 is counted as 1.0 pupil units;
- (iv) a pupil in grades 7-12 is counted as 1.2 pupil units;
- (v) a pupil in postsecondary enrollment programs is counted as .12 units.

Under Minnesota ~~state statute~~ [law](#), basic revenue for each district equals the formula allowance multiplied by the adjusted marginal cost pupil units for the school year. The ~~Minnesota state legislature~~ [State Legislature](#) generally determines the amount of aid per pupil in ~~odd~~ [even](#) numbered years. For the ~~2017~~ [2021](#) legislative session, the legislature increased the formula allowance by ~~2% for the following two years,~~ [2.45% for fiscal year 2021-2022 and 2.0% for fiscal year 2022-2023](#), resulting in state per pupil funding of ~~\$6,438~~ [\\$6,727](#) and ~~\$6,567~~ [\\$6,861](#) for the ~~2019-2020 and 2020-2021-2022 and 2022-2023~~ fiscal years, respectively. ~~[The 2021-2021 education budget currently under review by Minnesota legislators is expected to include another 2% increase, which would bump the per pupil funding to an estimated \$6,698 per student in 2022 and \$6,832 per student in 2024.]~~ The amount of aid per pupil unit for the [next school year](#), the current ~~fiscal~~ [school](#) year, and the past ten fiscal [school](#) years, as provided by the ~~Minnesota state legislature~~ [is State Legislature, is as](#) shown on the ~~following~~ table:

Fiscal Year	State Per Pupil Funding*
2022-2023	\$6,861
2021-2022	\$6,727
2020-2021	\$6,567 \$6,566
2019-2020	6,438
2018-2019	6,312
2017-2018	6,188
2016-2017	6,067
2015-2016	5,948
2014-2015	5,831
2013-2014	5,302
2012-2013	5,224
2011-2012	5,174
2010-2011	5,124

**Reflects the basic formula allowance only, including transportation. Excluded components include sparsity, operating capital, training & experience, equity, referendum equalization, and gifted & talented.*

A charter school’s membership is broken down into the number of students in each category and the number is multiplied by the relevant pupil units. The State allocates the applicable funding level for the charter school according to the total number of pupil units.

The formula is defined as the State traditional school district average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil’s district of residence, minus a transportation allowance, which is an amount equal to the product of the formula allowing according to State law, multiplied by 0.0466, calculated without basic skills revenue, extended time revenue, alternative teacher compensation revenue, and transportation sparsity revenue, plus basic skills revenue, extended time revenue, basic alternative teacher compensation aid according to State law, and transition revenue as though the charter schools were a traditional school district. In the 2015 Legislative session, the State Legislature approved extended time revenue for charter schools at the rate of \$17 per pupil unit beginning in fiscal year 2015-~~2016~~ [2016](#); [however, this amount has steadily decreased and in 2019-2020 was at a rate of \\$14 per pupil unit.](#)

Transportation Revenue. Transportation revenue must be paid to a charter school that provides transportation. In addition to the general revenue calculated in the manner set forth in the previous paragraph, a charter school providing transportation services must receive general education aid equal to the sum of the product of an amount equal to the product of the formula allowance defined under Minn. Stat. § 126C.10, subd. 2, multiplied by 0.0466 plus the transportation sparsity allowance for the school district in which the charter school is located times the adjusted marginal cost pupil units, plus the product of \$300 times the extend time marginal cost pupil units.

Special Education Revenue. Special education revenue must be paid for each child with a disability. A charter school must be paid special education as though it were a school district. The aid is equal to the State total special education aid multiplied by the ratio of the district's initial special education aid to the State total initial special education aid.

In the 2013 Legislative session, the State Legislature changed how charter schools were reimbursed for the portion of the aid paid by the resident school district of the student, also referred to as Tuition Billing. Charter schools will be responsible for 10% of the Tuition Billing amount that would have been charged to the resident district, which equates to approximately 4-6% of special education costs.

Building Lease Aid. Building Lease Aid may be distributed to a charter school if the school finds that it is economically advantageous to rent or lease a building or land for any instructional purposes and determines that the total operating capital revenue is insufficient for its purposes. The Commissioner must review the school's request for aid and determine (a) whether the request is reasonable based on price of current market values, (b) whether the request conforms to applicable State laws and rules, and (c) the appropriateness of the lease in regards to the circumstances and needs of the charter school.

The amount of Building Lease Aid per pupil unit served for a charter school for any year shall not exceed the lesser of:

- (i) 90 percent (90%) of the approved lease cost; or
- (ii) the product of the pupil units served for the current school year times \$1,314.

See also "APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS – Funding for Charter Schools" in this Official Statement.

Compensatory Aid. Compensatory aid is distributed to a charter school based on the number of students who receive free or reduced lunch. See "APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS" in this Official Statement.

Other State Aid. The State also provides aid to charter schools in several other categories, including Limited English Proficiency.

In addition, the 2015 State Legislative session adopted new funding for Long Term Facilities Maintenance Revenue. See "APPENDIX C – BUDGET PROJECTION" in this Official Statement.

Receipt of State Funding. A charter school receives 90% of its aid in twenty-three (23) payments between July and June. The remaining 10% holdback of each charter school's allocated State aid, as adjusted for fluctuations in pupil enrollment, will be distributed to each charter school the following July and October.

If a charter school ceases operations prior to June 30 of a school year, the Commissioner shall withhold the estimated State aid owed to the charter school. The charter school board of directors and the authorizer must submit to the Commissioner a closure plan and financial information about the charter school's liabilities and assets. After receiving the closure plan, financial information, an audit of pupil counts, and documentation of lease expenditures, the Commissioner may release cash withheld and may continue regular payments if amounts are owed.

The Commissioner may reduce a charter school's State aid under Minn. Stat. §§ 127A.42 or 127A.43 if the charter school board fails to correct any violations. The Commissioner may reduce a charter school's State aid by an amount not to exceed sixty percent of the charter school's basic revenue for the period of time that a violation of law occurs.

A charter school is eligible to receive other aids, grants, and revenue as if it were a school district. A charter school, however, may not receive aid, a grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy revenue that is not general education revenue. A charter school may receive money from any source for capital facility needs. The charter school, however, may not use money received from the State to purchase land or buildings. The board of directors of a charter school may not levy taxes or issue bonds to receive funds.

Tort Liability. Under State law, a charter school is subject to the same limits on tort liability as a traditional public school district or other municipality.

See "APPENDIX B – MINNESOTA LAWS RELATING TO CHARTER SCHOOLS" in this Official Statement for a more complete discussion of the Minnesota laws governing charter schools.

AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL

The audited financial statements for the Charter School as of and for the Fiscal Years ended June 30, 2020 and 2019 (the "Audited Financial Statements"), are included in APPENDIX D to this Official Statement. These are the most recent audited financial statements available for the Charter School. The Audited Financial Statements dated June 30, 2020 and 2019 were audited by CliftonLarsonAllen LLP, Minneapolis, Minnesota (the "Auditor"), independent certified public accountants, as stated in their report thereon. The Auditor has not reviewed this Official Statement or participated in its preparation. See "APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019" in this Official Statement.

UNAUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL

APPENDIX E to this Official Statement contains the unaudited balance sheets and income statements of the Charter School as of and for the ~~ten~~eleven-month period ended ~~April 30,~~May 31, 2021. The unaudited financial statements contained in APPENDIX E have been prepared by the Charter School and have not been reviewed, audited, or examined by the Auditor or any independent accounting firm. See "APPENDIX E – UNAUDITED FINANCIAL STATEMENTS OF THE CHARTER SCHOOL FOR THE ~~TEN~~ELEVEN-MONTH PERIOD ENDED ~~APRIL 30,~~MAY 31, 2021" in this Official Statement.

THE BUDGET PROJECTION

The Charter School has prepared the budget projection and related assumptions included in APPENDIX C to this Official Statement. The Budget Projection is based on the assumptions made by

management of the Charter School as to, among other things, future enrollment levels, future costs and future revenues. The Budget Projection is for the fiscal years of the Charter School ending [June 30, 2021 through June 30, 2026]. **The Budget Projection (including the notes thereto) should be read in its entirety.**

The Budget Projection is based on various assumptions that represent only the beliefs of the Charter School's management as to the most probable future events and are subject to material uncertainties. No assurances can be given that the Charter School will, in fact, be able to generate sufficient revenue and attain the enrollment levels as stated in the Budget Projection, and variations from the Budget Projection for each of such matters should be expected to occur. Accordingly, the operations and financial condition of the Charter School in the future will inevitably vary from those set forth in the Budget Projection, and such variance may be material and adverse. See "BONDHOLDERS' RISKS – Budget Projection" in this Official Statement.

The Charter School has not assumed any responsibility after the issuance of the Series 2021 Bonds to update the Budget Projection or to provide any financial forecasts or projections in the future. The Underwriter and the Issuer have made no independent inquiry as to the assumptions on which the Budget Projection is based and assume no responsibility therefor. See "APPENDIX C – BUDGET PROJECTION" in this Official Statement.

TAX MATTERS

Tax Exemption

In the opinion of Kennedy & Graven, Chartered, [Saint Paul and Minneapolis](#), Minnesota, as Bond Counsel to the Issuer, under existing laws, regulations, rulings, and decisions, and assuming continuing compliance by the Company and the Charter School with covenants made to satisfy requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2021^A Bonds is excluded from gross income for federal income tax purposes and is excluded to the same extent, from net income of individuals, estates, and trusts for State income tax purposes. Interest on the Series 2021^A Bonds is not an item of tax preference for purposes of the computation of the alternative minimum tax imposed on individuals ~~and corporations~~ under federal law and on individuals, estates, and trusts under State law. Interest on the Series 2021^A Bonds is included in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. Interest on the Series 2021^A Bonds is subject to State franchise tax imposed on corporation, including financial institutions. [Interest on the Series 2021B Bonds is taxable as ordinary income for federal income tax purposes.](#)

In expressing its opinion, Bond Counsel will rely on an opinion of Best & Flanagan, LLP, as counsel to the Company and the Charter School, as to those matters with respect to which their opinion is rendered.

The Code establishes certain requirements (the "Federal Tax Requirements") that must be satisfied subsequent to the issuance of the Series 2021^A Bonds in order that, for federal income tax purposes, interest on the Series 2021^A Bonds will continue to be excluded from gross income for federal income tax purposes. The Federal Tax Requirements include, but are not limited to, requirements relating to the expenditure of proceeds of the Series 2021^A Bonds, requirements relating to the operation of the facilities financed by the Series 2021^A Bonds, restrictions on the investment of proceeds of the Series 2021^A Bonds prior to expenditure, and the requirement that certain earnings on the "gross proceeds" of the Series 2021^A Bonds be paid to the federal government. Noncompliance with the Federal Tax Requirements may cause interest on the Series 2021^A Bonds to become subject to federal

and State income taxation retroactive to their date of issue irrespective of the date on which such noncompliance occurs or is ascertained. In expressing its opinion, Bond Counsel will assume compliance by the Issuer, the Company, the Charter School, and the Trustee with the tax covenants contained in the Loan Agreement, the Tax Regulatory Agreement, the Tax Certificate, and the Indenture.

Other Federal Tax Considerations

Interest on the Series 2021^A Bonds may be included in the income of a foreign company for purposes of the branch profits tax imposed by Section 884 of the Code. In the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by an amount equal to fifteen percent of the interest to be paid on the Series 2021^A Bonds that is received or accrued during the taxable year. Under the circumstances described in Section 86 of the Code, recipients of certain social security and railroad retirement benefits may be required to take into account interest on the Series 2021^A Bonds in determining the taxability of such benefits. Passive investment income, including interest on the Series 2021^A Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than twenty-five percent of its gross receipts is passive investment income. The Series 2021^A Bonds have not been designated by the Issuer as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Bond Premium

The Series 2021^A Bonds with a stated maturity of September 1, 20__ (the “Premium Bonds”), have been sold to the public at an amount in excess of the stated redemption price at maturity. Such excess of the purchase price of such Premium Bonds over the stated redemption price at maturity constitutes original issue premium with respect to such Premium Bonds. A purchaser of a Premium Bond must amortize any original issue premium over the term of such Premium Bond using constant yield principles, based on the purchaser’s yield to maturity. As original issue premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or a decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to State and local tax consequences of owning such Premium Bonds.

Registered Owners of Premium Bonds should consult their tax advisors with respect to computation and accrual of original issue discount and with respect to the State and local tax consequences of owning Discount Bonds and Premium Bonds.

Original Issue Discount

The Series 2021^A Bonds having a stated maturity of September 1, 20__ (the “Discount Bonds”) are being sold at a discount from the principal amount payable on the Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the “Issue Price”) and the principal amount payable at maturity constitutes “original issue discount” under the Code. The amount of the original issue discount that accrues with respect to a Discount Bond under Section 1288 is added to the tax basis of the owner in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption, or payment at maturity).

Interest in the form of original issue discount accrues under Section 1288 pursuant to a constant yield method that reflects semiannual compounding on days that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of: (i) the product of (a) one-half of the yield on such Bonds (adjusted as necessary for an initial short period), and (b) the adjusted issue price of such Bonds, over (ii) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the Issue Price plus accrued interest and accrued original issue discount, the amount of original issue discount that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Bond.

Holders of Discount Bonds should consult their own advisors with respect to computation and accrual of original issue discount and with respect to the State and local tax consequences of owning such Discount Bonds.

[The Series 2021B Bonds](#)

[Interest to be paid on the Series 2021B Bonds is includable in gross income of the recipient for federal income tax purposes and in taxable net income of individuals, estates and trusts for Minnesota income tax purposes, and is subject to Minnesota franchise taxes imposed on corporations and financial institutions.](#)

Legislative Proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status of municipal bonds. For example, the recent federal tax reform legislation (formerly known as the Tax Cuts and Jobs Act) signed by President Trump on December 22, 2017, significantly changed the income tax rates for individuals and corporations and modified the alternative minimum tax for tax years beginning after December 31, 2017, and altered other existing tax law in a manner that may affect the market price for, or marketability of, the Series 2021A Bonds. Prospective purchasers of the Series 2021A Bonds should consult their own tax advisors regarding the impact of any such change in law.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Series 2021A Bonds. The receipt of interest on the Series 2021A Bonds may otherwise affect the federal or state income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Series 2021 Bonds are encouraged to consult with their personal tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Series 2021 Bonds.

