

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 24, 2026

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATING: S&P Global Ratings: "BBB-"
(See "RATING" herein)**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2026 Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Series 2026 Bonds is exempt from all taxation and assessments in the State of Colorado. For a more complete description of such opinion of Bond Counsel, see "TAX MATTERS" herein.

\$27,400,000*



**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
INDEPENDENT SCHOOL REVENUE BONDS
(FOUNTAIN VALLEY SCHOOL OF COLORADO PROJECT)
SERIES 2026**

Dated: Date of Delivery

Due: June 1, as shown below

The Colorado Educational and Cultural Facilities Authority (the "Authority") is offering \$27,400,000* in aggregate principal amount of its Independent School Revenue Bonds (Fountain Valley School of Colorado Project) Series 2026 (the "Series 2026 Bonds"). The proceeds of the sale of the Series 2026 Bonds will be loaned to Fountain Valley School of Colorado, a Colorado nonprofit corporation (the "Borrower"), pursuant to the terms and provisions of a Loan Agreement, dated as of May 1, 2026 (the "Loan Agreement"), by and between the Authority and the Borrower.

Proceeds of the Series 2026 Bonds will be used by the Borrower to (a) finance the acquisition, design, construction, improvement, renovation, expansion, furnishing and equipping of (i) a new 20,800 square-foot Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces, (ii) a new 34,000-square-foot Humanities building and (iii) various capital improvement projects, including but not limited to certain deferred maintenance projects (collectively, the "Project Facilities"), all located on the Borrower's 1,100-acre core campus, located at 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911; (b) fund a debt service reserve fund for the hereinafter defined Series 2026 Bonds; and (c) pay costs of issuing the Series 2026 Bonds (collectively, the "Project"). See "PLAN OF FINANCING" herein.

The Series 2026 Bonds are being issued pursuant to an Indenture of Trust, dated as of May 1, 2026 (the "Indenture"), by and between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). Interest on the Series 2026 Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2026. The Series 2026 Bonds are issuable in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Series 2026 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases will be made in book-entry-only form and purchasers of the Series 2026 Bonds will not receive certificates evidencing their ownership interests in the Series 2026 Bonds. The Series 2026 Bonds mature, bear per annum interest and are priced as follows:

MATURITY SCHEDULE*

\$27,400,000 ____% Term Bond Due June 1, 2036 Priced to Yield: ____% CUSIP _____ °

The Series 2026 Bonds will be payable from the payments received by the Authority from the Borrower pursuant to the Loan Agreement. The Series 2026 Bonds are secured by the Trust Estate (as defined herein). In addition, the Loan Payments required by the Borrower under the Loan Agreement are limited, special revenue obligations payable solely from the Pledged Revenues (as defined in the Loan Agreement), except for certain obligations specified in the Loan Agreement.

The Series 2026 Bonds are subject to special optional redemption prior to maturity as described herein. See "THE SERIES 2026 BONDS—Redemption of the Series 2026 Bonds."

THE SERIES 2026 BONDS SHALL BE SPECIAL, LIMITED REVENUE OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY OUT OF THE AMOUNTS RECEIVED BY THE AUTHORITY FROM THE BORROWER PURSUANT TO THE TERMS AND PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT AND SHALL NEVER CONSTITUTE THE DEBT OR INDEBTEDNESS OF THE AUTHORITY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE OF COLORADO AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY OR THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE AND SHALL NOT CONSTITUTE A "MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION" OF THE AUTHORITY UNDER ARTICLE X, SECTION 20 OF THE CONSTITUTION OF THE STATE. THE AUTHORITY HAS NO TAXING POWER.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, PARTICULARLY THE SECTION TITLED "RISK FACTORS," TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2026 Bonds are offered when, as, and if issued by the Authority and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice and the approval of legality by Kutak Rock LLP, Bond Counsel. Kutak Rock LLP has also acted as counsel to the Borrower. Certain legal matters will be passed on for the Authority by its counsel, Taft Stettinius & Hollister LLP, and for the Underwriter by its counsel, Butler Snow LLP. It is expected that delivery of the Series 2026 Bonds will be made through the facilities of DTC in New York, New York, on or about May 14, 2026, against payment therefor.

STIFEL

* Preliminary, subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the Appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2026 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2026 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the Borrower or the Underwriter.

The information set forth in this Official Statement has been obtained from the Borrower, from the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information, and nothing contained herein is or shall be relied upon as a guarantee of the Authority, the Borrower or the Underwriter. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

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, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information, estimates and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2026 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Borrower, or in the information, estimates or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Series 2026 Bonds and may not be reproduced or used in whole or in part for any other purpose.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE BORROWER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

The Series 2026 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision investors must rely on their own examination of the Borrower, the Series 2026 Bonds and the terms of the offering, including the merits and risks involved. The Series 2026 Bonds have not been recommended by any federal or state securities

commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE SERIES 2026 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

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

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OFFICIAL STATEMENT

\$27,400,000*

Colorado Educational and Cultural Facilities Authority
Independent School Revenue Bonds
(Fountain Valley School of Colorado Project)
Series 2026

INTRODUCTION

General

This Official Statement, including the Appendices attached hereto (collectively, the “Official Statement”), is furnished to provide information in connection with the offering and sale of the Colorado Educational and Cultural Facilities Authority, Independent School Revenue Bonds (Fountain Valley School of Colorado Project), Series 2026 (the “Series 2026 Bonds”). All capitalized terms herein not otherwise defined shall have the meanings assigned to them in “APPENDIX C—FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

The Series 2026 Bonds are issued by the Colorado Educational and Cultural Facilities Authority (the “Authority”) under and pursuant to the authority of Article 15 of Title 23 of the Colorado Revised Statutes, as amended (the “Act”) and the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the “Supplemental Act”), as well as an Indenture of Trust, dated as of May 1, 2026 (the “Indenture”), by and between the Authority and UMB Bank, National Association, as trustee (the “Trustee”), and a Resolution approved and adopted by the Authority on April 22, 2026 (the “Resolution”). On the date of delivery of the Series 2026 Bonds, the Authority will enter into a Loan Agreement, dated as of May 1, 2026 (the “Loan Agreement”), with Fountain Valley School of Colorado, a Colorado nonprofit corporation (the “Borrower”), under which the Authority will loan the proceeds of the Series 2026 Bonds to the Borrower, and the Borrower will agree to pay when due the principal, premium, if any, and interest on the Series 2026 Bonds.

This Official Statement contains brief descriptions of the Authority, the Borrower, the Indenture, the Loan Agreement and the Continuing Disclosure Agreement, as hereinafter defined. The summaries of statutes, opinions, and other documents contained herein are summaries only and do not purport to be comprehensive or definitive, and are qualified in all respects by reference to the originals or official compilations thereof, copies of which are available during the period of the offering of the Series 2026 Bonds upon request from Stifel, Nicolaus & Company, Incorporated, as underwriter for the Series 2026 Bonds (the “Underwriter”). Copies of the forms of the Indenture and Loan Agreement for the Series 2026 Bonds are attached hereto as Appendix C.

* Preliminary, subject to change.

The Authority

The Authority is an independent public body politic and corporate constituting a public instrumentality and political subdivision of the State of Colorado (the “State”). The Authority is governed by the “Colorado Educational and Cultural Facilities Authority Act,” Title 23, Article 15, C.R.S. (as previously defined, the “Act”). The Authority was formed to promote the welfare of the people of the State by providing financing for educational institutions and cultural institutions. The Authority is not an agency of State government and is not subject to administrative direction by any department, commission, board or agency of the State. The Authority is authorized by the Act to provide financing for educational institutions and cultural institutions and to acquire, construct, reconstruct, repair, alter, improve, extend, own, lease and dispose of properties to the end that the Authority may be able to promote the welfare of the people of the State. The Authority was originally formed in 1981 and was known as the Colorado Postsecondary Educational Facilities Authority

The Authority has offered the Series 2026 Bonds and plans to offer other obligations from time to time to finance other educational and cultural facilities in the State and subject to the satisfaction of certain requirements, in other states. The Authority has, and in the future may, finance projects that compete with the facilities being financed with the proceeds of the Series 2026 Bonds. Such obligations have been and will be issued pursuant to and secured by instruments separate and apart from the Indenture.

The Series 2026 Bonds and the interest thereon will never constitute the debt or indebtedness of the Authority, the State or any political subdivision thereof, including the Authority, within the meaning of any provision of the constitution and laws of the State and shall not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the Authority or the State. The Authority has no power to levy taxes or assessments. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS—General.”

The Authority has not prepared or assisted in the preparation of this Official Statement, except the statements under this Section and the information with respect to the Authority under the heading “LITIGATION—No Proceedings Against the Authority” and, except as described in this paragraph, the Authority is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to affect the issuance of the Series 2026 Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Series 2026 Bonds. Accordingly, except as described in this paragraph, the Authority disclaims any responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Series 2026 Bonds.

The Series 2026 Bonds are special, limited revenue obligations of the Authority payable solely from payments made by the Borrower under the Loan Agreement and from certain other available moneys specified in the Indenture, including the hereafter defined “Pledged Revenues,” and the Deed of Trust (as defined below) encumbering the Project Facilities. The Borrower’s obligations under the Loan Agreement are additionally evidenced by the Promissory Note, dated as of May 1, 2026 (the “Promissory Note”). The obligations of the Borrower to make payments under the Loan Agreement are secured by: (a) a security interest in: (i) the Borrower’s Pledged

Revenues, subject to Permitted Encumbrances, both as defined in the Loan Agreement; and (ii) the Borrower's interest in the Funds held under the Indenture, other than the Rebate Fund; (b) the Debt Service Reserve Fund; and (c) the Deed of Trust, dated as of May 1, 2026, recorded on [] in the real property records of El Paso County, Colorado, as Instrument No. [], between the Borrower and the Public Trustee In and For El Paso County, for the benefit of the Trustee, dated as of May 1, 2026 (the "Deed of Trust"). Neither the Authority nor its directors, officers, attorneys, or employees, past present or future, are personally liable with respect to the Series 2026 Bonds. The obligations of the Borrower under the Loan Agreement are not secured by a security interest in any revenues, equipment, or property of the Authority.

THE SERIES 2026 BONDS SHALL BE SPECIAL, LIMITED REVENUE OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY OUT OF THE AMOUNTS RECEIVED BY THE AUTHORITY FROM THE BORROWER PURSUANT TO THE TERMS AND PROVISIONS OF THE INDENTURE AND THE LOAN AGREEMENT AND SHALL NEVER CONSTITUTE THE DEBT OR INDEBTEDNESS OF THE AUTHORITY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE AUTHORITY OR THE STATE OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE AND SHALL NOT CONSTITUTE A "MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION" OF THE AUTHORITY UNDER ARTICLE X, SECTION 20 OF THE CONSTITUTION OF THE STATE. THE AUTHORITY HAS NO TAXING POWER.

The Borrower

Fountain Valley School of Colorado is an independent co-educational college preparatory day and boarding school for students in grades eight through twelve. The Borrower was founded in 1930 as an all-boys high school for boarding and day students and has existed as a co-educational institution since 1975. Situated on more than 1,100 acres of land at the base of the Rocky Mountains in Colorado Springs, Colorado, the Borrower had a total opening enrollment of 199 for the 2025-26 academic year. The Borrower's revamped curriculum leans into the refreshed identity of Fountain Valley School – a college preparatory school that provides an immersive student experience rooted in core academic disciplines while leveraging real-world experience and practicum based in the American West.

Further information concerning the Borrower, including financial information and operating data, is included in "APPENDIX A—CERTAIN INFORMATION CONCERNING THE BORROWER" and "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE BORROWER FOR FISCAL YEAR ENDED JUNE 30, 2022-2025" attached hereto. The financial statements included in this Official Statement have been audited by CliftonLarsonAllen LLP, certified public accountants, as stated in their report appearing herein.

Special, Limited Revenue Obligations

All Series 2026 Bonds issued under the Indenture and at any time Outstanding will in all respects be equally and ratably secured under the terms of the Indenture, without preference,

priority or distinction on account of the date or dates or the actual time or times of the issue or maturity of the Series 2026 Bonds, so that all Series 2026 Bonds at any time issued and outstanding will have the same right, lien and preference under and by virtue of the Indenture, and will all be equally and ratably secured thereby, except as otherwise expressly provided therein. The Series 2026 Bonds are special, limited revenue obligations of the Authority payable solely out of the security specified in the Indenture and set forth in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS.” The Series 2026 Bonds shall never constitute a debt indebtedness or multiple fiscal year direct or indirect debt or other financial obligation of the Authority, the State, or of any other political subdivision of the State, within the meaning of the Constitution or statutes of the State; nor shall the Series 2026 Bonds ever constitute the giving, pledging or loaning of the faith and credit or give rise to any pecuniary liability of the Authority, the State or of any other political subdivision of the State, but shall be payable solely from the special funds and sources of revenue provided therefor in the Indenture. The issuance of the Series 2026 Bonds shall not directly or indirectly or contingently, obligate the Authority nor empower the Authority to levy or collect any form of taxes or assessments therefore or to create any indebtedness payable out of taxes or assessments or make any appropriation for their payment, and such appropriation or levy is prohibited. Neither the members of the Authority nor any person executing the Series 2026 Bonds will be liable personally on the Series 2026 Bonds. The Authority has no taxing power.

Professionals

Kutak Rock LLP, Denver, Colorado, has acted as Bond Counsel. Kutak Rock LLP has also acted as counsel to the Borrower. As is customary in the industry, the fees of Kutak Rock LLP will be paid only upon delivery of the Series 2026 Bonds. Certain legal matters will be passed upon for the Authority by its counsel, Taft Stettinius & Hollister LLP. Stifel, Nicolaus & Company, Inc., Denver, Colorado, will serve as the Underwriter of the Series 2026 Bonds. Butler Snow LLP has acted as counsel to the Underwriter. See “UNDERWRITING.” UMB Bank, National Association, will serve as the Trustee. The Borrower’s audited financial statements for the fiscal year ended June 30, 2025, attached as APPENDIX B to this Official Statement, include the report of CliftonLarsonAllen LLP, certified public accountants, Denver, Colorado. See “INDEPENDENT AUDITORS.”

Tax Status

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2026 Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Series 2026 Bonds is exempt from all taxation and assessments in the State of Colorado. For a more complete description of such opinion of Bond Counsel, see “TAX MATTERS” herein.

Additional Information

This Introduction is only a brief summary of the provisions of the Series 2026 Bonds, the Indenture, and the Loan Agreement. A full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Authority, the Borrower, the Series 2026 Bonds, the Loan Agreement and the Indenture are included in this Official Statement and the Appendices. The descriptions of the Series 2026 Bonds, the Loan Agreement and the Indenture contained in this Official Statement are qualified in their entirety by reference to each such document.

Additional information and copies of the above-referenced documents are available for inspection from the Borrower:

Fountain Valley School of Colorado
6155 Fountain Valley School Road
Colorado Springs, CO 80911
Telephone: (719) 391-5231
Attention: Chief Financial Officer

Additional information also may be obtained during the initial offering period from the Underwriter:

Stifel Nicolaus & Company, Inc.
1401 Lawrence Street, Suite 900
Denver, CO 80202
Telephone: (303) 296-2300

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SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS

General

The Series 2026 Bonds and the interest thereon are special, limited revenue obligations, of the Authority payable solely out of the payments to be made by the Borrower pursuant to the Loan Agreement and certain other available moneys specified in the Indenture, as set forth below. The Borrower's obligations under the Loan Agreement are additionally evidenced by the Promissory Note, dated as of May 1, 2026 (the "Promissory Note"). The obligations of the Borrower to make payments under the Loan Agreement are secured by: (a) a security interest in: (i) the Borrower's Pledged Revenues, subject to Permitted Encumbrances, both as defined in the Loan Agreement; and (ii) the Borrower's interest in the Funds held under the Indenture, other than the Rebate Fund, as defined in the Indenture; (b) a Debt Service Reserve Fund; and (c) the Deed of Trust.

Pursuant to the Loan Agreement, "Pledged Revenues" means all income, revenues, receipts and other moneys received by or on behalf of the Borrower from any source and all rights to receive the same, in all cases to the extent permitted by the terms thereof and by law to be pledged under this Loan Agreement, whether in the form of accounts, deposit accounts, contract rights, chattel paper, instruments, general intangibles, or other rights now owned or hereafter acquired by the Borrower, and all proceeds therefrom whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code of the applicable state where the Borrower is located; but excluding gifts, grants, bequests, donations and contributions made to the Borrower that are specifically restricted by the donor, testator or grantor to a particular purpose that is inconsistent with their use for payments required under the Indenture or this Loan Agreement or for payment of operating expenses, and, if also so restricted, the income and gains derived therefrom.

Under the Loan Agreement, "Permitted Encumbrance" means, as of any particular time, any of the following: (a) Liens for taxes and special assessments on the Facilities not then delinquent; (b) This Loan Agreement, the Tax Agreement and the Indenture; (c) Purchase money security interests with respect to any item of equipment related to the Facilities; (d) Utility, access, and other easements and rights-of-way, mineral rights and reservations, covenants, restrictions and exceptions which would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure on the Deed of Trust); (e) Mechanics' and materialmen's liens related to the Facilities when payment of the related bill is not overdue; (f) Mechanics' and materialmen's liens, security interests or other encumbrances related to the Facilities to the extent permitted in Section 6.01 hereof; (g) Liens arising by reason of good faith deposits with the Borrower in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Borrower to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; (h) Liens arising by reason of deposits with, or the giving of any form of security to, any governmental agency as required by law or governmental regulation as a condition to any transaction or any business or the exercise of any privilege or license, or to enable the Borrower to maintain self-insurance or to participate

in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements; (i) Judgment Liens against the Borrower so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed; (j) Rights reserved to or vested in any municipality, school district or public authority by the terms of any right, power, franchise, grant, license or permit, or provision of law, affecting the Facilities, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Facilities or materially and adversely affect the value thereof; (B) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Facilities; (C) liens on the Facilities for taxes, assessments, levies, fees, water and sewer charges, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with the Facilities, which are not due and payable or which are not delinquent or which are being contested in good faith or with respect to liens of mechanics, materialmen and laborers, have been due for less than 60 days; (D) easements, rights of way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to the Facilities which do not materially impair the use of the Facilities or materially and adversely affect the value thereof; or (E) rights reserved to or vested in any municipality or public authority to control or regulate the Facilities or to use the Facilities in any manner, which rights do not materially impair the use of the Facilities or materially and adversely affect the value thereof; (k) Liens and any other restrictions, exceptions, leases, easements or encumbrances which are existing on the date of initial issuance and delivery of the Series 2026 Bonds and as described in the Title Policy delivered in accordance with Section 4.06 hereof, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to apply to the Facilities not subject to such Lien on such date, unless such Lien as so extended, renewed or modified or otherwise qualified as a Permitted Encumbrance hereunder; (l) Liens arising by reason of an Irrevocable Deposit; (m) Liens in favor of the Trustee on the proceeds of the Series 2026 Bonds prior to the applications of such proceeds; (n) Liens securing the Series 2026 Bonds or any additional Indebtedness permitted by Section 7.16 hereof; (o) Such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Facilities and which would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure of the Lien granted by the Deed of Trust); and (p) The Lien of the Deed of Trust.