BOND RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business (the "Rating Agency"), has assigned its municipal bond rating of ["____"] to the Series 2021 Bonds. Such rating also applied to the Series 2016 Bonds and expresses only the views of the Rating Agency. Any explanation of the significance of such rating may only be obtained from the Rating Agency. The Charter School and the Company furnished to the Rating Agency certain information and material concerning the Series 2021 Bonds, the Series 2016 Bonds, and the Charter School. Generally, rating agencies such as the Rating Agency base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance that the credit rating mentioned above will remain in effect for any given period of time or that the rating might not be lowered or withdrawn entirely by the Rating Agency, if, in the judgment of the Rating Agency, circumstances so warrant. The Underwriter has undertaken no responsibility either to bring to the attention of the Registered Owners of the Series 2021 Bonds any proposed change in or withdrawal of any rating or to oppose any such proposed revision or withdrawal. Any such downward change in or withdrawal of any rating might have an adverse effect on the market price or marketability of the Series 2021 Bonds.

UNDERWRITING

The Series 2021 Bonds will be purchased by Piper Sandler & Co., Minneapolis, Minnesota (the "Underwriter"). The Underwriter has agreed to purchase the Series 2021A Bonds for a purchase price of \$ _____, which amount represents the principal amount of the Series 2021A Bonds (\$ _____), less the Underwriter's discount of \$ _____, [plus/less] a [net] original issue [premium/discount] of \$ _____. The Underwriter has agreed to purchase the Series 2021B Bonds for a purchase price of \$ _____, which amount represents the principal amount of the Series 2021B Bonds (\$ _____), less the Underwriter's discount of \$ _____, [plus/less] a [net] original issue [premium/discount] of \$ _____. The Underwriter is purchasing the Series 2021 Bonds pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement"), between the Issuer, the Charter School, the Company and the Underwriter. The Bond Purchase Agreement also provides that the Company will pay miscellaneous out-of-pocket expenses of the Underwriter. The Bond Purchase Agreement provides that the Underwriter will purchase all Series 2021 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. Expenses associated with the issuance of the Series 2021 Bonds are being paid by the Company from proceeds of the Series 2021 Bonds. The right of the Underwriter to receive compensation in connection with the Series 2021 Bonds is contingent upon the actual sale and delivery of the Series 2021 Bonds. The initial offering prices set forth on the inside front cover hereof may be changed from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Series 2021 Bonds to the public. The Charter School has agreed under the Bond Purchase Agreement to indemnify the Underwriter and the Issuer against certain liabilities, including certain liabilities under federal and state securities laws.

CONTINUING DISCLOSURE

Rule 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("Rule"), imposes continuing disclosure obligations on the issuers of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. In order to comply with the requirements of Rule, the Company, the Charter School, and U.S. Bank

National Association, as dissemination agent (the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement, dated as of August 1, 2021 (the “Continuing Disclosure Agreement”). See “APPENDIX J – FORM OF CONTINUING DISCLOSURE AGREEMENT” in this Official Statement.

[TO BE UPDATED] In connection with the issuance of the Series 2011A Bonds, the Company and the Charter School entered into a Continuing Disclosure Agreement (the “2011 Continuing Disclosure Agreement”), between the Company, the Charter School and the dissemination agent named therein. In connection with the issuance of the Series 2016 Bonds, the Company and the Charter School entered into a Continuing Disclosure Agreement (the “2016 Continuing Disclosure Agreement” and, together with the 2011 Continuing Disclosure Agreement, the “Prior Continuing Disclosure Agreement”) between the Company, the Charter School and the dissemination agent named therein.

Except as described below, during the last five years, the Company and the Charter School believe that they have complied with the Prior Continuing Disclosure Agreements relating to the Series 2011A Bonds and the Series 2016 Bonds. During the last five (5) years, the Company and the Charter School had instances of non-compliance related to their continuing disclosure obligations in the Prior Continuing Disclosure Agreements, as described below:

I. Annual Financial Information and Operating Data.

[With respect to the Series 2011A Bonds and the Series 2016 Bonds, the Charter School timely filed its audited annual financial statements on EMMA, except for a couple of instances when such reports were a few days late, as required under the continuing disclosure agreement for the Series 2011A Bonds and the Series 2016 Bonds.] [DETAILS OF SPECIFIC NON-COMPLIANCE TO BE ADDED] [Certain of the above filings were modified and re-filed on EMMA after their original late filing date. The modifications consisted of updated and supplemental filings consistent with the Company and the Charter School’s required disclosures under the Prior Continuing Disclosure Agreements. All modified filing dates of certain of the above filings are listed on the EMMA website operated by the MSRB at www.emma.msrb.org.]

II. Quarterly Financial Information.

[With respect to the Series 2011A Bonds and the Series 2016 Bonds, the Charter School timely filed its quarterly unaudited financial statements on EMMA, except for a couple of instances when such reports were a few days late, as required under the continuing disclosure agreement for the Series 2011A Bonds and the Series 2016 Bonds.] [DETAILS OF SPECIFIC NON-COMPLIANCE TO BE ADDED]

III. Operations Reports.

[The Charter School failed to file on EMMA certain updates to the operating information in the format of Appendix A to the official statement for the Series 2011A Bonds and the Series 2016 Bonds. However, with respect to the previous failures by the Company and the Charter School to file the prior operating information as discussed in the prior sentence, much of the requested information (such as fund balance and days cash on hand as of the end of a fiscal year, enrollment, average daily membership, and per pupil unit attendance for a fiscal year) is contained in the Charter School’s unaudited and audited financial statements and was available on EMMA.] [DETAILS OF SPECIFIC NON-COMPLIANCE TO BE ADDED]

[In connection with the issuance of the Series 2021 Bonds, the Charter School and the Company have agreed to name an official of the Company and the Charter School, respectively, that is responsible for ensuring ongoing compliance with the requirements of Rule and the Disclosure Agreement going forward. In addition, the Company and the Charter School are identifying procedures to ensure that their annual financial information and operating data, quarterly financial information, operations reports, and event notice reports are filed in a timely manner.]

The Issuer does not have any obligation with respect to the Continuing Disclosure Agreement because the Issuer is not an “obligated party” under the terms of Rule 15c2-12. The Issuer will not monitor the compliance by the Company or the Charter School with the terms of the Continuing Disclosure Agreement.