Pursuant to the Indenture, the Authority, for and in consideration of the purchase of the Series 2026 Bonds by the persons who at any time shall be or become the Registered Owners thereof and the acceptance and performance by the Trustee of the trusts created by the Indenture, pledges, grants, assigns and conveys unto the Trustee (a) the rights of the Authority under and pursuant to the Loan Agreement and the Promissory Note, other than the Unassigned Rights of the Authority under the Loan Agreement and other than the rights of the Authority to receive certain reports and perform certain discretionary acts as reserved in the Loan Agreement; (b) all Funds created in the Indenture (except the Rebate Fund), except for moneys deposited with or paid to the Trustee for the redemption of Series 2026 Bonds that are no longer deemed to be

Outstanding thereunder, and all Revenues payable to the Trustee by or for the account of the Authority pursuant to the Loan Agreement and the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; (c) all payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Authority under the Loan Agreement including, without limitation, the Loan Payments to be paid by the Borrower to the Trustee for the account of the Authority pursuant to the Loan Agreement; (d) the Pledged Revenues, as described above, and all rights and interests of the Authority in and to the Pledged Revenues under and pursuant to the Loan Agreement, subject to Permitted Encumbrances, and except as to the Unassigned Rights of the Authority under the Loan Agreement; (e) all rights and interests of the Authority in the Facilities, subject to Permitted Encumbrances, and except as to the Unassigned Rights of the Authority under the Loan Agreement; (f) all trust accounts held by the Trustee containing all insurance and condemnation proceeds payable to the Trustee by or for the account of the Authority pursuant to the Loan Agreement and the Indenture, subject to the terms of the Indenture; (g) the rights and interests of the Trustee under and pursuant to the Deed of Trust encumbering the Facilities; and (h) any and all other interests in real or personal property of every name and nature from time to time by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security under the Indenture by the Authority or by anyone on its behalf or with its written consent in favor of the Trustee. Collectively, the property described in (a) through (h) above is referred to herein as the “Trust Estate.” See “APPENDIX C—FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

The Series 2026 Bonds and interest thereon do not constitute the debt or indebtedness or a financial obligation of the Authority within the meaning of any provision or limitation of the laws or Constitution of the State, and will not constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit or taxing powers. Neither the full faith and credit nor the taxing power of the State, or any subdivision thereof, are pledged to the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds. There will likewise be no personal liability for any payments due under the Loan Agreement or the Series 2026 Bonds on the part of any officer or employee of the Authority. The Authority has no taxing power.

The Loan Agreement and the Promissory Note

The Loan Agreement and the Promissory Note require that the Borrower make payments to the Trustee in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2026 Bonds from time to time outstanding under the Indenture. All of the Authority’s rights in and to the Loan Agreement and all payments thereunder (other than the Unassigned Rights of the Authority and other than the rights of the Authority to receive certain reports and perform certain discretionary actions as provided in the Loan Agreement) have been assigned to the Trustee pursuant to the Indenture. The obligation of the Borrower to make payments under the Loan Agreement sufficient to pay when due the principal of and interest on the Series 2026 Bonds is secured by the Pledged Revenues, the Funds (other than the Rebate Fund), the Deed of Trust, and the related security interests created by the Loan Agreement and the Deed of Trust. See APPENDIX C—FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

The Authority will loan the proceeds of the Series 2026 Bonds to the Borrower in order to: (a) finance the acquisition, design, construction, improvement, renovation, expansion, furnishing and equipping of (i) a new 20,800 square-foot Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces, (ii) a new 34,000-square-foot Humanities building and (iii) various capital improvement projects, including but not limited to certain deferred maintenance projects (collectively, and as previously defined, the “Project Facilities”), all located on the Borrower’s 1,100-acre core campus, located at 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911; (b) fund a debt service reserve fund for Series 2026 Bonds; and (c) pay costs of issuing the Series 2026 Bonds (collectively, and as previously defined, the “Project”). See “PLAN OF FINANCING—The Project.”

Additional Obligations

The Borrower does not have any outstanding obligations on a parity with the Series 2026 Bonds. In accordance with the Loan Agreement, the Borrower is precluded from incurring additional Indebtedness secured by liens on the Project Facilities or the Pledged Revenues that are senior to the lien of the Deed of Trust on the Project Facilities and the security interest in the Pledged Revenues granted by the Loan Agreement and the Deed of Trust. Additionally, in accordance with the Loan Agreement, the Borrower may not incur Additional Indebtedness as described in the paragraphs below unless there is no default or Event of Default that has occurred and is continuing under the Loan Agreement.

The Loan Agreement provides that the Borrower may incur Additional Parity Indebtedness if prior to the incurrence of such debt, the Borrower provides to the Trustee and the Authority:

- (i) written confirmation that the outstanding Indebtedness and the proposed Indebtedness will receive a rating of at least “Baa3” from Moody’s or “BBB-” from S&P but in no case a rating less than the then rating of the Series 2026 Bonds; or

- (ii) (A) a certificate of an independent certified public accountant demonstrating that, had the Additional Parity Indebtedness been incurred at the beginning of the most recent Fiscal Year for which audited financial statements of the Borrower are available, the Debt Service Coverage Ratio would have been at least 1.25:1.00 (in calculating such Debt Service Coverage Ratio, any reduction in expenses which would have occurred in connection with the project being financed by the Additional Parity Indebtedness shall be taken into account, as will additional revenues directly resulting from the asset financed); and (B) a Certificate of Borrower Representative projecting that the Debt Service Coverage Ratio, which includes any new revenues associated with the project being financed, for the first Fiscal Year following issuance of the Additional Parity Indebtedness will be at least 1.25:1.00. In performing the calculations referred to in subsections (A) and (B) above, “Maximum Annual Debt Service” shall be used in lieu of “Debt Service”.

The Loan Agreement also provides that the Borrower may incur Long-Term Indebtedness for the purpose of refunding any Outstanding Indebtedness without meeting the requirements of the prior paragraphs provided that prior to such incurrence, the Borrower shall provide a Certificate of Borrower Representative to the Trustee and the Authority, in satisfactory form, demonstrating that the Maximum Annual Debt Service immediately following the incurrence of such refunding Indebtedness is not more than 110% of the Maximum Annual Debt Service immediately prior to the incurrence of such refunding Indebtedness. The Borrower may incur Short-Term Indebtedness in the ordinary course of business in any amount up to the greater of \$5,000,000 or 20% of Unrestricted Revenues for the preceding Fiscal Year, less any Short-Term Indebtedness then outstanding. See APPENDIX C—FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

THE SERIES 2026 BONDS

Description of the Series 2026 Bonds

The Series 2026 Bonds will be dated the date of issuance and will bear interest at the rate per annum and mature in the amount and at the time set forth on the cover of this Official Statement. The Series 2026 Bonds shall be issuable in fully registered form in the denomination of \$5,000 or any integral multiple thereof. Each Series 2026 Bond bears interest from its dated date payable on June 1 and December 1 in each year, commencing December 1, 2026. Except as described below, subsequently delivered Series 2026 Bonds will bear interest from the most recent preceding interest payment date to which interest has been paid thereon, or if no interest has been paid, from the date of such Series 2026 Bonds. The principal of and premium, if any, on the Series 2026 Bonds shall be payable at the designated trust office of the Trustee in Kansas City, Missouri, or at the designated office of its successor in trust upon presentation and surrender of the Series 2026 Bonds. Interest payments on each Series 2026 Bond shall be made to the Registered Owner thereof (initially Cede & Co., as nominee of The Depository Trust Company, “DTC”) at the close of business on the fifteenth day of the calendar month preceding each regularly scheduled interest payment date (the “Regular Record Date”), or on any special record date established in connection with defaulted interest, by check or draft mailed on the interest payment date to such owner at his address as it last appears on the registration books maintained by the Trustee.

If and to the extent, however, that the Authority shall fail to make payment or provision for payment of interest on any Series 2026 Bond on any interest payment date, that interest shall cease to be payable to the Registered Owner thereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner thereof at the close of business on a special record date for the payment of any such defaulted interest.

Such special record date shall be fixed by the Trustee whenever moneys become available for the payment of such defaulted interest, and notice of the special record date shall be given by first class mail by the Trustee to the Registered Owner thereof not less than 10 days prior thereto by first-class mail or electronic means to each such Registered Owner as shown on the Trustee’s registration books on the date selected by the Trustee, stating the date of the special record date and the date fixed for the payment of such defaulted interest. All payments of the Series 2026 Bonds shall be made in lawful money of the United States of America upon collection of immediately available funds.

Redemption of the Series 2026 Bonds*

Special Optional Redemption. The Series 2026 Bonds are subject to redemption prior to their scheduled maturity, at the option of the Borrower, from Campaign Receipts, in whole or in part, and if in part in Authorized Denominations, on any date on and after June 1, 2028,* at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium. Pursuant to the Indenture, “Campaign Receipts” means funds received by the Borrower pursuant to the Borrower’s capital campaign. Such special

* Subject to change.

optional redemption shall be conditioned upon the deposit by the Borrower of Campaign Receipts with the Trustee in the Special Optional Redemption Account at least thirty (30) days prior to the date fixed for redemption.

The Series 2026 Bonds are also redeemable at the option and upon the written direction of the Borrower in whole at any time or in part (only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Series 2026 Bonds pursuant to paragraphs (a) or (b) below) on any interest payment date from and to the extent of funds on deposit under the Indenture and available for this purpose at a redemption price equal to the principal amount of each Series 2026 Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

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

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

(c) As a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, the Loan Agreement or Deed of Trust 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 Borrower in respect to the Facilities, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement. Redemption pursuant to this paragraph (c) shall be in whole only.

Method of Selecting Series 2026 Bonds. In the event that less than all of the Outstanding Series 2026 Bonds shall be redeemed, the Series 2026 Bonds redeemed shall be redeemed in such order of maturity as the Borrower Representative shall determine in accordance with written directions furnished to the Trustee (less than all of the Series 2026 Bonds of a single maturity to be selected by lot in such manner as the Trustee may determine, or, if the Series 2026 Bonds are registered to participate in the DTC system, as determined by DTC pursuant to its policies and procedures in effect from time to time). In case a Series 2026 Bond is of a denomination larger than \$5,000, a portion of such Series 2026 Bond (\$5,000 or any

integral multiple thereof) may be redeemed, but Series 2026 Bonds shall be redeemed only in Authorized Denominations.

Notice of Redemption. Series 2026 Bonds shall be called for redemption by the Trustee as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date, unless such notice is waived by the Trustee, of a Certificate of Borrower Representative specifying the principal amount of the Series 2026 Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture pursuant to which such Series 2026 Bonds are to be called for redemption. The Trustee shall cause notice of any such redemption to be given by mailing not more than 45 days nor less than 30 days prior to the redemption date by first class mail and/or by electronic means a copy of the redemption notice to the Authority and to the Registered Owner of any Series 2026 Bonds designated for redemption in whole or in part, at their address as the same shall last appear upon the registration books; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2026 Bonds. Any notice of optional redemption by the Trustee may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to the pay the principal of, premium, if any, or interest on the Series 2026 Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Series 2026 Bonds called for redemption in the same manner as the original redemption notice was transmitted.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment and that payment will be made upon presentation and surrender of the Series 2026 Bonds to be redeemed; provided, however, that if the Series 2026 Bonds are then held by a Depository, the presentation and surrender of such Series 2026 Bonds shall only be required if such Series 2026 Bonds are being fully redeemed and will no longer be Outstanding at the time of such redemption, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Series 2026 Bonds are to be redeemed, the notice of redemption shall specify the Series 2026 Bonds to be redeemed, and the numbers of the Series 2026 Bonds or portions thereof to be redeemed.

For additional details regarding the redemption of the Series 2026 Bonds, see “APPENDIX C—FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

Book-Entry-Only System

The Series 2026 Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Series 2026 Bonds. The ownership of one fully registered Series 2026 Bond for each maturity as set forth on the cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See “APPENDIX D—Book-Entry-Only System.”

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE

REGISTERED OWNERS OF THE SERIES 2026 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Authority, the Borrower and the Trustee will not have any responsibility or obligation to DTC's participants or indirect participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the Series 2026 Bonds as further described in APPENDIX D to this Official Statement.

For further information on the Series 2026 Bonds, see APPENDIX C—FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

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PLAN OF FINANCING*

Estimated Sources and Uses of Funds

The estimated sources and uses of funds are set forth below.

Sources of Funds	Amount
Par Amount of Series 2026 Bonds	\$
[Net]Original Issue Premium or Discount	
Total Source of Funds	\$_____
Uses of Funds	
Deposit to Project Fund	\$
Debt Service Reserve Fund	
Costs of Issuance (including Underwriter's Discount)	
Total Uses of Funds	\$_____

Source: The Underwriter

The Project

A portion of the proceeds from the sale of the Series 2026 Bonds will be deposited to the Project Fund and applied toward the acquisition, construction, and renovation of the Borrower's Humanities building and Science, Technology, Engineering and Mathematics building as part of its strategic plan. Project construction began in April 2026 and is underway on the Humanities building and is expected to include a new library, new outdoor classrooms, a new outdoor amphitheater, and new event spaces. The Borrower has entered into a guaranteed maximum price construction contract ("GMP") with Swinerton Builders for \$49.1 million; the total cost of the Project to include furniture, fixtures and equipment and owner contingencies is expected to be \$56.0 million. As of April 2026, Borrower has authorized \$26.8 million in GMP amendments to commence construction on the Humanities Building and related site work. Borrower expects to enter into future amendments to the GMP to complete the remaining portions of the Project. Phasing of the GMP amendments allows Borrower to complete the Humanities portion of the Project without constructing the Science, Technology, Engineering and Mathematics portion. Borrower expects to complete the entire Project in 2027. See "APPENDIX A—CERTAIN INFORMATION CONCERNING THE BORROWER— CAPITAL CAMPAIGN & THE PROJECT."

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* Subject to change.

DEBT SERVICE REQUIREMENTS*

The following table sets forth the amounts required in each fiscal year for the payment of the principal of and interest on the Series 2026 Bonds and the total debt service to be paid in each fiscal year on the Series 2026 Bonds.

The Series 2026 Bonds			
Fiscal Year Ended June 30	Principal	Interest	Total Debt Service
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Total	\$	\$	\$

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* Subject to change.

RISK FACTORS

The following are certain investment considerations and risk factors which have been identified by the Borrower and which should be carefully considered by prospective purchasers of the Series 2026 Bonds. The following list should not be considered to be exhaustive and has been prepared by the Borrower within the context of this Official Statement. Inclusion of certain factors below is not intended to signify that there are not other investment considerations or risks attendant to the Series 2026 Bonds.

When used in this Official Statement and in any continuing disclosure by the Borrower, in Borrower's press releases and in oral statements made with the approval of an authorized executive officer of the Borrower, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those presently anticipated or projected. The Borrower cautions readers not to place undue reliance on any such forward-looking statements. The Borrower advises readers that certain factors could affect the Borrower's financial performance and could cause the Borrower's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

Special, Limited Revenue Obligations of the Authority

The Series 2026 Bonds are special, limited, revenue obligations of the Authority, secured by and payable solely from funds payable by the Borrower under the terms and conditions of the Act, the Loan Agreement, the Indenture, the Deed of Trust and as otherwise described herein. While the Borrower believes, based on present circumstances, that it will generate sufficient revenues to meet its obligations under the Loan Agreement, the basis of the assumptions utilized by the Borrower to formulate this belief may change, and no representation or assurance can be made that the Borrower will continue to generate sufficient revenues to meet such obligations.

The Series 2026 Bonds are secured by a security interest in the Pledged Revenues of the Borrower, the Funds (excepting the Rebate Fund) established under the Indenture, and the Deed of Trust. Pursuant to the Indenture, there is also a debt service reserve fund (the "Debt Service Reserve Fund") established with respect to the Series 2026 Bonds. Under the Loan Agreement, the Borrower is permitted to incur other debt including Additional Parity Indebtedness, subject to certain conditions. To the extent that any future debt of the Borrower is secured on a parity with the Series 2026 Bonds, the owners thereof would have the benefit of the security interest in the Borrower's Pledged Revenues on a parity with the owners of the Series 2026 Bonds, except as otherwise set forth in the Loan Agreement.

Limitations on Security Interest in Pledged Revenues and Other Funds

The effectiveness of the security interest in the Pledged Revenues of the Borrower and the Funds (excepting the Rebate Fund) established under the Indenture may be limited by a number of factors, including: (i) present or future prohibitions against assignment contained in

any applicable statutes or regulations; (ii) statutory liens; (iii) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (iv) federal bankruptcy laws which may affect the enforceability of the security interest in the Pledged Revenues which are earned by the Borrower within 90 days preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual institution of bankruptcy proceedings by or against the Borrower; (v) rights of third parties in Pledged Revenues or other secured funds converted to cash and not in the possession of the Trustee; and (vi) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Uniform Commercial Code as from time to time in effect in the State.

In addition, cash held by the Borrower may not be subject to any perfectible security interest under the Uniform Commercial Code (“UCC”) except to the extent it is held in accounts subject to a deposit account control agreement. The security interest in any item of inventory will be inferior to the interest of a buyer in the ordinary course of business and will be inferior to a purchase money security interest, as defined in the UCC, perfected in connection with the sale to the Borrower of such item.

The lien on certain other pledged assets may not be enforceable against third parties unless such other pledged assets are transferred and delivered to the Trustee (which transfer the Borrower is not required by the Indenture to make prior to a default thereunder and which transfer may be set aside if it occurs within 90 days of the filing of a petition of bankruptcy), is subject to exception under the UCC and may be lost if the proceeds are commingled or expended by the Borrower.

Factors Associated with Education

There are a number of factors affecting schools in general, including the Fountain Valley School of Colorado, that could have an adverse effect on the Borrower’s ability to collect revenues, including Pledged Revenues, sufficient to make the payments required under the Loan Agreement. These factors include, but are not limited to, the ability to attract a sufficient number of students; increasing costs of compliance with federal or State regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating persons with disabilities; natural disasters, epidemics, litigation, destruction of the Borrower’s facilities, competition, changes in levels of economic prosperity, and tax law changes. The Borrower cannot assess or predict the ultimate effect of these factors on its operations or financial results of operations.

Enrollment

The amount of Pledged Revenues available for the payment of debt service on the Series 2026 Bonds will be affected by the future levels of enrollment at the Fountain Valley School of Colorado. See “APPENDIX A—CERTAIN INFORMATION CONCERNING THE BORROWER.” No assurance can be given that the demand for the Borrower’s education programs will remain constant. The Pledged Revenues are derived principally from tuition, fees, room and board, and related charges. As a boarding school, the Borrower may be more sensitive than nonresidential schools to changes in enrollment and retention because each unfilled

boarding space may result in the loss of multiple revenue streams. Enrollment demand may be adversely affected by competition from other boarding schools, independent day schools, public schools, charter schools, and other educational programs, both within Colorado and in other states, demographic trends, economic conditions, affordability concerns, changes in demand for boarding education, reputational issues, student health and safety concerns, or disruptions to programs and activities that distinguish the Borrower from peer institutions.

In addition, the Borrower may be required to increase financial aid, scholarships or other tuition discounting in order to attract and retain students. As a result, Pledged Revenue may decline or fail to increase even if published tuition rates increase or enrollment remains stable. Any material decline in enrollment, retention or Pledged Revenue could have a material adverse effect on the Borrower's operations and financial condition and, accordingly, on its ability to make payments required under the Loan Agreement.

Geopolitical Risk. Because the Borrower derives significant revenue from international boarding students, a changing geopolitical climate, countries who are considered allies of the United States, countries whose citizens are permitted to travel to the United States and the ability of international students to successfully obtain visas and other travel documents required to enroll at Borrower's school could materially alter the Borrower's enrollment base and revenues.

Inability to Raise Tuition

There can be no assurance that the Borrower will be able to raise tuition and fees without materially adversely affecting enrollment in the future. General economic conditions, competition, and other factors, including those attributable to the COVID-19 or other pandemic or a recession, could prevent the Borrower from being able to raise its tuition and fees if and when needed. The inability to raise tuition and fees due to any of such factors could have an adverse effect on the finances and operations of the Borrower and the ability of the Borrower to make payments under the Loan Agreement sufficient to pay when due the principal of and interest on the Series 2026 Bonds.

The Borrower's ability to attract and retain a qualified and diverse student body may depend in part on its ability to provide financial aid and scholarships. Increased competition, economic downturns, changes in family financial circumstances or shifts in enrollment strategy may require the Borrower to devote additional resources to financial aid and scholarships. If the Borrower increases institutional aid at a rate greater than growth in gross tuition or enrollment, the Borrower's net tuition revenue and operating margins may be adversely affected. There can be no assurance that the Borrower will be able to maintain current levels of financial aid support through operations, endowment income, annual giving or otherwise.

If the Borrower does not generate revenues sufficient to pay operating expenses and debt service, the Borrower may have no other source of funds to make such payments. A failure to pay operating expenses could result in the inability of the Borrower to attract students or generate revenues required to make payments under the Loan Agreement sufficient to pay the principal of and interest on the Series 2026 Bonds when due.

Potential Effects of Bankruptcy

If the Borrower were to file a petition for relief (or if a petition were filed against the Borrower as a debtor) under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended, or other similar laws that protect creditors, the filing could operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the property of the debtor. If the bankruptcy court so ordered, the debtor's property and revenues could be used for the benefit of the debtor despite the claims of its creditors (including the registered owners of the Series 2026 Bonds).

In a bankruptcy proceeding, the debtor could file a plan for the adjustment of its debts which modifies the rights of creditors generally or the rights of any class of creditors, secured or unsecured (including the registered owners of the Series 2026 Bonds). The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interest of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two thirds in dollar amount and more than one half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non accepting creditors impaired thereunder and does not discriminate unfairly.

Matters Relating to Enforceability of the Indenture, Loan Agreement, and Deed of Trust

The obligations of the Borrower under the Indenture, the Loan Agreement, and the Deed of Trust will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of creditors' rights as described above. Additionally, the obligations of the Borrower to make payments of debt service on the Series 2026 Bonds may not be enforceable to the extent (i) such obligations divert significant Borrower funds to purposes which are not consistent with the charitable purposes of the Borrower; (ii) they are requested to be made from any moneys or assets which are donor restricted (other than donor-restricted moneys or assets donated in connection with use for the Project) or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment; or (iii) are requested to be made pursuant to any loan violating applicable usury laws.

Valuation of Property. The valuation Borrower's main campus and associated facilities are discussed in APPENDIX A – FOUNTAIN VALLEY SCHOOL – GEOGRAPHIC AREA & FACILITIES. The valuations are partially based upon an appraisal obtained in May 2025. The valuations contained in the appraisal were based upon numerous factors and the values may have fluctuated since the appraisal was obtained. Methodologies used by appraisers vary and appraisals reflect only the specific appraiser's opinion as to the then-current value of the appraised property. Due to the unique nature of the Borrower's main campus and associated facilities, investors should not rely upon the appraisal or other estimates of value as reflecting the value that could be obtained for any of those facilities.

The valuation of various components of the main campus facilities discussed in APPENDIX A – FOUNTAIN VALLEY SCHOOL – GEOGRAPHIC AREA & FACILITIES are also based upon insured value. The insured value may have fluctuated since that value was set and may fluctuate in the future. Additionally, the insured value is an imperfect indicator of value to third parties and may not be indicative of amounts which may be received in exercising remedies under the Loan Agreement, in a foreclosure proceeding, or pursuant to some other form of liquidation, which amount typically is substantially less than the amount that could be obtained in a voluntary sale of the property.

Dependence on Philanthropy and Endowment Support

The Borrower relies on annual giving, capital gifts, endowment income and other philanthropic support to fund operations, financial aid, capital improvements and strategic initiatives. There can be no assurance that donors will continue to make contributions at historical levels or at all. Philanthropic giving may be adversely affected by economic conditions, investment performance, changes in donor priorities, leadership transitions, reputational issues or other factors beyond the Borrower's control. As described in Appendix A – FINANCIAL MATTERS," the Borrower's forward-looking projections rely on the successful continuation of its ongoing capital campaign to successfully complete the Project, service debt and support operating expenses while Borrower implements its strategic plan.

To the extent the Borrower relies on endowment or quasi-endowment funds for operating support, the amount available for expenditure may be adversely affected by market volatility, investment losses, donor restrictions, spending policies or inflation. A decline in philanthropic support or endowment income could have a material adverse effect on the Borrower's operations and financial condition.

Fundraising

The Borrower is currently undertaking significant fundraising efforts and expects to continue these fundraising efforts in the future. Fundraising is intended to be an important source of funds for repayment of the Series 2026 Bonds. Fundraising is also expected to raise funds for operations, capital projects, and the endowment. There can be no assurance that the Borrower will be successful in achieving its fundraising goals. Fundraising efforts may be adversely affected by a number of factors, including general economic conditions, tax law changes affecting the deductibility of charitable contributions, and levels of support from parents of students, alumni, and others associated with the Borrower.

The Borrower has established a capital campaign in connection with the undertaking of the Project, with a goal of fundraising \$123 million. For a description of the current capital campaign, see "APPENDIX A—CERTAIN INFORMATION CONCERNING THE BORROWER— Capital Campaign & The Project". There can be no assurance that pledges received to date will actually be realized or of the exact timing of the receipt of funds in respect of pledges received to date, nor can there be any assurance that any additional pledges necessary to meet this goal will be received or realized.

Key Personnel

The Borrower's curriculum, educational philosophy, and operations depend on the vision and commitment of key personnel who comprise the senior leadership of the Borrower. See Appendix A — "CERTAIN INFORMATION CONCERNING THE BORROWER." Boarding schools may face particular challenges in recruiting and retaining personnel willing to undertake residential, advisory, coaching, extracurricular and student-life responsibilities in addition to classroom teaching or other primary duties. The Borrower may also face pressure from inflation, housing costs, employee benefit costs and general labor market conditions. Loss of any such key personnel could adversely affect the finances and operations of the Borrower and its ability to attract and retain students.

Residential Campus Operations and Student Safety

The Borrower operates a residential campus and is responsible for housing, dining, supervision and other student-life functions in addition to academic instruction. The residential nature of the Borrower's operations increases exposure to risks associated with dormitory operations, food service, student supervision, conduct and discipline, campus security, illness, injury, mental health issues, bullying, hazing, sexual misconduct, abuse and other incidents that may occur on campus or in connection with school-sponsored activities. Such incidents, or allegations of such incidents, may result in litigation, insurance claims, governmental or regulatory investigations, adverse publicity, reputational harm and increased operating costs. Even if claims or allegations are without merit, the Borrower may incur substantial costs to investigate and defend such matters or to implement corrective measures. Any significant incident affecting student health, safety or welfare could adversely affect the Borrower's enrollment, retention, fundraising and financial condition.

Potential Environmental Risks

There are potential risks relating to environmental liability associated with the ownership of any property. If hazardous substances are found on property, owners and operators of such property may be held liable for costs of cleanup and other liabilities relating to such hazardous substances. In addition, liens arising as a result of liabilities relating to hazardous substances may take priority over all other liens, including any mortgages or deeds of trust thereon.

Phase I. The Borrower commissioned Partner Engineering and Science, Inc. to prepare a Phase I Environmental Site Assessment of the Project Facilities, dated April 7, 2026 (the "Phase I"). The purpose of the Phase I was to identify existing or potential recognized environmental conditions ("RECs") at the property. The Phase I defines a REC as: (i) the presence of hazardous substances or petroleum products in, on, or at the property due to a release to the environment, (ii) the likely presence of such substances at the property due to a release or likely release, or (iii) the presence of such substances under conditions that pose a material threat of a future release. The Phase I included: (i) a site reconnaissance, (ii) interviews with key personnel, (iii) a review of historical sources, (iv) a review of regulatory agency records, and (v) a review of a regulatory database.

The Phase I did not identify any RECs or controlled RECs affecting the Project Facilities.

Covenant To Maintain Tax-Exempt Status of the Series 2026 Bonds

The excludability from gross income for federal income taxation purposes of the interest on the Series 2026 Bonds is based on the continuing compliance by the Borrower, the Trustee, and the Authority with certain covenants contained in the Indenture, Loan Agreement and Tax Regulatory Agreement, dated as of the date of delivery of the Series 2026 Bonds (the “Tax Regulatory Agreement”), by and among the Authority, the Trustee, and the Borrower. These covenants relate generally to restrictions on the use of the Facilities refinanced with proceeds of the Series 2026 Bonds, arbitrage limitations, and rebate of certain excess investment earnings, if any, to the federal government. Failure to comply with such covenants could cause interest on the Series 2026 Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2026 Bonds.

Risks Related to Borrower Operations

The ability of the Borrower to meet its payment obligations under the Loan Agreement will depend upon the continued availability to the Borrower of revenues from a variety of sources sufficient to meet obligations such as the Borrower’s operating expenses, debt service on other debt and extraordinary costs or expenses which may occur from time to time. Revenues and expenses of the Borrower will be affected by future events and conditions relating generally to, among other things, the ability of the Borrower to provide educational programs to attract and retain sufficient numbers of students during the time that the Series 2026 Bonds remain outstanding, demographic changes that may affect the number of students who will be attracted to and enroll at Fountain Valley School of Colorado, the ability of the Borrower to attract a high quality Board of Trustees and administration, the abilities of the Borrower’s Board of Trustees and administration to direct, manage and operate the Fountain Valley School of Colorado, the Borrower’s ability to control expenses, the Borrower’s ability to maintain or increase rates for tuition and other fees without adversely affecting enrollment, the ability of the Borrower to attract and retain high quality faculty members for its educational programs, and the investment of the Borrower’s endowment and other funds. No assurances can be given that these or other sources of revenues will be adequate to meet the expenses of the Borrower.

The Borrower’s educational model and market position may depend in part on equestrian, climbing, wilderness and other outdoor or experiential programs and activities that distinguish the Borrower from other boarding schools. Such programs and activities involve inherent risks, including risks of falls, animal-related incidents, transportation accidents, severe weather, wildfire or smoke exposure, remoteness from medical care, equipment failure, participant error and other hazards that may result in injury, illness or death. Any serious accident, injury, fatality or allegation of inadequate supervision, training or risk management in connection with such programs could result in litigation, adverse publicity, reputational harm, increased insurance costs and reduced demand for enrollment.

Future revenues and expenses of the Borrower will be subject to conditions which may differ from current conditions to an extent that cannot be determined at this time. Descriptions

of the Borrower's current operations are contained in "APPENDIX A—CERTAIN INFORMATION CONCERNING THE BORROWER—Financial Matters."

Tax-Exempt Status of the Borrower

The tax-exempt status of the Series 2026 Bonds currently depends upon maintenance by the Borrower of its status as an organization described in Section 501(c)(3) of the Code. The maintenance of this status depends on compliance with general rules regarding the organization and operation of tax-exempt entities, including operation for charitable and educational purposes and avoidance of transactions that may cause earnings or assets to inure to the benefit of private individuals, such as the private benefit and inurement rules.

Tax-exempt organizations are subject to scrutiny from and face the potential for sanctions and monetary penalties imposed by the IRS. One primary penalty available to the IRS under the Code with respect to a tax-exempt entity engaged in inurement or unlawful private benefit is the revocation of its tax-exempt status. Loss of tax-exempt status by the Borrower could result in loss of tax exemption of interest on the Series 2026 Bonds and defaults in covenants regarding the Series 2026 Bonds. Loss of tax-exempt status by the Borrower could also result in substantial tax liabilities on its income and adversely affect fundraising activities. For these reasons, loss of tax-exempt status of the Borrower could have material adverse consequences on the financial condition of the Borrower.

With increasing frequency, the IRS has imposed substantial monetary penalties on tax-exempt entities, as well as requiring that certain transactions be altered, terminated, or avoided in the future and/or requiring governance or management changes. These penalties and obligations typically are imposed on the tax-exempt organization pursuant to a "closing agreement," a contractual agreement pursuant to which a taxpayer and the IRS agree to settle a disputed matter. The Borrower may be at risk for incurring monetary and other liabilities imposed by the IRS.

The Borrower may be audited by the IRS. Because of the complexity of the tax laws and the presence of issues about which reasonable persons can differ, an audit by the IRS could result in additional taxes, interest, and penalties. Such an audit ultimately could affect the tax-exempt status of the Borrower, as well as the exclusion from gross income for federal income tax purposes of the interest on the Series 2026 Bonds.

There can be no assurance regarding the scope or effect of future legislative or regulatory actions relating to taxation of nonprofit corporations.

Potential Negative Consequences of Public Health Emergency

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus, could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, restricting domestic or international travel, causing extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence and/or changes in business and consumer behaviors that

negatively impact economic conditions or cause an economic recession. If such an event should occur, the Borrower cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the Borrower associated with its administrative and operations functions, nor can the Borrower predict the extent to which future development of the Project Facilities may be adversely impacted. Accordingly, the Borrower cannot predict the effect any public health emergencies will have on the ability to support payment of debt service on the Series 2026 Bonds.

Campus Security

Schools are generally subject to risks related to campus security, student safety and residential life, including accidents, bullying, abuse, sexual misconduct, mental health incidents, physical violence and other misconduct or disruptive events. Because the Borrower operates a boarding school and is responsible for student housing, dining, supervision and other residential functions in addition to academic instruction, the Borrower is exposed to additional risks associated with dormitory operations, overnight and weekend supervision, student conduct in residence halls, visitor access and other incidents arising from the operation of a 24-hour campus environment. While management of the Borrower believes that its current facilities, policies and campus will provide a secure environment, no assurance can be given that accidents, incidents, allegations of misconduct, or breaches of campus security or residential supervision will not occur in the future. Any such event may have a material adverse effect on the operations and reputation of the Borrower and may result in litigation, increased insurance costs and other liabilities, any of which could adversely affect the financial condition of the Borrower and its ability to generate revenues required to make payments under the Loan Agreement sufficient to pay when due the principal of and interest on the Series 2026 Bonds.

Cybersecurity

The Borrower relies on a technological environment to conduct its operations and faces multiple cybersecurity threats, including hacking, phishing, viruses, malware, and other attacks on its computing and other digital networks and systems. While the Borrower mitigates this cybersecurity risk through various measures, as a recipient and provider of personal, private, or sensitive information, the Borrower may be the target of cybersecurity incidents that could result in adverse impact on the finances and operations of the Borrower, requiring a response to mitigate the consequences. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Borrower's systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. Cybersecurity breaches could cause material disruption to the finances and operations of the Borrower and reputational risk. The costs of remedying any such damage (subject to current insurance coverage) or protecting against future attacks could be substantial, and insurance (if any can be obtained) may not be adequate to cover such losses or other resultant costs and expenses. Cybersecurity breaches could expose the Borrower to material litigation and other legal risks, which could cause the Borrower to incur material costs related to such legal claims or proceedings.

Natural Disasters and Climate Change

The Borrower's location at the base of the mountains in Colorado is an important component of its identity, educational model and competitive position. The Borrower's setting supports outdoor, recreational, experiential and other place-based programs and activities that may distinguish the Borrower from other boarding schools and may be a significant factor in the enrollment decisions of some students and families. However, the Borrower's location also subjects it to environmental and climate-related risks, including drought, wildfire, smoke, extreme heat, water shortages and related governmental or regulatory actions.

The occurrence of natural disasters could damage the facilities of the Borrower, interrupt services, or otherwise impair the operations and ability of the Borrower to generate revenues. Much of the State has experienced drought conditions and a number of large wildfires in the past decade. There can be no assurance regarding the effects of wildfires, floods, windstorms, drought, or other natural disasters or that proceeds of insurance carried by the Borrower would be sufficient, if available, to rebuild and reopen its facilities or that surrounding infrastructure could or would be rebuilt in a timely manner following a major natural disaster

Climate change may affect the availability of water and intensify and increase the frequency of extreme weather events, such as drought, wildfires, floods, and heat waves. Drought conditions may adversely affect water availability and cost, landscaping, campus grounds, athletic fields and other outdoor facilities, and may impair the Borrower's ability to maintain or conduct certain programs and activities in their customary manner. Wildfires, whether on or near the campus or elsewhere in the region, and related smoke conditions could result in poor air quality, campus closures, evacuation orders, road closures, utility disruptions, reduced access to the campus, cancellation or modification of classes, athletics and extracurricular or outdoor programming, property damage and increased health and safety concerns for students, faculty and staff.

Such events and conditions, whether or not they directly damage the Borrower's property, could adversely affect the Borrower's operations, financial performance and reputation. Recurring drought, wildfire or smoke conditions could reduce the perceived attractiveness of the Borrower's location and the distinctiveness of the student experience associated with that location, which could negatively affect enrollment, retention, fundraising and auxiliary revenues. In addition, the Borrower may incur increased costs for insurance, fire mitigation, emergency preparedness, water procurement, compliance with governmental requirements, capital improvements and other resiliency measures. Any of the foregoing could have a material adverse effect on the State and local community and economy and the Borrower's financial condition and results of operations and, accordingly, on its ability to make payments required under the Loan Agreement.

Construction Risks

There can be no assurance as to the ability of the contractors of the Borrower to complete the Project on time and within budget. In projects of the size and scope of the Project, there is a possibility of time delays and cost increases resulting from: (1) design and construction issues and resulting change orders; (2) environmental or land use litigation or administrative matters;

(3) archeological, historic, and unidentified subsurface conditions; (4) utility relocation problems; (5) hazardous materials; (6) force majeure events; (7) other litigation; or (8) inflation, tariffs, and supply chain disruptions. There can be no assurance that the costs of completion for the Project will not exceed current estimates, or that the completion of the Project will not be delayed beyond the expected completion dates. Variations in cost estimates and delays in construction could be material.

If cost overruns and delays occur, it may be necessary to redesign or reduce the scope of the Project, and there may not be sufficient funds to complete the Project, either of which could result in an inability of the Borrower to satisfy its obligations under the Loan Agreement. For example, contractors may have no responsibility or liability, and the construction schedule may be extended, for delays beyond the control of contractors.

Tariffs

The imposition of tariffs or other import restrictions, or the increase in existing tariffs, could significantly increase the cost of imported goods and materials that may be required for construction of the Project, potentially leading to higher construction prices, and increasing the risk that the Project cannot be completed within budget. Tariffs and related trade measures can also disrupt global supply chains, increase lead times, and require the Borrower to identify and use alternative supplies and/or suppliers, if any exist. The Trump administration has imposed varying tariff rates on construction materials and other goods imported into the United States, including steel, aluminum, copper, timber/lumber, and derivative products thereof. In some cases, the tariffs have been announced and then reduced, canceled, or delayed. Additionally, foreign governments have, in some instances, announced retaliatory measures in response to U.S. tariff actions. The scope of products subject to tariffs and the availability of exclusions or other relief have changed over time and may change again. Thus, it is impossible to predict what tariffs or other import restrictions will be imposed in the future, upon what goods and/or countries, or for how long. Investors should be aware that any such measures could materially increase the costs of the Project and may result in the need to issue Additional Parity Indebtedness to complete the Project.