ENFORCEABILITY OF OBLIGATIONS

On the date of delivery of the Series 2021 Bonds, Kennedy & Graven, Chartered, [Saint Paul and Minneapolis, Minnesota](#), Bond Counsel to the Issuer, will deliver its opinion, dated the delivery date, that the Series 2021 Bonds, the Loan Agreement, ~~the Endorsement to Tax Certificate~~, the Bond Purchase Agreement, and the Indenture are valid and legally binding on the Issuer, enforceable against the Issuer in accordance with their respective terms. Best & Flanagan, LLP, Minneapolis, Minnesota, as counsel to the Company, will deliver its opinion that the Loan Agreement, the Tax Certificate, the Tax Regulatory Agreement, [the Assignment of Lease](#), the Mortgage, the Lease, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Intercreditor Agreement, and the SNDA are valid and legally binding agreements of the Company, each enforceable in accordance with its respective terms. Best & Flanagan, LLP, Minneapolis, Minnesota, as counsel to the Charter School, will deliver its opinion that the Lease, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Intercreditor Agreement, the Tax Certificate, the Account Control Agreement, the Pledge Agreement, the Tax Regulatory Agreement and the SNDA are valid and legally binding agreements of the Charter School, each enforceable in accordance with its respective terms. The foregoing opinions will be generally qualified to the extent that the enforceability of the respective instruments may be limited by laws, decisions and equitable principles affecting remedies and by bankruptcy or insolvency or other laws, decisions and equitable principles affecting creditors’ rights generally. While the Series 2021 Bonds are secured or payable pursuant to the Indenture, the Loan Agreement, the Mortgage, the Lease, [the Assignment of Lease](#), and the Pledge Agreement, the practical realization of payment from any security will depend upon the exercise of various remedies specified in the respective instruments. These and other remedies are dependent in many respects upon judicial action, which is subject to discretion and delay. Accordingly, the remedies specified in the above documents may not be readily available or may be limited.

LEGAL MATTERS

Legal matters incident to the issuance and sale of the Series 2021 Bonds and with regard to the tax-exempt status of interest on the Series 2021 [Bonds](#) under existing laws are subject to the legal opinion of Kennedy & Graven, Chartered, Minneapolis, [Saint Paul and Minneapolis, Minnesota](#), as Bond Counsel. Certain legal matters in connection with the Series 2021 Bonds will be passed upon for the Underwriter by Ballard Spahr LLP, Saint Paul, Minnesota, for the Company and the Charter School by Best & Flanagan, LLP, Minneapolis, Minnesota.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Series 2021 Bonds, the Issuer, the Company, the Charter School, and the Underwriter are being represented by the attorneys or law firms identified above under the heading “LEGAL MATTERS” and Kennedy & Graven, Chartered is acting as Bond Counsel. In other transactions not related to the Series 2021 Bonds, each of these attorneys or law firms may have acted as Bond Counsel or represented the Issuer, the Company, the Charter School, or the Underwriter or their affiliates, in capacities different from those described under “LEGAL MATTERS,” and there will be no limitations imposed as a result of the issuance of the Series 2021 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 2021 Bonds should not assume that the Issuer, the Company, 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 2021 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. In addition, Ballard Spahr LLP has a written contract with the Issuer to serve as bond counsel on bond issues unrelated to the Series 2021 Bonds and the Issuer and the Underwriter have consented to Ballard Spahr LLP’s representation of the Underwriter in connection with the Series 2021 Bonds.

ABSENCE OF LITIGATION

The Issuer

To the actual knowledge of the Issuer, there is no litigation pending against the Issuer seeking to restrain or enjoin the issuance or delivery of the Series 2021 Bonds, questioning or affecting the legality of the Series 2021 Bonds or the proceedings and authority under which the Series 2021 Bonds are to be issued or questioning the validity or enforceability of the Indenture, the Bond Purchase Agreement, the Series 2021 Bonds, or the Loan Agreement.

The Company

In connection with the issuance of the Series 2021 Bonds, the Company has represented that there is no litigation pending, seeking to restrain or enjoin the issuance or delivery of the Series 2021 Bonds or questioning or affecting the legality of the Series 2021 Bonds or the proceedings and authority under which the Series 2021 Bonds are to be issued. Except as set forth in “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE – LITIGATION” there is no litigation pending which in any manner questions the undertaking of the financing by the Company or the validity or enforceability of the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Intercreditor Agreement, the Tax Certificate, the Continuing Disclosure Agreement, the Account Control Agreement, the Lease, the Assignment of Lease, the Pledge Agreement, the SNDA, or the Mortgage.

The Charter School

In connection with the issuance of the Series 2021 Bonds, the Charter School has represented that there is no litigation pending, seeking to restrain or enjoin the issuance or delivery of the Series 2021 Bonds or questioning or affecting the legality of the Series 2021 Bonds or the proceedings and authority under which the Series 2021 Bonds are to be issued. There is no litigation pending which in any manner questions the undertaking of the financing by the Charter School or the validity or enforceability of the Bond Purchase Agreement, the Intercreditor Agreement, the Tax Certificate, the Continuing Disclosure

Agreement, the Account Control Agreement, the Lease, the Assignment of Lease, the Pledge Agreement, the SNDA, or the Mortgage.

Except as disclosed in “APPENDIX A – THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE” under the heading “NO MATERIAL LITIGATION” there is no threatened litigation against the Charter School.

THE TRUSTEE

The Issuer has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States of America, to serve as Trustee. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Series 2021 Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Issuer of any of the Series 2021 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Series 2021 Bonds by the Issuer. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2021 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2021 Bonds, or the investment quality of the Series 2021 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

MISCELLANEOUS

The foregoing does not purport to be comprehensive or definitive, and all references to any document herein are qualified in their entirety by reference to each such document. All references to the Series 2021 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. Copies of these documents are available for inspection during the period of the offering at the office of Piper Sandler & Co. in Minneapolis, Minnesota, and thereafter at the designated corporate trust office of the Trustee. In addition to certain information provided herein, all information contained in the Appendices A, B, C, D, and E, along with information regarding the Budget Projection and projected debt service coverage under the caption “SUMMARY INFORMATION” has been provided by the Charter School or Company or been derived from information provided by the Charter School or Company. The Underwriter makes no representation or warranties as to the accuracy or completeness of the information in any of the Appendices.

The Company, the Charter School, and the Issuer have authorized and approved the use and distribution of this Official Statement, although the Issuer has not reviewed or approved any matters herein and assumes no responsibility for the accuracy or completeness of the information herein except for the information under the caption “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” in this Official Statement.

Registration of Series 2021 Bonds

Registration or qualification of the offer and sale of the Series 2021 Bonds (as distinguished from registration of the ownership of the Series 2021 Bonds) is not required under the federal Securities Act of 1933, as amended. THE COMPANY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2021 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2021 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 Bond Counsel, counsel to the Company and the Charter School, counsel to the Underwriter, the Trustee, and the Underwriter are contingent upon the sale and delivery of the Series 2021 Bonds.

Official Statement Certification of the Company and the Charter School

The preparation of this Official Statement and its distribution has been authorized by the Company and the Charter School. This Official Statement has been “deemed final” by the Charter School and the Company in compliance with the provisions of Rule 15c2-12. This Official Statement is not to be construed as an agreement or contract between the Company or the Charter School and any purchaser, owner or Registered Owner of any Series 2021 Bond.

APPENDIX A
THE COMPANY, THE CHARTER SCHOOL,
AND THE SCHOOLHOUSE

APPENDIX A

THE COMPANY, THE CHARTER SCHOOL, AND THE SCHOOLHOUSE

[TO BE ATTACHED]

APPENDIX B

**MINNESOTA LAWS RELATING TO
CHARTER SCHOOLS**

APPENDIX B

MINNESOTA LAWS RELATING TO CHARTER SCHOOLS

This APPENDIX B summarizes certain provisions of charter school law in the State of Minnesota (“State”). This appendix provides a summary, for informational purposes only, and should be read in conjunction with other portions of the Official Statement and the complete Charter School Act (as defined below). 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.