Limitations on Enforcement of Remedies

The remedies available to the Trustee or the Owners of the Series 2026 Bonds upon an Event of Default under the Indenture, the Loan Agreement, and the Deed of Trust 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 the Loan Agreement, and the Deed of Trust may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 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.

Forward-Looking Statements

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

Secondary Market

It has been the practice of the Underwriter to maintain a secondary market in municipal securities it sells, and the Underwriter currently intends to engage in secondary market trading of the Series 2026 Bonds, subject to applicable securities laws. The Underwriter, however, is not obligated to engage in secondary trading or to repurchase any of the Series 2026 Bonds at the request of the owners thereof. There is no guarantee that a secondary trading market will develop for the Series 2026 Bonds. Consequently, prospective bond purchasers should be prepared to hold their Series 2026 Bonds to maturity or prior redemption.

Rating

The lowering or withdrawal of the rating initially assigned to the Series 2026 Bonds could adversely affect the market price and the market for the Series 2026 Bonds. See “RATING.”

LITIGATION

No Proceedings Against the Borrower. In connection with the issuance of the Series 2026 Bonds, the Borrower will deliver a certificate which will state that, as of the date of issuance of the Series 2026 Bonds, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body pending or, to the best of their knowledge, threatened against or affecting the Borrower, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Indenture, the Loan Agreement, the Bond Purchase Agreement (referred to in “UNDERWRITING”), or this Official Statement, the validity and enforceability of the Indenture, the Loan Agreement, the Bond Purchase Agreement or the Series 2026 Bonds or the operations (financial or otherwise) of the Borrower.

No Proceedings Against the Authority. As of the date of this Official Statement, there is no pending or, to the knowledge of the Authority, threatened, litigation against the Authority restraining or enjoining the issuance or delivery of the Series 2026 Bonds or questioning or affecting the validity of the Series 2026 Bonds or the proceedings or authority under which they are to be issued. As of the date of this Official Statement, there is no litigation pending or, to the Authority’s knowledge, threatened against the Authority which in any manner questions the right

of the Authority to enter into the Loan Agreement with the Borrower or to issue and secure the Series 2026 Bonds in the manner provided in the Indenture.

LEGAL MATTERS

Legal matters relating to the authorization and issuance of the Series 2026 Bonds are subject to the approving opinion of Kutak Rock LLP, as Bond Counsel, which will be delivered with the Series 2026 Bonds. A form of the bond counsel opinion is attached to this Official Statement as APPENDIX F.

Butler Snow LLP has been engaged as counsel to the Underwriter in connection with the preparation of this Official Statement. Butler Snow LLP has not participated in any independent verification of the information concerning the financial condition or capabilities of the Authority or the Borrower contained in this Official Statement.

TAX MATTERS

General Matters

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described in the preceding sentence assumes the accuracy of certain representations and continuing compliance by the Authority, the Borrower and others with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2026 Bonds. Failure to comply with such requirements could cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes, or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Series 2026 Bonds. Interest on the Series 2026 Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2026 Bonds.

The accrual or receipt of interest on the Series 2026 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2026 Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Series 2026 Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2026 Bonds.

Original Issue Discount

The Series 2026 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding “qualified stated interest” within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Series 2026 Bonds that have an original yield below their respective interest rates, as shown on the inside front cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of

Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or 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 may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Exemption Under State Tax Law

In Bond Counsel's further opinion, under existing State of Colorado statutes, interest on the Series 2026 Bonds is exempt from all taxation and assessments in the State of Colorado. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2026 Bonds under the laws of the State of Colorado or any other state or jurisdiction.

Backup Withholding

An owner of a Series 2026 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2026 Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2026 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2026 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2026 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2026 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2026 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2026 BONDS.

RATING

S&P Global Ratings (“S&P”) has assigned the Series 2026 Bonds a municipal bond rating of “BBB-” with a stable outlook. Any desired explanation of the significance of such rating should be obtained from S&P. Generally, rating agencies base the rationale for their ratings on the information and materials furnished to the agencies and on the review and analysis of such information provided to them in advance of issuing their rating(s). There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such change or withdrawal of such rating could have an adverse effect on the market price of the Series 2026 Bonds. None of the Underwriter, the Borrower, or the Authority has undertaken any responsibility, after the issuance of the Series 2026 Bonds, to oppose any such change or withdrawal.

INDEPENDENT AUDITORS

The consolidated financial statements of Borrower for the Fiscal Year ended June 30, 2022-2025 included in this Official Statement as Appendix B, have been audited by CliftonLarsonAllen LLP, independent certified public accountants, Denver, Colorado, as stated in their report attached hereto. CliftonLarsonAllen LLP, the Borrower’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

CONTINUING DISCLOSURE

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (“Rule 15c2-12”), the Borrower has agreed for the benefit of the Registered Owners of the Series 2026 Bonds to enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) with UMB Bank, National Association, as Dissemination Agent to provide certain financial information, other operating data and notices of material events. The Borrower has agreed to provide to the Dissemination Agent, and the Dissemination Agent will file with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”), certain financial information and operating data relating to the Borrower by not later than 180 days following the end of the Borrower’s fiscal year (currently ending June 30) (the “Annual Report”), commencing with the Annual Report for the fiscal year ended June 30, 2026, and to provide notices of the occurrence of certain material events. The form of the Continuing Disclosure Agreement is attached as “APPENDIX E—FORM OF CONTINUING DISCLOSURE AGREEMENT” to this Official Statement. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12.

In the past five years, the Borrower did not have a written continuing disclosure undertaking in effect under Rule 15c2-12. To ensure such filings are made in accordance with its Continuing Disclosure Agreement, the Borrower believes it has sufficient policies and procedures in place relating to its obligations thereunder.

UNDERWRITING

Stifel Nicolaus & Company, Incorporated, has agreed to purchase the Series 2026 Bonds from the Authority pursuant to a Bond Purchase Agreement at a purchase price of \$_____ (consisting of the par amount of the Series 2026 Bonds of \$_____, plus an original issue premium or less an original issue discount of \$_____, less an underwriting discount of \$_____). The Bond Purchase Agreement provides that the Underwriter is obligated to take and pay for all of the Series 2026 Bonds if any are purchased, subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel and certain other conditions.

APPROVAL BY THE BORROWER

The preparation and distribution of this Official Statement have been authorized by the Borrower. This Official Statement is hereby duly approved by the Borrower as of the date on the cover page hereof.

FOUNTAIN VALLEY SCHOOL OF
COLORADO, as Borrower

By _____
Dave Mesko, Chief Financial Officer

APPENDIX A

CERTAIN INFORMATION CONCERNING THE BORROWER

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**FOUNTAIN VALLEY SCHOOL
APPENDIX A
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INTRODUCTION

Fountain Valley School of Colorado (“Fountain Valley,” “FVS,” or the “School”) is an independent co-educational boarding and day school for students in grades nine through twelve. Beginning with the upcoming 2026-27 academic year, FVS plans to expand its educational offerings to 8th grade day students. Founded in 1930, Fountain Valley’s 1,100-acre core campus in Colorado Springs, Colorado neighbors the Bluestem Prairie Open Space and Big Johnson Reservoir at the base of the Front Range of the Rocky Mountains. FVS’ Class of 1969 Mountain Campus, located two hours away from the School’s main campus at the foot of the Collegiate Peaks, was constructed by alumni volunteers to provide a wilderness retreat for FVS alumni, students, and faculty. For the 2025-26 academic year, Fountain Valley enrolls 199 students (74 day students, 69 domestic boarders, and 56 international boarders). The School is organized as a non-profit educational organization under Section 501(c)(3) of the Internal Revenue Code.

The discussion below outlines the School’s senior leadership team, key strategic initiatives, and plan for long-term financial sustainability.

History and Background. Founded in 1930, Fountain Valley School has a rich history of providing a college preparatory curriculum rooted in the American West. This history is evident in a highly engaged alumni base, active in support of the School – both in terms of word-of-mouth marketing and philanthropic support of the School. That philanthropic support, over the years, has facilitated an endowment fund that totaled \$51.8 million as of June 30, 2025. The School’s 1,100 acre campus features academic, extracurricular, and residential life facilities that span 60 structures, over 400,000 square feet, and an appraised value of approximately \$93 million (as of May 2025).

Despite this rich history, the COVID-19 pandemic and turnover in key senior leadership positions have resulted in enrollment below historical levels and deficit financial operating performance. The School’s Board of Trustees has committed itself to preparing the School for its next 100 years and began that process with the hiring of Megan Harlan as Head of School in 2022.

Head of School and Senior Leadership Team. In 2022, FVS named Megan Harlan as its new Head of School. Immediately preceding her arrival at FVS, she was Assistant Head of School at Groton School in Groton, Massachusetts. Since her arrival, Ms. Harlan has worked closely with the School’s Board of Trustees to put in place numerous strategic initiatives to better position the School for long-term sustainability. This Strategic Plan, ratified by the FVS Board of Trustees in September 2024, encompasses personnel, program, facilities, student retention, marketing, and fundraising.

Ms. Harlan hired the School’s Chief Financial Officer, Dave Mesko, in 2023. Mr. Mesko brings over 30 years of experience in education, non-profit, and private sector financial management. Under his leadership, the School has worked to develop forward-looking, quantitative-based financial plans that balance investment in the School’s future with the realities of operating revenue and operating budget constraints. The School has adopted a long-range plan targeting staged enrollment growth – to 235 students in the near-term, to 260 students in the intermediate-term, and to 300-plus students for the long-term. Based on financial modeling, the School can meet its financial obligations at 235 students; can cover operating and certain capital expenditures at 260 students, and at 300-plus students the School can drive an operating surplus after fully funding depreciation expense via a combination of cash spent on capital projects and deposits to a capital reserve fund to

address future campus facility needs. These model results assume successful collection of the School's capital campaign funds, both to support near-term operations and to retire debt to reduce interest expense in model years after project completion.

Ms. Harlan also hired Amy Walia-Fazio as Dean of Enrollment Management in 2025 after numerous years of temporary hires and turnover in the position. Ms. Walia-Fazio professionalizes this critical role at FVS, bringing over 25 years of experience in independent schools. She most recently served as the Director of Admissions at the Island School in Lihue, Hawaii and prior to that as Director of Secondary Admissions at Crossroads School for the Arts & Sciences in Santa Monica, California. Ms. Walia-Fazio brings a background of successful innovation and management in student recruitment, with success in leveraging digital recruitment strategies. In her first year in the role, the work of Ms. Walia-Fazio suggests positive leading indicators for student enrollment at Fountain Valley; the School has received 49 early decision applications for the upcoming 2026-27 academic year vs. 30 for the year prior. Additionally, the School has fully enrolled its inaugural class of 8th grade day students. Targeting a class of 15 students, the School received 24 applications, accepted 16 students, and yielded 15 new day student enrollees for the upcoming 2026-27 academic year.

Academic Program and FVS Identity. One of Ms. Harlan's immediate priorities upon her arrival at Fountain Valley School was to overhaul the School's curricular program. The School's curriculum had historically tried to mirror that of traditional, college preparatory, East Coast boarding schools. This approach was in direct contrast to the School's position in the American West and did not adequately leverage the School's identity and resources, such as its American West architecture, vast campus resources, equestrian program, and access to the Rocky Mountains. The revamped curriculum leans into the refreshed identity of Fountain Valley School – a college preparatory school in the American West that provides an immersive student experience rooted in core academic disciplines while leveraging real-world experience and practicum based in the American West.

This revised curricular approach leverages the School's facilities and signature programs:

The American West. Students in ninth grade are immersed in the School's physical place in the American West, which is woven throughout the curriculum. Students study ecology and environmental sciences, read texts from indigenous people and authors from the American West, explore the history of Colorado, and focus on interdisciplinary studies and problem-solving using water and soil as examples to apply these concepts.

Mountain Campus. The School's Mountain Campus serves as a basecamp for outdoor adventures, seminars, and class retreats. FVS freshman and seniors begin their year with a retreat to the Mountain Campus, designed to forge bonds and establish collective goal-setting among each class. Ninth grade students also participate in the Western Immersion Program at the Mountain Campus, now a core tenet of the School's curriculum. The Mountain Campus also hosts 10th grade and 11th grade retreats and all students each January for a ski weekend.

Mountain Sports. The School embraces the spirit of adventure, offering student opportunities to participate in climbing, mountain biking, skiing, and outdoor education programs. The School's 6,000 sq. ft. climbing gym – the tallest high school climbing gym of its kind – provides opportunities for students who are new to climbing all the way to

national competitions at the highest level. The School's campus features 15 miles of mountain bike trails, and all ninth-grade students are strongly encouraged to expand their horizons and participate in mountain biking. Students are also afforded the opportunity to take advantage of Colorado's renowned ski resorts, with faculty providing transportation to students throughout the winter months. Students also participate in mountaineering, camping, and backcountry safety trips facilitated by the School's outdoor program.

Global Education. The Global Education program at FVS allows students to participate in college-level scholarship while broadening their horizons via international travel. Interim Expeditions take place each March, where students participate in a 7-10 day cultural immersion program. Recent examples include sea kayaking on the Baja Peninsula in Mexico, grassroots conservation in Tanzania, Spanish language immersion in Lima, Peru, and exploration of Chinese language and culture in Shanghai, China. FVS is also a member of Round Square, a network of schools across the globe that participate in student exchange programs. Through Round Square, every tenth grader travels overseas for their Interim experience.

Senior Capstone. Senior Capstone is the culmination of a student's journey through the American West, Global Community, and Leadership Development. Students spend the first semester of their senior year engaging in idea generation and determining the focus of their Capstone projects for the second semester. Senior Capstone projects are designed to give students the freedom to meld their academic interests and curiosities with an endeavor that is meaningful to each individual student. Recent Senior Capstone projects have spanned writing a novel, study of raptors and their role in the local ecosystem, explorations in the field of woodworking, robotics and coding, and music production.

Campus Facilities and the Capital Campaign. With the newly established curriculum, FVS is focused on reimagining campus facilities to match the quality of the educational program.

At the core of the School's Strategic Plan is constructing a new 34,000-square-foot Humanities building. The building will be designed to support the needs of modern teaching while celebrating the innovative teaching and learning fostered by the School's curriculum. Within the Humanities building will be The Center for the American West at Fountain Valley School (the "Center"). This will be a recognized space for intellectual engagement and discourse from within and outside the FVS community. By hosting symposiums, gatherings, exhibits, projects, and lectures, the Center will honor and recognize the complexities of the past while preparing for the challenges and opportunities of the future of the American West. The space continues the School's embracing of the American West as part of its curriculum, its history, its opportunities for students, and its permanence on the School's campus. The Humanities building will also include a new, modernized library space.

A new 20,800 sq. ft. Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces will fully update the School's academic spaces and provide enhanced opportunities for FVS students and faculty to further their curricular goals.

Lastly, the construction project will balance the School's Western aesthetic with functional traits, such as the ability to extend learning outside the classroom, utilizing the School's prairie and other natural resources as an extension of the classroom.

The School plans to continue its tradition of using indigenous adobe architecture to acknowledge and celebrate the School's distinctive location and history. Using xeriscaping, FVS will bring the prairie of Colorado Springs into the heart of campus while being proud stewards of water resources. Thoughtful planting of native plants will inspire and make real the further study of conservation through the lens of true biodiversity.

To support the project, and to ensure the School's financial foundation moving forward, FVS has embarked upon a capital campaign with a goal of raising \$123 million in support of the School. As of April 2026, the School has raised \$32.0 million in cash and pledges. This progress includes nine unique gifts of seven-figures or greater (seven of which are documented pledges, two are documented promises to give), inclusive of a \$10 million gift which represents the largest single gift in the School's history. Of the \$32.0 million raised, \$11.8 million has been collected in cash. Of that amount, \$2.1 million has been spent on supporting near-term operations, \$5.5 million has been spent or encumbered for design and preliminary costs related to the capital campaign and the School's upcoming campus improvement projects, \$1.0 million deposited to the endowment, and \$3.2 million is set to fund early construction efforts. Receipts from the School's capital campaign are anticipated to be utilized to pay debt service on the bonds, and, after project completion, are anticipated to be utilized by the School to redeem portions of the Series 2026 Bonds via special optional redemption from campaign receipts.

HISTORY AND MISSION

In 1929, Elizabeth Sage Hare convinced a group of friends to join her in founding the Fountain Valley School of Colorado. They shared the belief that a boarding school dedicated to traditional standards of excellence and progressive ideals of individual dignity and creative promise would thrive in the great American West.

With the help of Colorado Springs entrepreneur and philanthropist Spencer Penrose, Ms. Hare convinced the School's first headmaster, Francis Mitchell Froelicher, to come West to start the School and commissioned architect John Gaw Meem to use the Pueblo Revival Style architecture model for its design. The site chosen for the School was a large ranch, known as Lazy B Ranch, belonging to Jack Bradley; the School's first building was Bradley's 1927 home designed by Addison Mizner. The house, known as Casa Serena and commonly referred to as the Hacienda, was surrounded by a polo field, stables and some small residences for ranch hands.

Ms. Hare purchased the Lazy B Ranch and all of its amenities for \$150,000 in November of 1929. The School opened as a boarding school for boys in September of 1930. Mr. Froelicher, a nationally recognized progressive educator, was the leader behind incorporating the environment into Fountain Valley's programs. FVS became co-educational in 1975.

Fountain Valley is guided by the following mission statement:

“Drawing on its Western heritage, Fountain Valley School develops leaders who embrace the world with compassion and courage.”

In addition to its mission, Fountain Valley is guided by its academic statement:

“Founded on a Western ranch at the base of the Rocky Mountains, Fountain Valley School values hard work and fortitude as we empower students to stamp their own brand and write their own stories. We nurture curiosity while cultivating lifelong learners. We promote asking big questions and embracing analytical and creative thinking. We empower students to assume responsibility for their learning while finding purpose and joy in their accomplishments.”

GOVERNANCE

The School is governed by a self-perpetuating Board of Trustees (the “Board”). Per the School’s bylaws, the Board consists of not more than twenty-seven (27) voting individuals (the “Trustees”), in addition to a non-voting Trustee *ex officio* serving as Head of School and a voting Trustee *ex officio* serving as President of the Alumni Association. Trustees serve three (3) year terms with Trustee classes structured such that no more than one-third of the total number of Trustees hold terms expiring in any given year. Trustees may serve three consecutive three-year terms before a one-year hiatus is imposed. If an individual elected as President of the Board is in their third term, that term is extended as required to end coterminously with the Presidential term. The Committee on Trustees is responsible for nominating Trustees and perpetuating the Board.