Introduction

Charter schools in Minnesota are public schools and are a component of the State’s system of public education. The Minnesota Charter School Act, Minn. Stat. Chapter 124E (the “Charter School Act”), authorizes the creation and operation of charter schools and includes rules concerning governance of charter schools, the legal status and organization of charter schools, the charter application process, charter school facilities, charter school funding and other requirements to maintain good standing with the State. Pursuant to the Charter School Act, any charter school must receive a written charter contract to operate as a charter school from a designated authorizer. Charter schools are primarily intended to improve pupil learning and student achievement. Additional purposes include to: (1) increase learning opportunities for pupils; (2) encourage the use of different and innovative teaching methods; (3) measure learning outcomes and create different and innovative forms of measuring outcomes; (4) establish new forms of accountability for schools; and (5) create new professional opportunities for teachers, including the opportunity for the learning program at the school site.

In addition to the Charter School Act, charter schools must comply with certain other State and federal law regarding public education. The sections that follow provide additional information relating to the State laws applicable to charter schools.

State Law Charter School Requirements

Authorizer Approval Process (Minn. Stat. § 124E.05)

An applicant seeking to establish a charter school, or to convert an existing school into a charter school, must seek the support and approval of a qualified authorizer. Minnesota law requires that charter schools must be granted a charter by an entity referred to as an authorizer. An eligible authorizer may consist of (1) a school board, intermediate school district board, or education district, (2) certain types of charitable organizations, (3) a Minnesota private college, community college, State university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities, or the University of Minnesota, (4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, or (5) single purpose authorizers that are charitable, nonsectarian organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota as a corporation with no members or as a nonprofit limited liability company whose sole purpose is to charter schools.

To seek approval as an authorizer, an organization must apply to the Commissioner of the Department of Education (the “Commissioner”). The application for approval as an authorizer must demonstrate the applicant’s ability to implement the procedures and satisfy the criteria for chartering a school. The Commissioner must approve or disapprove of the application within forty-five (45) business days of the application deadline. After approval as an authorizer, the authorizer is subject to a review by the Commissioner every five years. If the Commissioner finds that an authorizer has not fulfilled its requirements pursuant to State law, the Commissioner may subject the authorizer to corrective action, which may include terminating the Charter Contract of any schools chartered by the authorizer.

To seek approval to charter a specific charter school, an authorizer must file an affidavit with the Commissioner, stating the terms and conditions under which the authorizer would charter a school and how the

authorizer intends to oversee the fiscal and student performance of the charter school and how the authorizer would comply with the written contract between the authorizer and the charter school board. The Commissioner must approve or disapprove of the application within sixty (60) business days of receipt of the affidavit.

Charter Contract (Minn. Stat. § 124E.10)

The authorization for a charter school is in the form of a written contract signed by the authorizer and the board of directors of a charter school (the “Charter Contract”). The Charter Contract must be completed within forty-five (45) business days of the Commissioner’s approval of the authorizer’s affidavit. The authorizer is required to submit a copy of the signed Charter Contract to the Commissioner within ten (10) business days of execution. The Charter Contract must contain: (1) a declaration that the charter school will carry out the primary purpose in § 124E.10 subdivision 1 (to improve pupil learning and student achievement), and how the school will report its implementation of this purpose; (2) a declaration of additional purposes that the school intends to carry out and how the school will report its implementation of those purposes; (3) a description of the school program and specific academic and nonacademic outcomes that pupils must achieve; (4) a statement of admission policies and procedures; (5) a governance, management, and administration plan for the school; (6) signed agreements from charter school board members to comply with all federal and State laws governing organizational, programmatic, and financial requirements applicable to charter schools; (7) the criteria, processes, and procedures that the authorizer will use to monitor and evaluate the fiscal, operational, and academic performance; (8) for contract renewal, the formal written performance evaluation of the school that is a prerequisite for reviewing a Charter Contract; (9) types and amounts of insurance liability coverage to be obtained by the charter school; (10) a provision to indemnify and hold harmless the authorizer and its officers, agents, and employees, as well as the Commissioner and officers, agents, and employees of the Department of Education, from any suits, claim, or liability arising from any operation of the charter school; (11) the term of the initial contract, which may be up to five years plus an additional preoperational planning year, and up to five years for a renewed contract or a contract with a new authorizer if warranted by the school’s academic, financial, and operational performance; (12) how the board of directors or the operators of the school will provide special instruction and services for children with a disability and a description of the financial parameters within which the charter school will operate to provide the special instruction and services to a children with a disability; (13) the specific conditions for contract renewal that identify performance under the primary purpose as the most important factor in determining contract renewal; (14) the additional purposes and related performance obligations contained in the charter contract as additional factors in determining contract renewal; and (15) the plan for an orderly closing of the charter school, whether the closure is a termination for cause, a voluntary terminator, or a nonrenewal of the contract, that includes establishing the responsibilities of the charter school board of directors and the authorizer and notifying the Commissioner, authorizer, school district in which the charter school is located, and parents of enrolled students about the closure, information and assistance sufficient to enable the student to re-enroll in another school, the transfer of student records, and procedures for closing financial operations.

Requirements for Charter Schools (Minn. Stat. §§ 124E.03, subds. 2,3, 4; 124E.06, subd. 3; 124E.10, subd. 1(b))

A charter school is required to be nonsectarian in its programs, admission policies, employment practices, and all other operations. Charter schools must be able to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. A charter school must comply with statewide accountability requirements governing standards and assessments in Minn. Stat. § 120B. A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students. A charter school cannot charge tuition and may only charge fees for specified activities as in Minn. Stat. § 123B.24. A charter school must comply with all federal, State, and local health and safety requirements applicable to school districts. A charter school must maintain at least the amount of and types of insurance up to the applicable tort liability limits under Minn. Stat. Chapter 466. A charter school must comply with Minn. Stat. §§ 125A.02, 125A.03 – 125A.24 and 125A.65 and rules relating to the education of pupils with disabilities as though the charter school were a school district. A charter school must provide instruction each year for at least the number of hours required by Minn. Stat. § 120A.41. It may provide instruction throughout the year according to Minn. Stat. §§ 124D.12-124D.127, and 124D.128.

Eligible Students (Minn. Stat. § 124E.11)

A charter school may limit admission to pupils within an age group or grade level, pupils who are eligible to participate in the graduation incentives program, or residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations. A charter school must enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. If there are too many applications, the students must be accepted by lottery. The charter school must develop and publish, including on its Web site, a lottery policy and utilize that policy when accepting students by lottery. A charter school shall give preference for enrollment to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's teachers before accepting other pupils by lottery. A person shall not be admitted to a charter school as a kindergarten pupil unless the student is at least 5 years old on September 1 of the calendar year in which the student seeks admission, or as a first grade pupil unless 6 years old on September 1 of the calendar year in which the student seeks admission (but the school may establish and publish a policy for admission of selected students at an earlier age). A charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability. A charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

Employment (Minn. Stat. §§ 124E.07, subd. 6; 124E.12)

Charter schools must employ or contract with necessary teachers, who hold valid licenses to perform the particular service for which they are employed by the charter school. The charter school's State aid may be reduced if the school employs a teacher who is not appropriately licensed or approved by the State board of teaching. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The charter school may discharge teachers and nonlicensed employees. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the charter school's personnel policies.

A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for persons that hold administrative, supervisory, or instructional leadership roles. The qualifications shall include at least the following areas: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles. The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of the development plan of these persons shall be included in the charter school's annual report.