Current members and officers of the Board of Trustees, the year of their initial election to the Board, the year their term ends, and their principal business or professional affiliations are as follows:

Board of Trustees (Academic Year 2025-26)

<u>Name of Board Member</u>	<u>Year of Initial Election</u>	<u>Year Term Ends</u>	<u>Principal Affiliation (provided as attachment)</u>
J. Gregory Osborne '81, <i>President</i>	2019	2028	Real Estate / Finance
Cori J. Galles Faricy '92, <i>Vice President</i>	2019	2028	VP, <i>Galles Motor</i>
Dawn L. Judd, <i>Secretary</i>	2017	2026	Attorney
Andrew T. Watson, <i>Treasurer</i>	2022	2028	Retired Head of School
Kristine Dozier P'28	2025	2028	Principal, <i>Deloitte</i>
Haley M. Griffis '13	2020	2026	Founding Director, <i>Griffis Residential Services</i>
Megan Harlan	<i>Ex Officio</i>		Head of School, <i>Fountain Valley School</i>
Benjamin J. Howe '89	<i>Ex Officio</i>		Author
Emilie A. Hoyt '93, P'25	2017	2026	Owner, <i>Lather Natural Beauty Products</i>
Darrell R. Johnson '79	2021	2027	Environmental Specialist, <i>Sempra Energy</i>
Douglas A. Nathan '95	2024	2027	Corporate Finance, <i>Alcazar Financial Group</i>
Paul R. Nemschoff '92, P'26, '29	2025	2028	Partner, <i>DSA International</i>
Arthur M. Ortegon '00	2025	2028	Partner, <i>Wilkenson, Knauer, and Barker LLC</i>
Douglas S. Patterson '88, P'21	2018	2027	Co-Founder, <i>Pres. Southline Transmission Project</i> ; Founder, <i>Black Forest Investments</i>
John J. Peterson '91	2024	2027	Founder and CEO, <i>Matador</i>
Veronique Richardson '02	2021	2027	Attorney
Mark D. Sather '88, P'23, '25	2022	2028	Fixed Income Trader, <i>Charles Schwab</i>
Theresa N. Sheh '88	2017	2026	Retired – Private Equity / Finance
Davis M. Tutt '11	2018	2027	U.S. Olympic Committee Coordinator
Fei Ye P'27	2024	2027	Retired

Life Trustees

James Scott '68 P'95, '99, '05

The standing committees of the Board meet regularly throughout the year and include: Executive, Development, Audit & Risk Management, Committee on Trustees, Finance, Investment, Land Management, and Preservation, Maintenance, & Construction. The FVS Board of Trustees 2025-26 committee chair assignments are as follows:

2025 – 26 Committee Chair Assignments

<u>Committee</u>	<u>Chair</u>
Executive	Greg Osborne
Development	Darrell Johnson
Audit & Risk Management	Cori Galle
Committee on Trustees	Ben Howe
Finance	Andy Watson
Investment	Doug Patterson
Land Management	Mark Sather
Preservation, Maintenance, & Construction	Doug Nathan

ADMINISTRATION

The administration of Fountain Valley School is the ultimate responsibility of its Head of School. Assisting the Head of School is the School’s administrative leadership team, for which short biographies of certain key members follow.

Megan Harlan, Head of School. Since joining Fountain Valley School in 2022, Ms. Harlan has led with a deep commitment to experiential learning, community, and the School’s core values of Courage, Compassion, Curiosity, Self-Reliance, and Open-Mindedness. Before arriving at FVS, Ms. Harlan served as Assistant Head of School at Groton School in Massachusetts and spent decades working in education as a guidance counselor, Director of College Counseling, and educational leader in both public and independent schools. She has also served as a Massachusetts State Board Member for the ACT, Board Member for the Children’s Learning Center in New Hampshire, and co-director of the Blackberry River Retreat for College Counselors.

A graduate of The Westminster School in Connecticut, Ms. Harlan earned her bachelor’s degree in American literature from Middlebury College and her M.S. in college counseling from Villanova University. Her career began at the Schuylkill Center for Environmental Education, where she taught middle and high school workshops on watersheds, wetlands, and water quality.

Charles Greene, Assistant Head of School for Strategic Marketing & Communications. Mr. Greene comes to FVS from Stoneleigh-Burnham School, a selective boarding and day school in Greenfield, Mass. where he served as the Director of Marketing and Communications. His robust 30-year career, which includes over 10 years of experience in boarding schools and higher education institutions, has encompassed brand communications, public health, education marketing and communications, and social science research. A passionate educator, Mr. Greene has also served as an advisor, a dorm parent, a teacher, and a strong community member at two different boarding schools.

Dave Mesko, Chief Financial Officer. Mr. Mesko has more than 30 years of experience working in the private sector, higher education, and nonprofit environments. Prior to joining Fountain Valley, Mr. Mesko served in various nonprofit leadership roles including as Chief Financial and Administrative Officer for the Colorado Enterprise Fund, CEO for the International Association for the Study of Lung Cancer (IASLC), and as Chief Operating Officer for the Council on Foundations. Mr. Mesko also spent a decade at

Georgetown University as the CFO of the School of Nursing & Health Studies. Prior to Mesko's move to mission-based nonprofits, he spent time doing new business development and financial modeling for various environmental and defense contractors. Throughout his career, he has led strategic transformations by focusing on building collaborative organizational culture, prioritizing effective governance, and creating sustainable financial models and infrastructure. Mr. Mesko earned his BSBA from Western Carolina University with a concentration in Finance as well as an MBA from American University. He currently serves on The Association of Boarding Schools (TABS) Board of Trustees.

Amy Walia-Fazio, Dean of Enrollment Management. Ms. Walia-Fazio serves as Dean of Enrollment Management at Fountain Valley School, bringing more than 25 years of experience in education, admissions, and community engagement. Ms. Walia-Fazio has built her career on enhancing independent school admissions, mentoring students, and fostering meaningful connections with families. Before joining FVS, she served as Director of Secondary Admission at Crossroads School for Arts & Sciences in Santa Monica, California, where she increased inquiries by 28% and grew sixth through twelfth-grade applications by 30% in three years through innovative outreach and digital recruitment strategies. Her previous experience includes work at the Island School in Kaua'i, Marlborough School in Los Angeles, and Oak Hall School in Florida.

Originally from New Orleans, Ms. Walia-Fazio earned a B.A. in English and sociology with a minor in education from Tulane University, an M.Ed. in curriculum and instructional leadership from Vanderbilt University, and a Leadership in Enrollment Management Certificate from the University of Southern California's Center for Education, Research, Practice, and Policy. Beyond her work in education, she has served as Executive Director of the Parents Education League of Los Angeles and as an Advisory Board Member for Project Vision Hawaii, a nonprofit expanding access to vision and dental care in local communities.

John Lichtenberg, Chief Operating Officer. Mr. Lichtenberg serves as the Chief Operating Officer at Fountain Valley School, where he oversees key operational areas including maintenance, grounds, land and ranch management, technology, security, custodial services, and construction management. He joined FVS nearly a decade ago and previously served as the school's Director of Technology, focusing on how innovation can enhance teaching and learning across campus. Mr. Lichtenberg holds a B.A. in English literature from Fort Lewis College and an M.A. in curriculum and instruction from the University of Colorado Colorado Springs. He also serves on the Board of Directors for the Fountain Mutual Metropolitan District.

Jeff Kurtzman, Director of College Counseling. Now in his third year at Fountain Valley and his 34th in education, Mr. Kurtzman brings decades of experience helping students discover their paths beyond high school to FVS. Before joining FVS, he spent nearly 30 years at The McCallie School in Chattanooga, Tennessee, where he served as Director and Associate Director of College Guidance and taught history. A graduate of Amherst College with a B.A. in American studies, Mr. Kurtzman takes pride in fostering FVS's reflective, student-centered approach to the college search. He helps students explore their strengths, values, and goals, celebrating a wide range of outcomes, from large public universities nearby to small liberal arts colleges across the country and even schools overseas.

The School is currently engaged in a national search process to hire a new Director of Advancement.

CURRICULUM

Fountain Valley School provides a Western Academic program centered around passionate teaching and one-of-a-kind learning experiences that combine rigor with healthy balance and fun. As they journey through FVS, students are prepared to excel to the best of their abilities and aspirations.

Academic Program

Eighth Grade. FVS' new 8th grade program is intentionally structured as a foundational year. Students strengthen core academic skills, deepen habits of inquiry, and build the independence needed for a rigorous college-preparatory high school experience. Through close faculty mentorship and high expectations, students learn to manage their time, advocate for themselves, and contribute meaningfully to community life. Students leave eighth grade prepared not only for the challenges of grades 9–12, but equipped with the character and perspective to thrive well beyond FVS.

Ninth Grade. Led by a team of passionate faculty, FVS's 9th grade curriculum embraces the notion that learning can be challenging, fun, balanced, and healthy both in and beyond the classroom so that—by the time they graduate—students are well prepared to tackle pressing environmental issues on topics such as sustainability, water rights, and soil erosion to the best of their abilities and aspirations.

In addition to choosing from a variety of world languages and levels, students round out their freshman experience with Outdoor Ecology and Environmental Science courses that engage them in hands-on learning opportunities on the Prairie, at the Mountain Campus, and across local rivers and the Rocky Mountains; English texts written by Western and indigenous authors to build foundations in writing, analytical reading, and creative analysis; in-depth exploration of the history of Colorado and the West using various perspectives to discover the ways the Western landscape has shaped the region's people, history, and culture; the exploration of art in nature and Western-based performances that push the limits of one's creativity and problem-solving capabilities; and math problems that challenge students to explore sustainability and potential issues presented as a result of the changing environment of the West.

Tenth Grade. As students progress to their sophomore year, the FVS academic curriculum shifts to a new focus on fostering a deeper understanding of the global societies beyond the School itself. Through common themes of Resources and Revolutions, students develop a global mindset that challenges and enriches their worldview, and spurs them to ask deep questions and analyze their place in the world. The 10th grade Global Societies curriculum includes modern world history lessons with a focus on the 20th and 21st centuries to harness students' curiosity and knowledge of the world we live in today; readings that advance students' English-writing skills, critical analysis, communication, and ability to reflect upon works by authors spanning the globe; scientific research and math problems that continue to study aspects of the environment and delve deeper into threatening global issues; and world language offerings that are designed to develop students' language skills and foster a deeper appreciation for various cultures around the globe.

Eleventh Grade. The 11th grade students explore the themes of influence, action, and leadership, reflecting on their impact within the FVS community and beyond. Through immersive experiences, they engage with others and are encouraged to contribute to the common good. Students are tasked with planning and leading their own retreat at the Mountain Campus. During Community Block, juniors focus on applying their strengths to positively impact the community around them. Leadership development continues through Interim expeditions, including a pilot National Outdoor Leadership School (NOLS) experience in 2026, Sea Kayaking in Baja, Mexico, which uses outdoor challenges to strengthen teamwork, confidence, and leadership skills.

Twelfth Grade. The 12th grade curriculum at Fountain Valley School is designed to foster independent research, critical thinking, and meaningful community engagement, culminating in distinguished final projects that showcase a student's depth of knowledge and passion. Students engage in the mandatory Senior Capstone Project or, for those who began the process in their junior year, the year-long Global Scholar / STEM Diploma (GSD), an honors track that fulfills the Capstone requirement. Both programs are year-long, research-intensive experiences that prepare students for college and future leadership roles by allowing them to dive deep into a topic of their choosing and present their findings to the community.

Residential Life

Fountain Valley School offers ten spacious, adobe residential houses built for small groups of 16 to 20 students each. With rooms accommodating two to three occupants, communal kitchens and common spaces, fireplaces, and patios, on-campus residences are designed to quickly become a home away from home. Dedicated freshman housing is available to 9th grade students to foster community and acclimate them to independent living. As students grow, mature, and discover who they wish to become, dorm placement contains a mixture of grade levels 10 through 12. The image below depicts a selection of the School's residential offering.



Athletics

Fountain Valley offers both traditional and non-traditional sports ranging from Colorado High School Sports Association-sanctioned Basketball, Cross Country, Lacrosse, Soccer, Swimming, and Volleyball teams to Western and English Riding, Mountain Biking, Climbing and Skiing programs, and more. All students are expected to participate in two of the three athletic seasons annually. Additional non-traditional afternoon programs are also available each season and enable students to meet extra-curricular requirements after school at FVS.

FVS's 60,000-square-foot Julie and Spencer Penrose Athletic Center includes a 6,000-square-foot climbing gym—the tallest high school climbing facility in the U.S. Additionally, the Center hosts a 25-meter indoor pool with eight competition lanes; a 10,800-square-foot gymnasium including regulated basketball and volleyball courts; a 1/10th mile indoor track; a strength training and performance center outfitted with Hammer Strength equipment, Life Fitness Treadmills, Concept II Rowing ergometers, Cybex ARC, and Life Fitness ellipticals; a spin room with 21 bikes; and an on-site trainer and training room complete with ice baths.

Keeping in tune with the physical culture constituent to a Western education, the School's 1,100-acre rolling Prairie campus includes eight outdoor tennis courts, grass fields for soccer, lacrosse, and other sports, an outdoor running track, indoor and outdoor equestrian arenas, and 15 miles of riding, hiking, and biking trails.

Fountain Valley students have a number of athletic opportunities, including both mountain sports for which the School is well known and traditional interscholastic athletics in which it is competitive. Athletic opportunities at FVS are highlighted in the following table.

Athletic Offerings		
Fall	Winter	Spring
Boys' Soccer	Boys' Basketball	Boys' Lacrosse
Boys' Tennis	Climbing	Boys' Volleyball
Climbing	English Riding	Climbing
Cross Country	Girls' Basketball	English Riding
English Riding	Swimming & Diving	Girls' Soccer
Girls' Volleyball	Western Riding	Girls' Tennis
Mountain Biking	Skiing & Snowboarding	Mountain Biking
Swimming & Diving		Swimming & Diving
Western Riding		Western Riding

In addition to offering skiing as an afternoon activity, the FVS Athletic Department is pleased to provide weekend skiing and snowboarding throughout the winter. Students and their friends visit popular resorts including Keystone and Breckenridge, with options for equipment rentals available to individuals in need of skiing and snowboarding gear.

Riding Program

Riding, the oldest athletic program offered at FVS, began with the School's inception in 1930. As a working cattle ranch focused on ranch horses and teaching students to work with animals, the Western Riding program played a vital role in helping FVS's first students complete their daily chores. Today, the School's Western Riding program teaches riders horse management and prepares riders for competition in the IEA (Interscholastic Equestrian Association) with a focus on Horsemanship and Ranch Riding.

Students regularly take to the trails of Fountain Valley's 1,100-acre Prairie and have opportunities to participate in overnight pack trips in the mountains near Buena Vista and in PicketWire Canyon twice per year. In the Western Riding Program, students gain a better understanding of horsemanship by taking care of their assigned horses and learning grooming, tacking, and the safe handling of a horse. In the saddle, they not only work on skills in Horsemanship but also in Ranch Riding, and, for more advanced riders, Reining. The spring season offers a chance for students to go back to the roots of FVS and practice working cattle, sorting, and penning.

Founded at FVS in 2003, the English Riding program is structured around the American forward seat riding system as supported by the United States Hunter Jumper Association (USHJA). Riders can participate with their personal horses or ride one of the School's horses, capable of taking riders from their first jump to coursing 3 feet. Fountain Valley is proud to offer three class groups with qualified instructors—all accomplished riders and many certified by the USHJA—to support riders at any level.

Fountain Valley is home to a herd of more than 50 school horses and welcomes riders representing all genders and skill levels; from competitive and experienced to never-before-ridden. Additionally, the

accommodations for horse and rider at FVS, both indoors and outdoors, are extensive; the School is home to one of the largest indoor arenas in Colorado. Facilities include a 150' by 275' indoor arena, a covered outdoor arena, four large outdoor areas, paddocks with run-in sheds and pasture board, and 28 stalls with runs, auto waterers, and rubber mats.

FACULTY AND STAFF

The following table depicts the number of full-time and part-time faculty employed by the School for the 2021-22 through 2025-26 academic years:

Faculty Composition

<u>Faculty</u>	<u>2021-22</u>	<u>2022-23</u>	<u># of Faculty</u> <u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Full time:	56	65	56	53	62
Part time:	<u>3</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>
Total Faculty	59	66	58	54	64
Total Faculty Retention Rate (%)	69%	53%	63%	76%	99%
Non-Faculty					
Full time:	27	32	28	38	38
Part time:	<u>14</u>	<u>3</u>	<u>11</u>	<u>19</u>	<u>20</u>
Total Non-Faculty	41	35	39	57	58

The 2022-23 academic year was Head of School Megan Harlan's first in her role. Deliberate adjustments to the teaching faculty were made in the initial years of her tenure, resulting in intentionally low faculty retention rates for the School. This strategic endeavor dramatically increased the average tenure and years of teaching experience for faculty at FVS, and for the 2025-26 year the School achieved nearly 100% faculty retention.

The table below depicts FVS median faculty salaries for the past four and current academic years. Faculty salaries depicted below do not include the value of housing, which is offered to nearly all FVS faculty as a taxable benefit of employment.

Median Full-Time Faculty Salaries

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
FVS Median	\$ 48,246	\$ 44,152	\$ 46,200	\$ 53,003	\$ 50,000
NAIS Median Faculty Salary	60,000	63,103	65,423	68,103	70,954
FVS Salaries as % of NAIS	80.4%	70.0%	70.6%	77.8%	70.5%

Source: NAIS Facts at a Glance Report, Median of Median Faculty Salary – All Schools

STUDENT ENROLLMENT

The following table shows the number of applications, acceptances, and matriculants for the past five and upcoming academic years.

Student Demand Statistics (All Student Categories)

Academic <u>Year</u>	<u>Applicants</u>	<u>Acceptances</u>	Acceptance <u>Ratio (%)</u>	<u>Matriculants</u>	Matriculation <u>Ratio (%)</u>	Total <u>Enrollment</u>
2021-22	208	149	71.6%	81	54.4%	230
2022-23	230	175	76.1%	90	51.4%	236
2023-24	309	172	55.6%	86	50.0%	218
2024-25*	N/A	159	N/A	77	48.4%	221
2025-26	202	133	65.8%	65	48.9%	199
2026-27^	170	124	72.9%	62	49.6%	201
<u>2026-27 Detail</u>						
Grades 9-12^	146	108	73.9%	47	43.5%	186
Grade 8^^	24	16	66.6%	15	93.7%	15

* Reliable data on applicants is not available for the 2024-25 academic year given turnover in the Admissions Office and inconsistent reporting on applications, primarily surrounding different application count methodology (i.e. “started applications” vs. “completed applications”).

^ Partial-year data as of April 20, 2026 for 9-12 grades, normal admissions activity is ongoing for the 2026-27 year.

^^ Reflects 8th grade data. Class size is capped at 15 students.

Normal admissions activity remains ongoing for the upcoming 2026-27 academic year for grades 9-12. The inaugural 8th grade class has been fully enrolled. As is typical of the School’s admissions process, FVS will continue to admit and enroll students for 2026-27 throughout the summer months.

The School’s announcement of expanding to include an 8th grade program for day students was met with enthusiasm. For the inaugural year, FVS limited 8th grade enrollment to 15 students and has filled all 15 spots after accepting 16 of 24 applicants. The 8th grade program will utilize existing FVS faculty and facilities, generating additional revenue for the School, and introducing a new cohort of students to FVS prior to the typical 9th grade entry point, when students often explore multiple enrollment options as they prepare to enter high school.