The board of directors must decide and be responsible for policy matters related to the operation of the charter school, including budgeting, curriculum programming, personnel, and operating procedures. The board must adopt a policy on nepotism in employment, and adopt personnel evaluation policies and practices that at a minimum do the following: carry out the school's mission and goals; evaluate the execution of charter contract goals and commitments; evaluate student achievement, postsecondary and workforce readiness, and student engagement and connection goals; establish a teacher evaluation process; and provide professional development related to the individual's job responsibilities.

Background Checks (Minn. Stat. § 123B.03)

A charter school, like other public schools, must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals who are offered employment in a school and on all individuals, except enrolled student volunteers, who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services to a school, regardless of whether any compensation is paid. The superintendent of the Bureau of Criminal Apprehension shall conduct the background check by retrieving criminal history data as defined in State law. A school hiring authority, at its discretion, may

decide not to request a criminal history background check on an individual who holds an initial entrance license issued by the State board of teaching or the commissioner of education within the 12 months preceding an offer of employment. For all nonstate residents who are offered employment in a school, a school hiring authority shall request a criminal history background check on such individuals from the superintendent of the Bureau of Criminal Apprehension and from the government agency performing the same function in the resident state or, if no government entity performs the same function in the resident state, from the Federal Bureau of Investigation.

Annual Public Reports and Disclosure (Minn. Stat. § 124E.16)

A charter school must publish an annual report approved by the board of directors. The annual report must at a minimum include information on enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school must distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school and must also post the report on the charter school's official web site. The annual reports are public data.

A charter school is subject to the same financial audits, audit procedures, and audit requirements as a school district. Audits must be performed in accordance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and any prescribed minimum procedures for audits.

Review and Comment by an Authorizer (Minn. Stat. §§ 124E.10, subd. 3; 124E.05, subd. 8)

An authorizer is required to provide formal written evaluations of the charter school's performance before the renewal of the Charter Contract. The Commissioner must review and comment on the authorizer's evaluation process at the time the authorizer submits its application for approval and each time the authorizer undergoes its five-year review. The authorizer is required to monitor and evaluate the academic, financial, operational and student performance of the charter school and may assess the charter school a monitoring fee for this service. The monitoring fee must be stated in the Charter Contract.

The fee that an authorizer may annually assess is the greater of (1) the basic formula allowance for that year, or the lesser of: (a) the maximum fee factor multiplied by the basic formula allowance for the year; or (b) the fee factor multiplied by the basic formula allowance for that year times the charter school's adjusted marginal cost pupil units for that year. The maximum fee factor equals 4.0.

By September 30 of each year, the authorizer must submit to the Commissioner a statement of the expenditures related to chartering activities during the previous school year ending June 30 of that fiscal year.

Transportation (Minn. Stat. § 124E.15)

The State provides a fixed per-pupil amount for transportation aid. By April 1 of each year (or July 1 of the first fiscal year), a charter school must notify the school district in which the charter school is located and the Commissioner if it will provide its own transportation or use the transportation services of the district it is located within. If a charter school elects to use the transportation services of the district, then the charter school's transportation aid is paid directly to the district. If a charter school elects to provide its own transportation to its pupils, the transportation aid is paid directly to the charter school. If the charter school elects to provide transportation to students, the charter school must provide the transportation within the district in which the charter school is located. The charter school may elect to provide transportation beyond its district boundaries; however, the amount of transportation aid to the charter school is not increased.

Although the charter school is not required to provide transportation for students who reside outside of the school district in which the charter school is located, a parent whose family is below the poverty level as determined by the federal government may be entitled to reimbursement by the charter school for costs of transporting a pupil from the pupil's residence to the border of the district in which the charter school is located. The reimbursement must not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

If a charter school does not provide transportation, transportation must be provided by the district in which the charter school is located. If the district does provide transportation, the scheduling of routes, manner and method of transportation, control and discipline of the students, and any other matter relating to the transportation falls within the control and discretion of the school district.

Charter Noncompliance and Termination (Minn. Stat. § 124E.10)

A charter school is allowed to continue in duration for the length of the Charter Contract between the charter school and the authorizer. A Charter Contract may be unilaterally terminated or not renewed by the authorizer for: (1) failure to demonstrate satisfactory academic achievement for all students, including the requirements for pupil performance contained in the contract; (2) failure to meet generally accepted standards of fiscal management; (3) violations of law; or (4) other good cause. If an authorizer intends to not renew a contract with a charter school, it must provide written notice to the charter school at least sixty (60) days prior to the proposed nonrenewal or termination. The board of directors of the charter school may make a request to have an informal hearing within fifteen (15) business days of receiving notice of nonrenewal or termination of the contract. Failure to request a hearing will be treated as acquiescence to the proposed action. Upon receiving a request for a hearing, an authorizer shall give ten (10) business days' notice to the charter school's board of directors of the hearing date. The authorizer shall take final action to renew or not renew a contract no later than twenty (20) business days before the proposed date for terminating the contract or the end of the contract.

If the authorizer and the charter school board of directors mutually agree not to renew the Charter Contract, or if the governing board of the authorizer votes to withdraw as an approved authorizer, a change in authorizers is allowed. The authorizer and the school board must jointly submit their intent in writing to the Commissioner to mutually not renew the contract. The authorizer that is a party to the existing Charter Contract must inform the proposed authorizer about the fiscal and operational status and student performance of the charter school, as well as any outstanding contractual obligations. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any of these obligations from the previous contract. The proposed contract must be submitted at least 105 business days before the end of the existing charter contract. The Commissioner will have 30 business days to review and make a determination, after which the proposed authorizer and the school have 15 business days to respond and address any issues identified by the Commissioner. A final determination shall be made no later than 45 business days before the end of the current charter contract. If no change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer is not approved and the current authorizer and school do not withdraw their letter and enter a new contract, the school must be dissolved.

The Commissioner may terminate the Charter Contract, after providing reasonable notice to the board of directors of a charter school and existing authorizer, after providing an opportunity for a public hearing if the charter school has a history of: (1) failure to meet pupil performance requirements; (2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or (3) repeated or major violations of law.

Upon termination of a Charter Contract, a pupil who attended the charter school, siblings of a pupil or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district at any time. The closed charter school must transfer the student's educational records within ten (10) business days of closure to the student's school district of residence where the records must be retained or transferred.

If the Charter Contract is not renewed or is unilaterally terminated the charter school must dissolve according to the applicable provisions of Minn. Stat. Chapter 317A.

Tort Liability (Minn. Stat. § 124E.03, subd. 2(d); Ch. 466)

A Charter School is subject to the same limits on tort liability as a traditional public school district or other municipality. Minnesota Statutes, Chapter 466, establishes liability limits for the torts of a municipality or its officers, employees and agents acting within the scope of their employment or duties whether arising out of a governmental or proprietary function. For claims arising after July 1, 2009, such tort claims shall not exceed: (1)

\$500,000 when the claim is one for death by wrongful act or omission and \$500,000 to any claimant in any other case; and (2) \$1,500,000 for any number of claims arising out of a single occurrence. The limit is doubled if the claim arises out of the release or threatened release of a hazardous substance. No award for damages on any such claim shall include punitive damages.