Total opening enrollment for the 2025-26 academic year was 199 students. Student enrollment by grade for the current and past four academic years are shown in the following tables:

Annual Enrollment by Grade

<u>Grade</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>	<u>Fall 2025</u>
<u>Day</u>					
Grade 9	24	16	22	22	15
Grade 10	21	22	14	24	22
Grade 11	26	21	22	15	21
Grade 12	<u>13</u>	<u>26</u>	<u>20</u>	<u>22</u>	<u>16</u>
Day Subtotal	84	85	78	83	74
<u>Domestic Boarding</u>					
Grade 9	14	15	14	13	14
Grade 10	16	28	22	18	13
Grade 11	31	20	22	24	21
Grade 12	<u>32</u>	<u>25</u>	<u>19</u>	<u>22</u>	<u>21</u>
Domestic Boarding Subtotal	93	88	77	77	69
<u>International Boarding</u>					
Grade 9	6	14	10	13	9
Grade 10	20	18	17	19	14
Grade 11	10	21	19	14	20
Grade 12	<u>17</u>	<u>10</u>	<u>17</u>	<u>15</u>	<u>13</u>
Int'l Boarding Subtotal	53	63	63	61	56
Total Enrollment	230	236	218	221	199

Fountain Valley draws its student population from a wide variety of communities throughout the United States and around the world. The following table depicts the geographical distribution of FVS students by national origin for the current academic year:

Geographic Distribution of Students

<u>Country</u>	<u># of Students</u>	<u>Country</u>	<u># of Students</u>
United States	143	Brazil	1
China	28	Ethiopia	1
Dominican Rep.	4	Italy	1
Mexico	4	Russia	1
Japan	4	Serbia	1
Vietnam	3	Spain	1
Kenya	2	Sweden	1
South Korea	2	Thailand	1
Bermuda	1		

COLLEGE TESTING AND PLACEMENT

Over the past four years of available data, ACT scores for Fountain Valley students have averaged 129% of the national mean. The following table shows the mean ACT scores for Fountain Valley students compared to the national mean scores over the past five years.

Average ACT Scores

	<u>Class of '21</u>	<u>Class of '22</u>	<u>Class of '23</u>	<u>Class of '24</u>	<u>Class of '25</u>
FVS Average ACT	27	26	25	25	26
National Average	20.3	19.8	19.5	19.4	19.4
% of National Average	133%	131%	128%	129%	134%

Source: American College Testing and Fountain Valley School internal records

FVS graduates regularly gain acceptance to selective colleges and universities through the United States. The following table depicts those colleges and universities to which members of the graduating classes of 2020 through 2025 most frequently matriculated:

College Matriculation of Graduates (Classes of 2020-25)

<u>Institution</u>	<u>Number Matriculated</u>
University of Colorado – Boulder	26
Colorado State University	10
New York University	8
Chapman University	6
Northeastern University	6
Santa Clara University	6
Montana State University	5
University of Colorado – Colorado Springs	5
University of Toronto	5
Boston University	4

TUITION & FINANCIAL AID

The following table shows the School's tuition rates by academic program for the past five and upcoming academic years.

FVS Historic Tuition Levels

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Day Tuition	\$ 30,950	\$ 32,500	\$ 37,500	\$39,000	\$ 40,700	\$ 40,700
Domestic Boarding Tuition	62,450	65,500	69,950	72,700	75,900	75,900
International Boarding Tuition	64,700	68,000	73,000	76,000	79,900	75,900

For the 2026-27 academic year, FVS altered its tuition strategy to include a single tuition level for all boarding students - whether domestic or international. The School did not increase its tuition from the prior year, and is focused on managing financial aid and enhancing student recruitment efforts. The School does charge fees, in addition to the stated tuition, for international students and students enrolling in additional programming, such as the academic skills instructional program or English language learner programs.

The following table depicts the 2026-27 academic year tuition rates for Fountain Valley School and other area boarding and day schools with which the School compares itself and competes for students:

Comparative 2026-27 Tuition (12th Grade)

<u>School</u>	<u>Day</u>	<u>Domestic Boarding</u>	<u>International Boarding</u>
Colorado Academy	\$43,320	n/a	n/a
Kent Denver School	41,250	n/a	n/a
Colorado Springs School	34,500	n/a	n/a
Fountain Valley School	40,700	75,900	75,900
Cate School (CA)*	67,290	83,580	83,580
Kimball Union Academy (NH)	52,500	83,300	86,800
Holderness School (NH)	55,900	82,400	84,900
Colorado Rocky Mountain School	50,400	80,600	83,600
Thacher School (CA)	65,600	81,000	81,000

* Represents 2025-26 tuition

FVS offers multiple forms of support for families including a robust and equitable financial aid program and merit-based scholarships. The School's affordability programs allow it to enroll highly qualified students regardless of family resources.

It is Fountain Valley's expectation that families contribute to the cost of their student's education at the highest level possible, with multiple factors taken into consideration when assessing individual financial needs and qualifications. Two forms of financial assistance – need-based financial aid and merit-based scholarships – are offered at FVS.

In the 2025-26 academic year, the School awarded \$3.7 million in financial aid to 51% of its students. The following table shows the financial aid awarded to students by the School for the current and past four academic years:

Financial Aid Assistance

<u>Academic Year</u>	<u>Recipients</u>	<u>% of Student Body Receiving Aid</u>	<u>% of Tuition Revenue</u>	<u>Average Grant</u>	<u>Total Grants</u>
2021-22	100	43%	26%	\$30,234	\$3,023,369
2022-23	106	45%	23%	\$27,014	\$2,863,475
2023-24	101	47%	23%	\$29,911	\$3,021,026
2024-25	92	45%	21%	\$28,728	\$2,642,973
2025-26	102	51%	29%	\$35,971	\$3,669,018

The School also offers tuition remission to students of full-time employees in an amount equivalent to the rate of day tuition. The following table contains information on tuition remission for the current and past four academic years:

Tuition Remission History

<u>Academic Year</u>	<u>Recipients</u>	<u>% of Student Body Receiving Aid</u>	<u>% of Tuition Revenue</u>	<u>Average Grant</u>	<u>Total Grants</u>
2021-22	16	7%	4%	\$30,950	\$495,200
2022-23	11	5%	3%	\$32,500	\$357,500
2023-24	13	6%	4%	\$38,253	\$497,300
2024-25	13	6%	4%	\$39,000	\$507,000
2025-26	16	8%	5%	\$40,700	\$651,200

FINANCIAL MATTERS

The following summaries and discussions of financial matters should be read in conjunction with the School's audited financial statements for the fiscal years ended June 30, 2021-2025, which have been audited by BDO USA, LLP, the School's independent auditors for the fiscal years ended June 30, 2021 and 2022, and by CliftonLarsonAllen LLP, the School's independent auditors for the fiscal years ended June 30, 2023, 2024, and 2025. Fountain Valley School operates on a fiscal year ending June 30. The financial statements of the School have been prepared on an accrual basis in accordance with the U.S. Generally Accepted Accounting Principles (U.S. GAAP) for educational institutions.

The table on the following page summarizes the Unrestricted Statement of Activities, referred to as "Without Donor Restrictions (Unrestricted)" for the fiscal years ended June 30, 2021, 2022, 2023, 2024, and 2025. The information presented in these tables has been extracted from the School's audited financial statements for the respective years.

Statement of Unrestricted Activities
(Fiscal Year Ended June 30)

	<u>2021</u>	<u>2022[†]</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES					
Tuition and fees	\$ 7,752,958	\$ 8,823,741	\$ 9,674,875	\$ 9,726,061	\$ 10,437,906
Contributions	1,686,359	976,743	2,887,912	1,241,988	5,710,171
Employee retention credit	-	-	-	423,688	-
Other income	1,357,461	515,491	504,935	607,486	563,801
Facility rentals	38,740	160,351	125,031	99,944	83,732
Auxiliary services	7,237	21,953	21,946	20,948	52,695
Gain (loss) on disposal of equipment	-	(2,214)	-	21,390	(68,900)
Investment income, net	3,513,475	(16,027)	850,925	1,369,528	1,452,361
Net assets released from restriction	1,770,969	4,036,500	2,552,022	2,475,676	3,555,774
Total revenues and other support	<u>15,330,253</u>	<u>14,516,538</u>	<u>16,617,646</u>	<u>15,986,709</u>	<u>21,787,540</u>
EXPENSES					
Program services	7,818,481	11,232,672	11,373,337	11,249,398	11,448,328
Supporting services					
Administration	5,867,993	3,626,247	4,270,450	5,145,099	5,979,150
Development	732,880	1,186,706	1,039,213	893,733	1,561,576
Total program expenses	<u>14,419,354</u>	<u>16,045,625</u>	<u>16,683,000</u>	<u>17,288,230</u>	<u>18,989,054</u>
Change in net assets	1,707,845	(1,529,087)	(65,354)	(1,301,521)	2,798,486
Net assets at beginning of year	<u>47,124,008</u>	<u>48,687,424</u>	<u>47,158,337</u>	<u>47,092,983</u>	<u>45,791,462</u>
Net assets at end of year	<u>\$ 48,831,853</u>	<u>\$ 47,158,337</u>	<u>\$ 47,092,983</u>	<u>\$ 45,791,462</u>	<u>\$ 48,589,948</u>

[†] As restated

Fountain Valley's net assets as of June 30, 2021 through 2025 were as follows:

Net Assets					
	<u>2021</u>	<u>2022[†]</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Without Donor Restriction	\$ 48,831,853	\$ 48,016,619	\$ 47,092,983	\$ 45,791,462	\$ 48,589,948
<u>With Donor Restriction</u>					
Time/Purpose Restriction	25,501,641	25,308,046	25,498,726	25,714,426	26,002,378
Perpetual Restriction	12,185,439	14,670,697	12,433,446	13,357,708	21,496,196
Subtotal	<u>37,687,080</u>	<u>39,978,743</u>	<u>37,932,172</u>	<u>39,072,134</u>	<u>47,498,574</u>
Total Net Assets	<u>\$ 88,810,596</u>	<u>\$ 85,703,699</u>	<u>\$ 85,025,155</u>	<u>\$ 84,863,596</u>	<u>\$ 96,088,522</u>

[†] As restated in the School's audited financial statements for June 30, 2023.

Management Discussion of Financial Performance

In recent years, the financial operating performance of the School has been subpar due to ongoing enrollment challenges and an aging physical plant resulting in lower net tuition revenue and higher expenses related to the School's facilities. Recognizing these challenges, the FVS Board and Administration developed a Strategic Plan to set the School on a vibrant and sustainable path, making necessary investments in people (faculty/staff) and place (campus facilities). Investments have been made in faculty, Admissions, Development, and staff. A concerted effort to improve and repair physical infrastructure has begun and will continue, with a long-range goal of fully funding capital expenditures equal to or greater than depreciation expense from annual operations. These investments are central to improving the delivery of the School's curriculum, enrollment, fundraising efforts, and physical spaces.

To further leverage these operational investments, FVS has launched a capital campaign entitled *Summit 2030*. *Summit 2030* focuses FVS on the further improvement of teaching and collaborative spaces through the construction of a Humanities Building, STEM Building, and outdoor learning spaces. Of equal importance, the campaign contemplates an increase to the endowment by focusing on new endowed dollars to support financial aid, Interim, and operating expenses. The early success of *Summit 2030* validates the School's strategic direction, with \$32.0 million raised in just over 15 months. This includes a \$10 million gift to the School's endowment, the largest gift the School has ever received.

This financial paradox, operating challenges offset by campaign success, illustrates the importance of the current moment for FVS – especially as the School approaches its centennial anniversary in 2030. The elements outlined within the strategic plan and supported by the campaign offer FVS the path forward to a sustainable and prosperous next century.

The School is addressing its operating budget imbalance both by evaluating expenses and considering additional revenue potential. For the upcoming 2026-27 academic year, the School has fully enrolled an inaugural class of 15 8th grade day students, expanding the School's program and enrollment beyond its traditional high school grade levels. This program will leverage the School's existing faculty and facilities, while also introducing 8th grade students to FVS prior to their 9th grade year, where students typically consider multiple options for enrolling in high school.

Operating Performance for the fiscal year ending June 30, 2026. FVS' year-end operating projection for the fiscal year ending June 30, 2026 is negatively impacted by enrollment levels below those initially projected by the School. Additionally, while the School's capital campaign has generated strong donor

commitments, the School's annual fund is currently tracking behind budget for the current fiscal year. Expenses have tracked generally in-line with budget, however, the School has incurred both direct costs and capital expenditures related to the continued effort to address and mitigate deferred maintenance across its campus. The School has benefitted from investment revenue of \$4.1 million through February 28, 2026, which helps offset the School's budget deficit. Such investment performance, prior to accounting for any capital campaign activities, suggests a budget deficit of approximately \$3.1 million (vs. \$4.9 million deficit anticipated at the outset of the fiscal year).

Capital campaign gifts recorded in the current fiscal year total \$16.4 million, offset by approximately \$500,000 of capital campaign expenses. Given capital campaign progress, the School expects to record a positive change in net assets on a GAAP basis for the fiscal year ending June 30, 2026. As of February 28, 2026, this positive change in net assets is \$15.2 million (unaudited).

This positive change in net assets, driven by fundraising success, continues the trend in recent years of operating deficits offset by significant philanthropic contributions to bolster the overall financial health of the School. The School is keenly aware of the operating deficit and the need to address challenges on both the revenue and expense side of the equation.

Forward-Looking Projections. Led by Chief Financial Officer Dave Mesko, the School has developed and continually refined forward-looking projections that consider effectively all of the key operating assumptions and variables impacting the School's financial performance. These models have tested various enrollment assumptions, financial aid strategies, new programs/initiatives, alternatives to staffing models to manage costs, faculty salary and benefits costs, tuition increases and pricing strategies, annual fundraising targets, and endowment spending practices and policies. This modeling effort is designed to both steer the School's near-term decision-making as well as guide longer-term strategies – and define clear targets/hurdles – for achieving long-term sustainability at Fountain Valley School.

The School's forward-looking financial model has been built around several different enrollment models. The first is building enrollment to a level of approximately 235 students, which allows the School to manage its current level of costs within a "normal" operating model (with revenue supported by tuition, annual fundraising, and the endowment draw). A second scenario has been built around 260 students, which allows the School to not only cover expenses, but provide operating funds to invest in cap ex and deferred maintenance (but not to the point where the School can fully fund depreciation expense). The final scenario is one where enrollment reaches 300 students – the School's ultimate long-range goal. In this scenario, the School can fund all operating expenses, cap ex, and add to a plant or other reserve funds in each year to build financial resources and liquidity from sources outside of fundraising. These model results assume successful collection of the School's capital campaign funds, both to support near-term operations and to retire debt to reduce interest expense in model years after project completion.

A "base case" model suggests several of the following key assumptions:

Revenue Assumptions

- Enrollment: Growing by 15-20 students/year, to steady-state of 300 students by 2030-31, 8th grade class includes growth to two sections of 12 students (24 total 8th graders)
- Tuition: +5.00% (FY 2028), +4.75% (FY 2029), +4.50% (thereafter)
- Annual Fund: \$1,500,000 growing annually at 6.5% (growth rate includes enrollment growth)
- Campaign: Capital campaign revenue supports operating budget deficits (FY 2027-31, with total campaign support of approximately \$12.0 million for operations over that time period, inclusive of interest expense on the Series 2026 Bonds). When including direct support for project costs, operating support including debt service, and retirement in full of the Series 2026 Bonds,

financial modeling indicates a need to raise \$68 million (an additional \$34 million from current fundraising collections) to fulfill the School's plan of finance. Note that the School's Board has established benchmarks for releasing future phases of the GMP construction contract for the STEM building based on demonstrated fundraising progress. If fundraising lags, the School may elect not to move forward with the STEM portion of the contract, which would reduce the \$68 million fundraising need quoted above.

Expense Assumptions

- Salaries: +3.5% annually, with no new FTEs needed until enrollment exceeds 260, expected in FY 2029 in Base Case model scenario
- Benefits: +6.0% annually
- General: +2.5% annually
- Facilities: Increase in depreciation expense with new buildings completed FY 2029

Capital Expenditures and Facility Upkeep. In recent years, the School has invested significantly in addressing deferred maintenance across its campus. The School has engaged CRP Architects to conduct a study of primary building infrastructure, systems, and key equipment in an effort to proactively prepare and plan for repair, replacement, and renewal in coming years. With the currently contemplated construction projects, the School will be demolishing two of its most outdated buildings, eliminating a large swath of deferred maintenance. The current facility assessment is focused on structures that will remain in place post-construction, in an effort to bridge the gap in appearance, functionality, and continuity across the School's campus between newly constructed facilities and older campus structures.

Line of Credit. The School has historically maintained a \$5.0 million line of credit with a local commercial bank. That line of credit was previously secured by campus real estate. Such line of credit has been, or will be prior to closing of the Series 2026 Bonds, amended to release real estate collateral related to the School's campus in Colorado Springs, Colorado. The line of credit will be secured solely by the School's mountain campus in Buena Vista, Colorado. The School has not historically taken a draw on the line of credit and, as of April 17, 2026, the School has not drawn on the line of credit for the current fiscal year ending June 30, 2026. The line of credit is in place to provide a source of capital to bridge the timing gap between receipt of tuition revenue and the timing of expenses; the School begins billing for tuition for the 2026-27 academic year in May 2026.

Investments and Endowment

As of February 28, 2026, the School's investment portfolio totaled \$48.6 million. The following table shows the market value and asset allocation of the School's investment portfolio held at Goldman Sachs as of February 28, 2026. Note that this does not include investments held outside of Goldman Sachs, which totaled \$4.6 million as of February 28, 2026.

Investment Summary

As of Feb 28, 2026 (USD) | Performance Inception Jul 08, 2025



Source: Goldman Sachs Asset Management

The table below depicts all investment positions of the School as of February 28, 2026.

Consolidated Asset Summary

As of February 28, 2026 (USD)

Fountain Valley School Consolidated Asset Summary		
Account Description	GS Account Number	Month-End Account Value
Goldman Sachs Accounts		
FVS Brokerage	XXX-XX387-0	\$75,533
FVS Donations Brokerage	XXX-XX339-5	33,123
GCLI Holdback	XXX-XX314-8	4
FVS Intermediate Endowment Fixed Income	XXX-XX307-0	2,600,544
FVS Institutional Advisory	XXX-XX388-8	31,362,005
FVS Corp/Gov Fixed Income	XXX-XX386-2	9,942,242
Total Goldman Sachs		\$44,013,452
Off-Platform Assets¹		
JP Morgan Trust Account ²	Off-Platform	\$2,465,209
Willowridge Amberbrook Fund IV, LLC ³	Off-Platform	2,621
Willowridge Amberbrook Fund V, LLC ⁴	Off-Platform	2,971
Willowridge Amberbrook Fund VI, LLC ⁵	Off-Platform	121,661
NB Private Debt Fund III LP ⁶	Off-Platform	303,615
NB Secondary Opportunities Fund IV - B LP ⁷	Off-Platform	590,016
NB Crossroads Fund XXI - Asset Allocation LP ⁸	Off-Platform	827,044
NB Real Estate Secondary Opportunities Fund LP ⁹	Off-Platform	305,671
Total Off-Platform Investment Accounts		\$4,618,808
Total Investment Assets		\$48,632,260

Source: Goldman Sachs Asset Management and Fountain Valley School

Endowment Spending Policy. The School has a policy of appropriating for distribution each year an amount up to 5.5% of the twenty-quarter trailing average of the fair value of its endowment fund, calculated at the end of each year. For the years ended June 30, 2025 and 2024, the draw was 4.7% and 4.8%, respectively. The School also has a policy that allows it to suspend distribution from its donor restricted funds to allow the fund to grow to a critical mass. In establishing these policies, the School considered the long-term expected return on its endowment. This is consistent with the School's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The following table shows the market value of the School's endowment by level of restriction for the past five fiscal years:

	Endowment Funds				
	2021	2022	2023	2024	2025
Without Donor Restriction	\$ 11,289,616	\$ 9,776,908	\$ 9,294,052	\$ 9,199,585	\$ 13,538,778
With Donor Restriction					
Held in Perpetuity	25,480,551	25,264,207	25,484,203	25,700,402	25,988,853
Time / Purpose Restricted	11,188,727	6,029,465	7,750,271	9,847,522	12,255,461
Restricted subtotal	36,669,278	31,293,672	33,234,474	35,547,924	38,244,314
Total Funds	\$ 47,958,894	\$ 41,070,580	\$ 42,528,526	\$ 44,747,509	\$ 51,783,092

STRATEGIC PLAN

Fountain Valley’s Strategic Plan for 2030 lays out a set of priorities focused on a future that reinvigorates the institution and seeks to solidify its place as the premiere boarding school in the American West. While looking to preserve its rich history, Fountain Valley intends to remain intentional about creating a unique and engaging educational experience; an education that is steeped in the significance of the School’s location and that will simultaneously look to the future with a bold vision for invigorating and challenging its student body. Through strategic planning and dedicated implementation, the School aims not only to promote academic excellence, but also to champion the cultural and social enrichment vital for nurturing global citizens.

The School’s three core priorities identified in its strategic plan are profiled below.

Priority One: Enhance, Create, and Celebrate Our Distinct Western Program.

“Fountain Valley School will be established as a leader in boarding school education, recognized for distinctive programmatic offerings that leverage our unique setting in the American West, focus on developing global perspectives, and embrace the spirit of innovation. The FVS educational experience will not only meet academic benchmarks. It will excite and challenge students to become lifelong learners and leaders. A distinctive educational program promises to enhance FVS’s reputation of fostering a vibrant, challenging, and intellectually stimulating environment that prepares students for success in an increasingly competitive world.”

Priority Two: Foster a Global Perspective by Investing in Our People.

“The student-faculty relationship is one of the most valued and important aspects of a Fountain Valley School education. These relationships will be nurtured, fostered, and encouraged by our Strategic Plan. Our School will continue to compete for the finest students and faculty that allow for the delivery of our unique, Western-influenced, globally relevant educational program. We will refine our admission and hiring processes to ensure that community members are mission appropriate.”

Priority Three: Preserve and Sustain Our Place in the West.

“The ethos of the AmericanWest – with its ingenuity, invention, and perseverance –runs throughout our program. We seek to educate future leaders and life-long learners with a global perspective, critical thinking skills, and the ability to live our core values. What we offer students is relevant, important, and needed. Thus, ensuring the long-term sustainability of Fountain Valley School is critical. Our Strategic Plan outlines the importance of institutional sustainability in order to secure a resilient and prosperous future for all stakeholders.”

ADVANCEMENT

Gifts in support of the Fountain Valley Fund impact every aspect of the School. The School’s Annual Fund is a vital part of the annual operating budget, comprised of unrestricted gifts to the School made on a yearly basis. The table below depicts contributions to the School’s Annual Fund by donor group for the past five years.

The following table depicts total sources of philanthropic support by category over the past five fiscal years:

Annual Fund Support by Donor Group

<u>Donor Group</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026*</u>
Trustees	\$ 366,193	\$ 211,197	\$ 584,936	\$ 228,539	\$ 724,459	\$ 588,020
Alumni (incl. Non-Grad)	657,820	708,782	1,004,521	478,812	544,176	228,715
Parents	342,973	307,876	211,313	245,044	214,605	188,049
Faculty and Staff	19,762	15,183	11,091	18,603	17,637	8,709
Corporations	11,887	1,649	7,852	4,063	3,628	5,470
Foundations	302,510	85,484	106,988	313,634	208,619	177,780
Friends	3,517	59,363	60,618	6,651	4,848	10,185
Grandparents	7,050	8,675	5,700	21,986	2,150	2,500
Total	<u>\$1,711,712</u>	<u>\$1,398,209</u>	<u>\$1,993,019</u>	<u>\$1,317,332</u>	<u>\$1,720,122</u>	<u>\$1,209,428</u>

* Reflects year-to-date fundraising activity as of February 28, 2026

The following table depicts total sources of philanthropic support by donor group during the last five fiscal years:

Total Philanthropic Support by Category

<u>Donor Group</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026*</u>
Annual Fund	\$ 1,711,712	\$ 1,398,209	\$ 1,993,019	\$ 1,317,332	\$ 1,720,122	\$ 1,209,428
Campaign '16	1,421,377	409,490	307,110	232,500	100,000	-
Campaign CWL	50,000	-	-	-	-	-
Summit 2030	-	-	-	300,000	10,990,828	16,777,534
Current Use	2,886,399	3,675,614	1,632,350	-	2,848,797	-
Endowment	5,130,006	118,143	59,624	23,871	33,550	43,669
Total	<u>\$11,199,494</u>	<u>\$ 5,601,456</u>	<u>\$ 3,992,103</u>	<u>\$ 1,873,703</u>	<u>\$15,693,296</u>	<u>\$18,030,631</u>

* Reflects year-to-date fundraising activity as of February 28, 2026

In addition, FVS is in receipt of two promises to give, not recorded above, which total \$2,600,000.

CAPITAL CAMPAIGN & THE PROJECT

Capital Campaign

In preparation for the launch of a capital campaign to celebrate the School's centennial anniversary, the School engaged Heller Consulting Group to conduct a fundraising feasibility study. That study, concluded in July 2024, suggested a campaign ranging from \$73 million to \$123 million, targeting campus facilities and endowment support for faculty compensation, financial aid, and overall operating budget support.

In 2025, the Board officially approved the launch of the silent phase of the campaign, focused on garnering leadership level gifts to anchor the capital campaign. The School is currently operating with a goal of raising \$123 million as part of its *Summit 2030* capital campaign. As of April 2026, the School has raised \$32.0 million in cash and pledges. This progress includes nine unique gifts of seven-figures or greater (seven of which are documented pledges, two are documented promises to give), inclusive of a \$10 million gift which represents the largest single gift in the School's history. Of the \$32.0 million raised, \$11.8 million has been collected in cash. Of that amount, \$2.1 million has been spent on supporting near-term operations, \$5.5 million has been spent or encumbered for design and preliminary costs related to the capital

campaign and the School's upcoming campus improvement projects, \$1.0 million deposited to the endowment, and \$3.2 million is set to fund early construction efforts.

The School has \$30 million of outstanding, pending asks to its community. The Head of School and others from the Board and Development Office have travelled extensively, both domestically and internationally, to cultivate and solicit donor gifts. The feasibility study identified over 45 donor prospects with the capacity to give upwards of \$1,000,000 and 14 donor prospects with the capacity to give \$5,000,000 or greater.

The table below summarizes gifts to the School's ongoing capital campaign.

Capital Campaign Gift Detail

<u>Gift Size</u>	<u>Number of Gifts</u>	<u>Total Contributions</u>
\$10,000,000+	1	\$ 10,000,000
\$5,000,000 to \$9,999,999	1	5,000,000
\$2,500,000 to \$4,999,999	2	7,778,979
\$1,000,000 to \$2,499,999	5	5,386,000
\$500,000 to \$999,999	3	1,700,000
\$250,000 to \$499,999	3	900,000
\$100,000 to \$249,999	5	610,000
\$1 to \$99,999	43	664,921
Total		\$ 32,039,900

The Project

FVS retained Lake Flato Architects, based in San Antonio, Texas, to lead the conceptualization and design of its campus improvements to include the Humanities and STEM buildings as well as the surrounding site work and landscape design. Wember, Inc. serves as the School's owner's representative. Swinerton Construction is the general contractor, and the School has executed a Guaranteed Maximum Price (GMP) construction contract totaling \$49.1 million. The School will carry approximately \$7.0 million of soft costs and contingencies related to the project, resulting in a \$56 million total project cost. The GMP and total project cost referenced above includes both the Humanities and STEM buildings (as well as related site work). However, the GMP is structured in phases that allow the School to complete the Humanities building and elect not to move forward with the STEM building should it not be in the School's best interest to do so. The Board has set certain fundraising benchmarks designed to give the School confidence and ensure financial discipline in moving forward with the project prior to releasing future phases for the STEM building.

FVS began construction in April 2026. The project is estimated to be complete by October 2027.

Below are several renderings of the project.



Source: Lake Flato rendering of Library and Amphitheatre



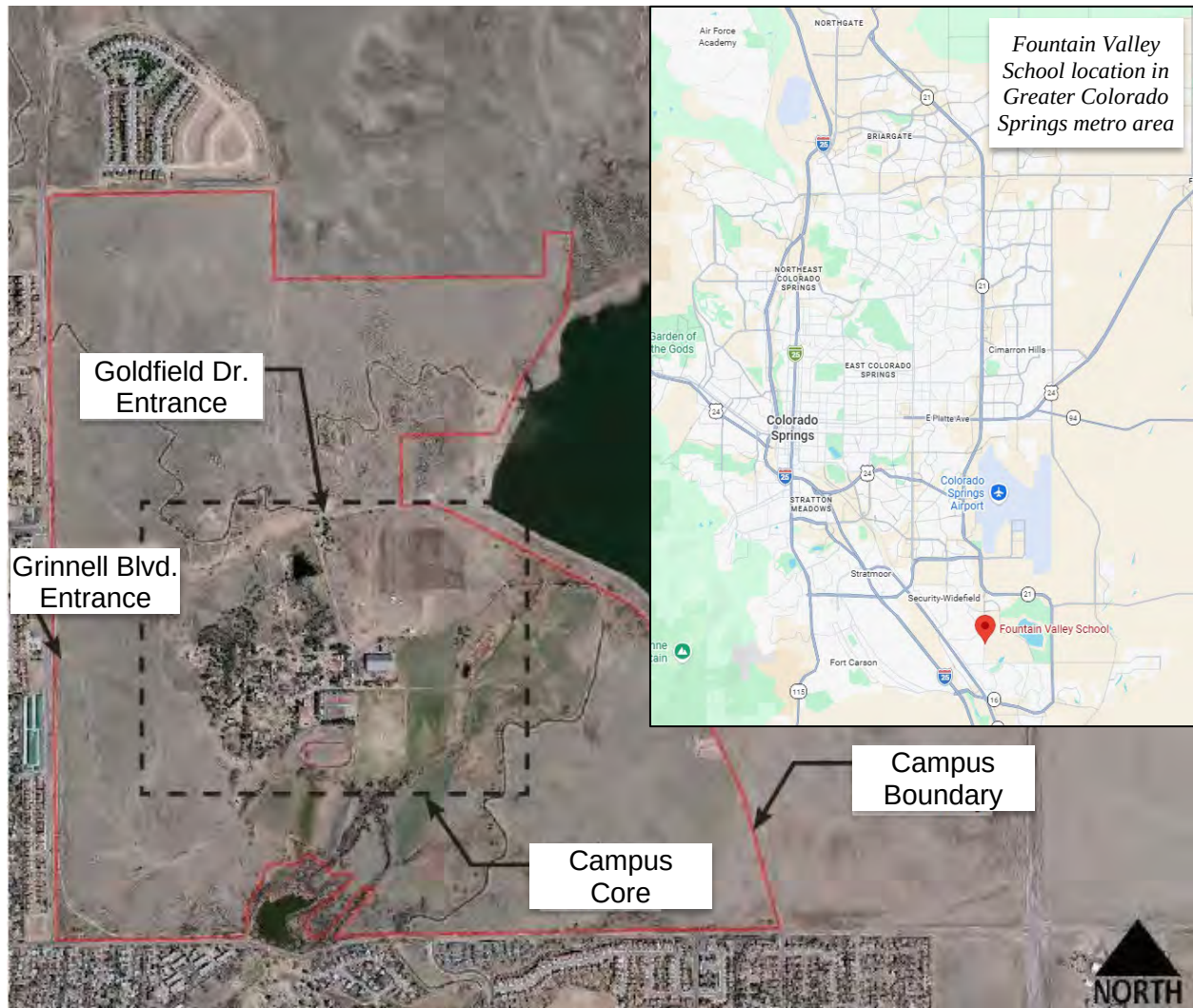
Source: Lake Flato rendering of Paseo and Library



Source: Lake Flato rendering of western exterior of new Humanities and STEM buildings

GEOGRAPHIC AREA & FACILITIES

Fountain Valley School's 1,100-acre core campus on the Prairie in Colorado Springs neighbors the Bluestem Prairie Open Space and Big Johnson Reservoir at the base of the Front Range of the Rocky Mountains. FVS' Class of 1969 Mountain Campus, located two hours away at the foot of the Collegiate Peaks, was constructed by alumni volunteers to provide a wilderness retreat for FVS alumni, students, and faculty. Fountain Valley's main Colorado Springs campus was most recently appraised at \$92,600,000 effective May 2025 on an as-is, fee simple basis.



Source: Google Maps and School internal documents.

The following table identifies Fountain Valley's buildings, the approximate square footage of each, the date of construction and last major renovation, and the total value of each building per the School's Statement of Values for the purposes of property insurance coverage.

Fountain Valley School Campus Facilities

<u>Building</u>	<u>Square Feet</u>	Date of Construction / <u>Renovation</u>	<u>Total Value</u>
Administration	6,039	1970/1976	\$ 1,332,245
Hawley Library/Bancroft Lecture Hall	11,777	1967	2,772,962
Hacienda/Dining Hall/office space	33,800	1930/2008	9,214,991
Lewis Perry Chapel	3,626	1930/2008	786,576
Sage Dorm (Boys)/4 Faculty Apts.	23,780	1930	3,989,880
Visual Arts (Art Barn)	10,381	1930	1,211,419
Penrose Dorm (Women) /4 Faculty Apts.	28,481	1940/1999	6,302,408
Perry Dorm (1 Sec Girls, 1 Sec Boys, 2 Faculty Apts.)	11,059	1980	2,553,394
Frautschi Campus Center	8,841	1990	1,451,770
Chase Stone Infirmary	2,182	1970	913,184
Froelicher Academic Building #1	3,552	1962	3,224,949
Froelicher Academic Building #2	6,665	1962	1,165,278
Science Building	9,072	1994	2,023,630
Penrose Sports & Perf Arts Center	29,744	1970	5,934,454
Sinclair House (Women 13-16)/1 Faculty	7,427	1999	1,826,807
Figge House (Men 13-16)/1 Faculty	8,902	1999	2,398,213
Ballantine House (Men 13-16)	7,427	1999	1,866,660
Horse Stables/Pole Barns, McElvan, Old 82, Ettinger	5,200	1930	305,845
Straw Bale House	450		69,708
Concession Stand & Restrooms	720		111,532
Silver Barn	2,160	1980	109,747
Windmill	90	1930	41,373
Outdoor Riding Arena	13,875	1980	207,688
Faculty Housing A	2,232	1966	398,243
Faculty Housing B	2,232	1966	398,243
Faculty Housing C	2,232	1963	398,243
Faculty Housing D	2,508	1963	398,243
Faculty Housing	1,377	1963	298,626
Faculty Housing E	3,039	1970	516,168
Faculty Housing F	2,802	1972	550,309
Faculty Housing G (Pink Jail) F. Martin Brown Building	3,355	1980/2020	563,669
Faculty Housing H	2,079	1980	342,985
Perry House - Faculty Housing I	2,152	1930	397,114
Faculty Housing J	2,511	1973	337,966
Faculty Housing L	2,438	1980	243,586
Faculty Housing M	2,511	1980	458,334
Faculty Housing P	858	1980	195,181
Faculty Housing Q	2,700	1980	434,973
Faculty Housing R	2,715	1980	338,312
Faculty Housing S	2,715	1980	338,312
Triplex - Faculty Housing T incl carports	3,405	2010	563,854
Faculty Housing - 2 bedroom house	2,498	2017	391,798

Fountain Valley School Campus Facilities

<u>Building</u>	<u>Square Feet</u>	Date of Construction / <u>Renovation</u>	<u>Total Value</u>
Faculty Housing - 3 bedroom house	3,055	2017	530,023
Faculty Housing - 4 bedroom house	2,480	2017	430,265
Faculty Housing - Duplex - 2 units	2,400	2017	386,643
Faculty Housing - Duplex - 2 units	2,400	2017	386,643
Head of School House	5,198	2002	708,709
Entry Gate and Sign at Road	100	1980	44,197
Modular Classroom	1,920	1989	380,695
Indoor Riding Arena	45,650	2008	2,616,424
Welcome Center & Gates	100	2008	15,491
Five Metal Shipping Containers @ 2,500/ea			24,580
Track			92,943
Maintenance Building (new)	16,000	2017	2,875,038
Tennis Courts			278,829
Duplex Units A and B	3,082	2022	496,514
Duplex Units A and B	3,082	2022	496,514
New Gym, pool, climbing wall	59,670	2017	22,901,162
Single Family Dwelling - 3 bedroom	2,181	2020	371,339
Hay Barn	1,500	1975	55,621
Mountain Campus	7,529	1985/2004	\$ 2,620,300

ACCREDITATION AND MEMBERSHIPS

Fountain Valley School is accredited by the Association of Colorado Independent Schools (ACIS) and is a member of the National Association of Independent Schools, the Association of Colorado Independent Schools, the Association of Boarding Schools, the National Business Officers Association, the National Association for College Admission Counseling, the Heads Network, the Western Boarding Schools Association, and the Council for Advancement and Support of Education. The School's accreditation is scheduled for normal review and renewal with ACIS in 2026-27. The School anticipates a campus accreditation site visit in February 2027 and a final, formal accreditation renewal in summer 2027. This renewal is expected to include a review and accreditation of the School's newly added 8th grade curriculum and program.

RETIREMENT PLANS

The School has a defined contribution pension plan (the "Plan") covering substantially all employees. The School makes an 8% contribution to the Teachers Insurance and Annuity Association for all contributing participants who work at least 1,000 hours in the Plan year and who are making at least a 5% pre-tax contribution based on their eligible annual compensation. All benefits under this Plan are vested. Pension expense was \$443,604 and \$418,383 for the years ended June 30, 2025 and 2024, respectively.

INSURANCE

The School carries standard industry insurance policies, including but not limited to auto, commercial fire, crime, general liability, umbrella, Directors & Officers liability, employment practice liability, trustee and fiduciary liability, business interruption, and workers compensation.