Additional State and Federal Law Compliance

In addition the Charter School Act and the other State laws mentioned above, charter schools are subject to additional laws that apply to all public schools. For example, charter schools are required to comply with State and federal special education laws; State, federal, and local health and safety requirements; Section 504 and the Americans with Disabilities Act; federal non-discrimination laws (including, among others, Title VI, Title VII, Title IX); the Minnesota Human Rights Act, the Pupil Fair Dismissal Act, Statewide accountability requirements governing standards and assessment; the No Child Left Behind Act; the Minnesota Public School Fee Law; the Minnesota Government Data Practices Act; the Minnesota Open Meeting Law; State compulsory attendance laws; State laws pertaining to the receipt and dissemination of juvenile disposition orders; State wage and benefit laws (Minn. Stat. Ch. 181); State records retention laws (Minn. Stat. §§ 138.163 and 138.17); State whistleblower protection (Minn. Stat. § 181.932); and the Minnesota Public Employment Labor Relations Act (Minn. Stat. Chapter 179A).

Funding for Charter Schools

State Funding for Charter Schools (Minn. Stat. §§ 124E.20; 124E.21; 124E.22; 124E.23)

The primary source of funds for the operation of Minnesota charter schools is State funding, including: (1) General Education Revenue, (2) Transportation Revenue, (3) Special Education Aid, and (4) Building Lease Aid. See “CHARTER SCHOOLS IN MINNESOTA” in this Official Statement for additional information related to funding.

Building Lease Aid (Minn. Stat. § 124E.22).

With respect to Building Lease Aid, State law imposes restrictions on the types of organization from which a charter school may lease. A charter school must not use Building Lease Aid it receives for custodial maintenance service, utility, or other operating costs. The Commissioner must review and either approve or deny a lease aid application using the following criteria: (i) the reasonableness of the price based on current market conditions; (ii) the extent to which the lease conforms to applicable state laws and rules; and (iii) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. The Commissioner must approve aid only for a facility lease that has (a) a sum of certain annual costs and (b) an escape clause the charter school may exercise if its charter contract is terminated or not renewed.

Related Party Leases (Minn. Stat. § 124E.13, subd. 1 and 2).

A charter school is prohibited from entering into a lease of real property with a related party unless the lessor is a nonprofit corporation or cooperative under Minn. Stat. Chapter 317A or 308A, respectively. If a charter school enters into a lease with a related party and subsequently closes, the Commissioner has the right to recover from the lessor any lease payments that are not reasonable under Minn. Stat. § 124E.22. A charter school may lease space from an independent or special school board, other public organization, private, nonprofit nonsectarian organization, private property owner, or a sectarian organization if the leased space is constructed as a school facility. The Commissioner must review and approve or disapprove of leases in a timely manner.

Affiliated Nonprofit Building Corporation (Minn. Stat. § 124E.13, subd. 3 and 4).

A charter school may decide to organize a nonprofit building corporation to renovate or purchase an existing facility to serve as a school or expand an existing building or construct a new school facility. However, the charter school must meet the following criteria:

- (i) has been in operation for at least six consecutive years;
- (ii) as of June 30 has a net positive unreserved general fund balance in the preceding three fiscal years;
- (iii) has long-range strategic and financial plans that include enrollment projections for at least five years;
- (iv) completes a feasibility study of facility options that outlines the benefits and costs of the options; and
- (v) has a plan which describes project parameters and budget.

An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. Therefore, in order for a charter school to receive lease aid for a facility that it leases from an affiliated nonprofit building corporation, the affiliated nonprofit building corporation must have fee title to the property being leased to the charter school. The State is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

A charter school or its affiliated building corporation must receive a positive review and comment from the Commissioner before initiating any purchase agreement or construction contract that requires an expenditure exceeding that set in Minn. Stat. § 123B.71.

(The remainder of this page is intentionally left blank.)

APPENDIX C

BUDGET PROJECTION

APPENDIX D

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

APPENDIX D

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

APPENDIX E

**UNAUDITED FINANCIAL STATEMENTS OF THE CHARTER
SCHOOL FOR THE ~~TEN~~ELEVEN-MONTH PERIOD ENDED
~~APRIL 30,~~MAY 31, 2021**

APPENDIX E

**UNAUDITED FINANCIAL STATEMENTS FOR THE CHARTER SCHOOL FOR THE
~~TEN~~ELEVEN-MONTH PERIOD ENDED ~~APRIL 30~~MAY 31, 2021**

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

APPENDIX F

The information in this APPENDIX F concerning DTC (as defined below), Cede & Co. and the Book-Entry System has been furnished by DTC for use in disclosure documents such as this Official Statement. The Issuer and the Underwriter believe such information to be reliable, but neither the Issuer nor the Underwriter takes any responsibility for the accuracy or completeness thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities discussed in the body of this Official Statement (the “Series 2021 Bonds”). The Series 2021 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 Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and will be 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 3.7 million issues of U.S. and non-U.S. equity, 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 and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 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 2021 Bond 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 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 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 the Series 2021 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 the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account 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 Series 2021 Bonds may wish to take certain steps to augment the transmission to them of

notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 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 the notices be provided directly to them.

Redemption notices are required to be sent to DTC. If less than all of the Series 2021 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 such other DTC nominee) will consent or vote with respect to Series 2021 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 Issuer 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 Series 2021 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 2021 Bonds will 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 Issuer or the Trustee on the 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, or Issuer, 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 nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer 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 will give notice to elect to have its Series 2021 Bonds purchased or tendered, through its Participant, to the Trustee, and will effect delivery of such Series 2021 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2021 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2021 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2021 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2021 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021 Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2021 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE INFORMATION ABOVE DISCUSSING THE BOOK-ENTRY SYSTEM HAS BEEN FURNISHED BY DTC. NO REPRESENTATION IS MADE BY THE ISSUER, THE COMPANY, THE CHARTER SCHOOL OR THE UNDERWRITER AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. NO ATTEMPT HAS BEEN MADE BY THE ISSUER, THE COMPANY, THE CHARTER SCHOOL OR THE UNDERWRITER TO DETERMINE WHETHER DTC IS OR WILL BE FINANCIALLY OR OTHERWISE CAPABLE OF FULFILLING ITS OBLIGATIONS. THE ISSUER HAS NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS, OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2021 BOND, OR FOR ANY PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST PAYMENT THEREON.

APPENDIX G

**DEFINITIONS OF CERTAIN TERMS AND
SUMMARIES OF DOCUMENTS**

APPENDIX G

DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF DOCUMENTS

[TO BE ATTACHED]

APPENDIX H

FORM OF BOND COUNSEL OPINION

APPENDIX H

FORM OF BOND COUNSEL OPINION

<u>§ _____</u> <u>Housing and Redevelopment Authority</u> <u>of the City of Saint Paul, Minnesota</u> <u>Charter School Lease Revenue</u> <u>Refunding Bonds</u> <u>(Nova Classical Academy Project)</u> <u>Series 2021A</u>	<u>§ _____</u> <u>Housing and Redevelopment Authority</u> <u>of the City of Saint Paul, Minnesota</u> <u>Taxable Charter School Lease Revenue</u> <u>Refunding Bonds</u> <u>(Nova Classical Academy Project)</u> <u>Series 2021B</u>
--	--

We have acted as bond counsel in connection with the issuance by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a body corporate and politic organized and existing under the laws of the State of Minnesota (the “Issuer”), of its Charter School Lease Revenue Refunding Bonds (Nova Classical Academy Project), Series 2021A (the “Series 2021A Bonds”), in the original aggregate principal amount of \$ _____ and its Taxable Charter School Lease Revenue Refunding Bonds (Nova Classical Academy Project), Series 2021B (the “Series 2021B Bonds” and together with the Series 2021A Bonds, the “Bonds”), in the original aggregate principal amount of \$ _____. Any capitalized terms used herein that are otherwise undefined shall have the meanings assigned to them in the Indenture or the Loan Agreement.

In connection with the issuance of the Series 2021 Bonds, we have examined: (i) a certified copy of a resolution adopted by the Board of Commissioners of the Issuer on July 14, 2021, in connection with the issuance of the Series 2021 Bonds under the provisions of Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”); (ii) an executed counterpart of a Second Amended and Restated Indenture of Trust, dated as of August 1, 2021 (the “Indenture”), between the Issuer and U.S. Bank National Association, a national banking association (the “Trustee”); (iii) an executed counterpart of a Second Amended and Restated Loan Agreement, dated as of August 1, 2021 (the “Loan Agreement”), between the Issuer and Friends of Nova Classical Academy, a Minnesota nonprofit corporation, (the “Company”); (iv) an executed counterpart of a Tax Regulatory Agreement, dated as of August 1, 2021, between the Company, Nova Classical Academy, a Minnesota nonprofit corporation and public (charter) school (the “School”), and the Trustee; (v) forms of the Series 2021 Bonds; (vi) an opinion of even date herewith of Best & Flanagan, LLP, Minneapolis, Minnesota, acting as counsel for the School and the Company; and (vii) such other documents as we deemed relevant and necessary in rendering this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Company, the School, the Trustee, and the Issuer, contained in the Indenture, the Loan Agreement, and certain other documents, instruments and certificates executed and delivered on the date hereof, and upon the certified proceedings of the Issuer and other certifications of public officials furnished to us and certifications by officers of the Company and the School (including but not limited to, certifications as to the application of the proceeds of the Series 2021 Bonds and the nature, use, cost and economic life of the Project refinanced with the proceeds of the Series 2021 Bonds) without undertaking to verify the same by independent investigation. To the extent that the opinions rendered herein are dependent on the organization and operation of the Company or the School as organizations described in Section 501(c)(3)

of the Internal Revenue Code of 1986, as amended (the “Code”), and exempt from federal income taxation under Section 501(a) of the Code and as to the characterization of the activities of the Company and the School in connection with the use of the facilities financed with the proceeds of the Series 2021 Bonds as activities that do not constitute an unrelated trade or business under Section 513(a) of the Code, we are relying on the representations of the Company and the School and the opinion of even date herewith of Best & Flanagan, LLP, Minneapolis, Minnesota, as counsel for the Company and the School.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect prior to the date hereof), regulations, rulings, and judicial or other decisions, it is our opinion that:

(1) The Issuer is a body corporate and politic organized and validly existing under the Constitution and laws of the state of Minnesota and is authorized under the Act to issue the Series 2021 Bonds, to loan the proceeds thereof to the Company under the terms of the Loan Agreement, and to assign to the Trustee all of its right, title, and interest in the Loan Agreement (except for certain unassigned rights of the Issuer to payment of fees, indemnification, and reimbursement of expenses, and other rights of the Issuer), pursuant to the terms of the Indenture.

(2) The Issuer has complied with all applicable provisions of the Constitution and laws of the State of Minnesota, including the Act, and has full power and authority to execute and deliver the Series 2021 Bonds, the Loan Agreement, the Indenture, and the other related documents to which it is a party (collectively, the “Issuer Documents”), and to carry out the terms thereof.

(3) The Issuer Documents have been duly and validly authorized, executed, and delivered by the Issuer and, assuming due authorization and execution by the other parties thereto, are valid instruments legally binding on the Issuer and legally enforceable against the Issuer in accordance with their terms.

(4) The Series 2021 Bonds have been duly and validly authorized, executed, and delivered by the Issuer, and are valid and binding special, limited obligations of the Issuer secured by and entitled to the benefits provided by the Indenture, enforceable in accordance with their terms and the terms of the Indenture. The Series 2021 Bonds are not general obligations or indebtedness of the Issuer or the City of Saint Paul, Minnesota (the “City”), within the meaning of any constitutional or statutory limitation and do not constitute or give rise to a pecuniary liability of the Issuer or the City or a charge against their general credit or taxing powers, but are payable solely from revenues derived from the Loan Agreement and the other documents executed in connection with the issuance of the Series 2021 Bonds, as provided in the Indenture, and from the other revenues pledged to payment of the Series 2021 Bonds pursuant to the terms of the Indenture.

(5) The Series 2021A Bonds are “private activity bonds” within the meaning of Section 141(a) of the Code, but bear interest not includable in gross income for purposes of federal income taxation under Section 103(a) of the Code, pursuant to the exemption for “qualified 501(c)(3) bonds” provided in Section 145 of the Code. Interest on the Series 2021A Bonds is not includable in the net taxable income of individuals, trusts, and estates for State of Minnesota income tax purposes. Interest on the Series 2021A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax and the Minnesota alternative minimum tax applicable to individuals, estates, and trusts. Interest on

the Series 2021A Bonds is subject to the State of Minnesota franchise tax imposed on corporations and financial institutions. The opinion set forth in this paragraph is subject to the condition that the Company and the School comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2021A Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Series 2021A Bonds to be so included in gross and net taxable income retroactive to the date of issuance of the Series 2021A Bonds. The Company and the School have covenanted to comply with such requirements. We express no opinion regarding other federal or state tax consequences arising with respect to ownership of the Series 2021A Bonds or caused by the receipt or accrual of interest thereon.

(6) We express no opinion as to the status of the interest on the Series 2021B Bonds for federal or state income tax purposes.

It is understood that the rights of the owners of the Series 2021 Bonds and the enforceability of the Series 2021 Bonds, the Indenture, and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and to general principles of equity, which may limit the specific enforcement of certain remedies but do not affect the validity of such documents.

This opinion is based on an analysis of existing laws, regulations, rulings and court decisions and the opinions expressed herein may be affected by actions taken or omitted or events occurring after the date hereof. This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law or facts that may hereafter occur.

We have not been engaged, and have not undertaken, to review the accuracy, completeness or sufficiency of any offering materials relating to the Series 2021 Bonds and, accordingly, we express no opinion with respect thereto.

Dated this ____ day of August, 2021 at Saint Paul, Minnesota.

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX I
FORM OF CONTINUING DISCLOSURE AGREEMENT

Document comparison by Workshare 9.5 on Tuesday, July 20, 2021 11:23:37 AM

Input:	
Document 1 ID	interwovenSite://DMS-NORTH/DMNORTH/7562293/3
Description	#7562293v3<DMNORTH> - Piper Nova Ref 2021 POS
Document 2 ID	interwovenSite://DMS-NORTH/DMNORTH/7562293/4
Description	#7562293v4<DMNORTH> - Piper Nova Ref 2021 POS
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	368
Deletions	229
Moved from	2
Moved to	2
Style change	0
Format changed	0
Total changes	601