LITIGATION

The School has no knowledge of any threatened or existing claim or litigation for which adequate insurance coverage does not exist or which could otherwise have a material adverse effect on the School's financial condition or operations or affect its ability to carry out its responsibilities relating to any financing agreement.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE BORROWER
FOR THE FISCAL YEAR ENDED JUNE 30, 2022-2025**

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FOUNTAIN VALLEY SCHOOL OF COLORADO

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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**FOUNTAIN VALLEY SCHOOL OF COLORADO
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YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Fountain Valley School of Colorado
Colorado Springs, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fountain Valley School of Colorado (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fountain Valley School of Colorado as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fountain Valley School of Colorado and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

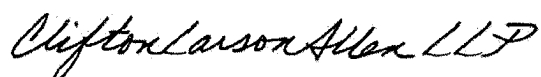
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in donor restricted and board-designated net assets (the supplementary information) as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Denver, Colorado
December 9, 2025

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 10,604,159	\$ 1,864,684
Accounts Receivable, Net	65,264	139,928
Pledges Receivable, Net	974,207	1,714,460
Prepaid Expenses and Other Assets	462,652	391,169
Investments	45,627,939	43,969,909
Beneficial Interest in Charitable Remainder Trusts	84,659	89,054
Beneficial Interest in Perpetual Trust	2,359,937	2,145,350
Property and Equipment, Net	<u>40,538,037</u>	<u>39,293,639</u>
Total Assets	<u><u>\$ 100,716,854</u></u>	<u><u>\$ 89,608,193</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 1,368,246	\$ 832,646
Accrued Liabilities	222,325	166,248
Gift Annuity Obligations	-	51,173
Deferred Revenue	<u>3,037,761</u>	<u>3,694,530</u>
Total Liabilities	4,628,332	4,744,597
NET ASSETS		
Without Donor Restrictions:		
Undesignated	35,051,170	36,591,877
Board-Designated for Endowment	<u>13,538,778</u>	<u>9,199,585</u>
Total Without Donor Restrictions	48,589,948	45,791,462
With Donor Restrictions	<u>47,498,574</u>	<u>39,072,134</u>
Total Net Assets	<u><u>96,088,522</u></u>	<u><u>84,863,596</u></u>
Total Liabilities and Net Assets	<u><u>\$ 100,716,854</u></u>	<u><u>\$ 89,608,193</u></u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Tuition and Fees	\$ 10,437,906	\$ -	\$ 10,437,906	\$ 9,726,061	\$ -	\$ 9,726,061
Contributions	5,710,171	9,424,038	15,134,209	1,241,988	523,755	1,765,743
Employee Retention Credit	-	-	-	423,688	-	423,688
Other Income	563,801	-	563,801	607,486	-	607,486
Facility Rentals	83,732	-	83,732	99,944	-	99,944
Auxiliary Services	52,695	-	52,695	20,948	-	20,948
Gain(Loss) on Disposal of Equipment	(68,900)	-	(68,900)	21,390	-	21,390
Investment Income, Net	1,452,361	2,558,176	4,010,537	1,369,528	3,091,883	4,461,411
Net Assts Released from Restrictions	3,555,774	(3,555,774)	-	2,475,676	(2,475,676)	-
Total Revenues	21,787,540	8,426,440	30,213,980	15,986,709	1,139,962	17,126,671
EXPENSES						
Program Services	11,448,328	-	11,448,328	11,249,398	-	11,249,398
Supporting Services:						
Administration	5,979,150	-	5,979,150	5,145,099	-	5,145,099
Development	1,561,576	-	1,561,576	893,733	-	893,733
Total Expenses	18,989,054	-	18,989,054	17,288,230	-	17,288,230
CHANGE IN NET ASSETS	2,798,486	8,426,440	11,224,926	(1,301,521)	1,139,962	(161,559)
Net Assets - Beginning of Year	45,791,462	39,072,134	84,863,596	47,092,983	37,932,172	85,025,155
NET ASSETS - END OF YEAR	<u>\$ 48,589,948</u>	<u>\$ 47,498,574</u>	<u>\$ 96,088,522</u>	<u>\$ 45,791,462</u>	<u>\$ 39,072,134</u>	<u>\$ 84,863,596</u>

See accompanying Notes to Financial Statements.

**FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services	Supporting Services		Total Supporting Services	Total
		Administrative	Development		
Personnel Expenses:					
Salaries	\$ 3,741,940	\$ 2,974,536	\$ 576,692	\$ 3,551,228	\$ 7,293,168
Employee Benefits	1,063,680	796,368	116,790	913,158	1,976,838
Total Personnel Expenses	4,805,620	3,770,904	693,482	4,464,386	9,270,006
Other Expenses:					
Books and Supplies	206,955	414,430	7,250	421,680	628,635
Capital Campaign	-	31,274	604,364	635,638	635,638
Department Expenses	294,494	9,293	5,911	15,204	309,698
Facility Rental Expenses	48,898	-	-	-	48,898
Food	2,048,626	-	-	-	2,048,626
Insurance	732,693	40,293	-	40,293	772,986
Irrigation Assessment	-	58,901	-	58,901	58,901
Maintenance	345,386	184,839	-	184,839	530,225
Memberships	39,050	39,177	1,039	40,216	79,266
Miscellaneous	10,662	188,482	2,275	190,757	201,419
Outside Professional Services	-	421,006	-	421,006	421,006
Postage	-	9,561	-	9,561	9,561
Printing and Advertising	11,050	195,255	63,764	259,019	270,069
Professional Development	36,205	45,696	-	45,696	81,901
Recruitment	31,277	144,089	-	144,089	175,366
Scholarships	30,831	-	-	-	30,831
Student Services	193,673	-	-	-	193,673
Subscriptions and Publications	24,247	-	-	-	24,247
Telephone	38,052	23,362	-	23,362	61,414
Travel and Entertainment	107,090	39,499	183,491	222,990	330,080
Utilities	461,619	142,878	-	142,878	604,497
Total Other Expenses	4,660,808	1,988,035	868,094	2,856,129	7,516,937
Total Expenses Before Depreciation	9,466,428	5,758,939	1,561,576	7,320,515	16,786,943
Depreciation	1,981,900	220,211	-	220,211	2,202,111
Total Expenses	\$ 11,448,328	\$ 5,979,150	\$ 1,561,576	\$ 7,540,726	\$ 18,989,054

See accompanying Notes to Financial Statements.

**FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Supporting Services				Total
	Program Services	Administrative	Development	Total Supporting Services	
Personnel Expenses:					
Salaries	\$ 4,010,379	\$ 2,543,092	\$ 373,925	\$ 2,917,017	\$ 6,927,396
Employee Benefits	1,140,862	637,780	81,749	719,529	1,860,391
Total Personnel Expenses	5,151,241	3,180,872	455,674	3,636,546	8,787,787
Other Expenses:					
Books and Supplies	149,970	432,235	9,731	441,966	591,936
Capital Campaign	-	634	-	634	634
Department Expenses	304,942	9,132	13,778	22,910	327,852
Facility Rental Expenses	13,126	-	-	-	13,126
Food	1,944,851	122	-	122	1,944,973
Insurance	529,810	112,401	-	112,401	642,211
Irrigation Assessment	-	57,242	-	57,242	57,242
Maintenance	316,415	93,544	-	93,544	409,959
Medical and Counseling Services	12,590	-	-	-	12,590
Memberships	56,781	41,648	10,819	52,467	109,248
Miscellaneous	9,897	276,539	38,426	314,965	324,862
Outside Professional Services	-	341,663	3,149	344,812	344,812
Postage	-	5,512	-	5,512	5,512
Printing and Advertising	8,233	44,075	227,536	271,611	279,844
Professional Development	73,786	49,542	-	49,542	123,328
Recruitment	31,922	26,747	-	26,747	58,669
Scholarships	23,111	-	-	-	23,111
Student Services	181,603	-	-	-	181,603
Subscriptions and Publications	29,331	-	-	-	29,331
Telephone	34,853	19,452	-	19,452	54,305
Travel and Entertainment	99,970	45,511	134,620	180,131	280,101
Utilities	361,363	195,383	-	195,383	556,746
Total Other Expenses	4,182,554	1,751,382	438,059	2,189,441	6,371,995
Total Expenses Before Depreciation	9,333,795	4,932,254	893,733	5,825,987	15,159,782
Depreciation	1,915,603	212,845	-	212,845	2,128,448
Total Expenses	\$ 11,249,398	\$ 5,145,099	\$ 893,733	\$ 6,038,832	\$ 17,288,230

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts:		
Cash Received from Tuition and Fees	\$ 9,855,801	\$ 10,210,496
Cash Received from Contributions	14,586,511	2,283,397
Cash Received from Facility Rentals and Auxiliary Services	136,427	120,892
Cash Received from Interest and Dividends Received	1,335,336	1,219,320
Cash Received from Employee Retention Credit	-	423,688
Cash Received from Other Income	568,196	601,430
Cash Payments:		
Cash Used to Pay Personnel Expenses	(9,213,929)	(8,714,092)
Cash Used to Pay Other Operating Expenses	<u>(7,103,993)</u>	<u>(6,626,257)</u>
Net Cash Provided (Used) by Operating Activities	10,164,349	(481,126)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Receipts:		
Proceeds from Disposition of Investments	29,525,210	7,753,103
Cash Payments:		
Purchase of Property and Equipment	(3,446,509)	(2,168,796)
Purchase of Investments	<u>(28,791,526)</u>	<u>(7,104,429)</u>
Net Cash Used by Investing Activities	(2,712,825)	(1,520,122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Receipts:		
Proceeds from Contributions and Investment Income		
Restricted for Long-Term Purposes	1,287,951	215,699
Proceeds from Line of Credit	497,301	-
Payment on Line of Credit	<u>(497,301)</u>	<u>-</u>
Net Cash Provided by Financing Activities	1,287,951	215,699
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,739,475	(1,785,549)
Cash and Cash Equivalents - Beginning of Year	<u>1,864,684</u>	<u>3,650,233</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,604,159</u>	<u>\$ 1,864,684</u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Fountain Valley School of Colorado (the School), a nonprofit corporation formed under the laws of Colorado, is a private college preparatory school for grades 9-12, located in Colorado Springs, Colorado.

The School's revenues and other support are derived principally from tuition and fees (under either day enrollment or boarding enrollment agreements), contributions and investment income. Students at the School come from all over the world and share in the diverse academic, social and athletic programs offered by the School.

Basis of Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Cash and Cash Equivalents

The School considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. At June 30, 2025 and 2024, cash equivalents consisted primarily of demand deposits. The School maintains cash balances at several financial institutions, which occasionally exceed the federally insured amount. The School has never experienced any losses related to those balances.

Accounts Receivable

Accounts receivable consist primarily of tuition and fees and are stated at the amount billed to students. The School provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and existing and reasonably supportable future economic conditions. At June 30, 2025 and 2024, the allowance was \$1,314. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written-off based on individual credit evaluation and specific circumstances of the student.

Promises to Give

The School records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2025 and 2024, the allowance was \$2,743.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Return

Investments are initially recorded at cost, or estimated fair value at the date of donation, if donated. Investments are subsequently reported at fair value. Investment income includes dividend, interest, and other investment income; and realized and unrealized gains and losses on investments reported at fair value. Other investment income is reflected in the statements of activities as with or without donor restrictions, based upon the existence and nature of any donor-imposed restrictions on the income.

The School maintains investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the investment accounts are allocated to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the investment accounts and adjusted for as additions to or deductions from those accounts.

Beneficial Interests in Perpetual Trusts

The School has been named as an irrevocable beneficiary of a perpetual trust held and administered by an independent trustee. Perpetual trusts provide for the distribution of the net income of the trust to the School; however, the School will never receive the assets of the trust. At the date notice is received of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities, and a beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost. Donated assets are recorded at fair market value on the date of the donation. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 15 years for furniture, furnishings, and equipment, and 5 to 40 years for buildings and improvements. Management is not aware of any indications of impairment of property and equipment and, therefore, no impairment loss was recorded during the years ended June 30, 2025 and 2024.

Construction in progress is recorded as costs are incurred, and depreciation of the assets commence upon placing the asset into service.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The School follows Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and all the related amendments with respect to all contracts. The School accounts for contract revenue in accordance with Topic 606, which requires the School to recognize revenue in a manner which depicts the transfer of goods or services to its customers at an amount that reflects the consideration the School expects to receive in exchange for those goods or services. Additionally, the School follows ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The guidance aids in the classification of contributions and exchange transactions.

Tuition and Fees

Tuition revenue and related fees are recognized when the revenue is earned, which is ratably throughout the school year. Revenue recognized is net of scholarships and other tuition assistance.

Deferred Revenue

Tuition revenue and related fees received in advance of the school term or meeting the performance obligation are deferred until the revenue is earned.

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits presented as deferred revenue (contract liabilities) on the statements of financial position. Amounts are either billed when as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly) or upon achievement of contractual milestones.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue (Continued)

Generally, billing to customers occurs at the beginning of contract periods after customer orders are received, resulting in contract liabilities. These deposits are recognized as revenue when earned and removed from deferred revenue. However, the School sometimes bills customers after services have been provided, resulting in accounts receivable.

The beginning and ending contract balances are as follows as of June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts Receivable	\$ 65,264	\$ 139,928	\$ 67,615
Unbilled Receivables	-	-	-
Deferred Revenue	3,037,761	3,694,530	3,137,782

Contributions

In accordance with Accounting Standards Codification (ASC) 958-605 *Not-for-Profit Entities – Revenue Recognition*, contributions received are recorded as revenue with or without donor restrictions, depending upon the existence and nature of any donor restrictions. Contributions are recorded when cash or unconditional promises to give have been received or ownership of donated assets to be used directly in operations is transferred. Conditional contributions – that is, those with a measurable performance or other barrier and a right of return or release – are recorded when the conditions upon which they depend have been met. Until that time, they are reported in the statements of financial position as a refundable advance. Consequently, at June 30, 2025 and 2024 contributions approximating \$1,600,000 and \$-0-, respectively, have not been recognized in the accompanying consolidated statement of activities because the condition(s) on which they depend has not yet been met.

All donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reported in the statements of activities as Net Assets Released from Restrictions.

Donated Goods and Services

Donated investments are initially recorded at estimated fair value at the date of donation. Donated professional services, goods and equipment are recorded at estimated fair values as revenue and expenses, or capitalized assets, depending on the nature of the donation. The contribution of services is recognized if the services received either create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The School did not receive any in-kind donations during the years ended June 30, 2025 and 2024.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees, as estimated by management, of the School providing those services. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the School executives, accounting, information technology personnel, and payroll taxes.

Advertising

In accordance with ASC 720-35 *Other Expenses, Advertising Cost*, direct-response advertising is to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The School does not currently use direct-response advertising; hence advertising costs are expensed when incurred.

Tax Status

The School is exempt from income tax as determined by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the School is subject to federal income tax on any unrelated business taxable income. As of June 30, 2025 and 2024, the School believes that it does not have any uncertain tax positions that are material to the financial statements. The School believes that it has conducted its operations in accordance with and has properly maintained its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The School is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2021.

Use of Estimates

Preparation of the School's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Revisions

Certain revisions of amounts previously reported have been made to the accompanying financial statements. In Footnote 6, the disclosure of the Level 1 investments within the Bonds and Government Agencies category for prior year has been revised to \$1,820,235. The revision had no impact on the previously reported net assets.

In Footnote 2, the disclosure of the liquidity footnote for the prior year has been revised to include board designated net assets at a reduction of financial assets resulting in a total of \$1,651,666 of financial assets available at year-end for general use. The revision had no impact on the previously reported net assets.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 LIQUIDITY AND AVAILABILITY OF FUNDS

The School's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows at June 30:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 10,604,159	\$ 1,864,684
Accounts Receivable, Net	65,264	139,928
Pledges Receivable, Net	974,207	1,714,460
Investments	45,627,939	43,969,909
Beneficial Interest in Charitable Remainder Trusts	84,659	89,054
Beneficial Interest in Perpetual Trust	<u>2,359,937</u>	<u>2,145,350</u>
Total	59,716,165	49,923,385
Less: Amounts Not Available for General Use:		
Net Assets Restricted by Donors	(47,498,574)	(39,072,134)
Board-Designated for Endowment	<u>(13,538,778)</u>	<u>(9,199,585)</u>
Financial Assets Available at Year End for General Use	<u><u>\$ (1,321,187)</u></u>	<u><u>\$ 1,651,666</u></u>

The School's endowment funds consist of donor restricted and board designated endowments. Income from donor restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the School has a line of credit with an available amount of \$5,000,000, which it could draw upon. See Note 8 for more detail on the line of credit. As of June 30, 2025 and 2024, the balance due on the line of credit was \$-0-.

NOTE 3 PLEDGES RECEIVABLE

Unconditional pledges receivable are estimated to be collected as follows at June 30:

	<u>2025</u>	<u>2024</u>
Within One Year	\$ 444,289	\$ 1,218,974
In One to Five Years	732,949	513,956
Less: Discount to Net Present Value	(200,288)	(15,727)
Less: Allowance for Doubtful Accounts	<u>(2,743)</u>	<u>(2,743)</u>
Total	<u><u>\$ 974,207</u></u>	<u><u>\$ 1,714,460</u></u>

Pledges receivable which are receivable in more than one year are discounted at risk-adjusted rates ranging from 2.80% to 5.10%. As of June 30, 2025, 56% of the pledges receivable balance was due from two donors, while as of June 30, 2024, 87% was due from one donor.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 CHARITABLE REMAINDER TRUSTS

The School is a beneficiary under a charitable remainder trust, for which a bank serves as the trustee and makes annual distributions to the lead beneficiary. The distributions are to continue for the lifetime of the lead beneficiary. Upon the death of the beneficiary, the trust's remaining principal will be distributed to the School. Based on the remaining beneficiary's life expectancy, an estimated annual investment return of approximately 2%, and a discount rate of approximately 5%, the present value of future benefits to be received by the School is estimated to be \$84,659 and \$89,054 on June 30, 2025 and 2024, respectively. This amount is classified as donor restricted until the trust's assets are distributed to the School.

NOTE 5 BENEFICIAL INTEREST IN PERPETUAL TRUST

The beneficial interest in perpetual trust of \$2,359,937 and \$2,145,350 at June 30, 2025 and 2024, respectively, represents the estimated net present value of the future interest in the perpetual trust. The present value of the future interest in the trust is estimated to be the fair value of the trust assets. The School is not the trustee for this trust. The trust assets are held by a third-party and consist primarily of government and corporate bonds, equities, and money market funds. The School receives net income from the trust in perpetuity that can be used as deemed most expedient for the furtherance of its educational aims and purposes.

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The School is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 – Values determined using significant other observable inputs. Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active or inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Values determined using significant unobservable inputs.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The School uses net asset value (NAV) per share, or its equivalent, such as member units, as a practical expedient to estimate the fair value of alternative investments, which do not have a readily determinable fair value. The investments, which are valued using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There were no significant changes to the valuation methodologies used by the School during the year. The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Cash and Money Market Funds – These investments are valued to maintain a \$1 per unit value, and provide a return as dividends or interest. These funds do not have a quoted market price but are valued based on the estimated value. These funds are not classified in the fair value hierarchy.

Mutual Funds and Exchange Traded Funds – The School invests in various mutual funds and exchange traded funds. Where quoted market prices are available for such funds in an active market, the funds are classified within Level 1 of the valuation hierarchy.

Common Stocks – Common stocks are valued based on quoted market prices and are classified within Level 1 of the valuation hierarchy.

Fixed Income Securities and Mortgage Backed Securities – Fixed income securities and mortgage backed securities are valued based on quoted market prices or through pricing services for securities that are not actively traded. Where quoted market prices are available, the securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, the securities are classified within Level 2 of the valuation hierarchy.

Master Limited Partnerships – These include investments in various equity investments. Where quoted market prices are available for such funds in an active market, the funds are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then the funds are valued at net asset value based on the fair value of the underlying investments. Funds with these observable inputs are classified as Level 2 securities in the valuation hierarchy.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Alternative Investments – The School's alternative investments consist of limited partnerships and private equity funds. As a group, the alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity securities, foreign and domestic fixed income investments, options, warrants, derivatives, and contracts. To the extent possible, fair value is based on the last sale price for securities listed on national exchanges. For securities not listed on national exchanges, fair value is determined at the last bid or asking price depending on the long or short position of the security. Investments for which quotations are not available are valued at an estimated fair value by the fund managers using various models, comparisons, and assumptions. Consideration is given to several factors, including the type of investment, risks, marketability, restrictions on disposition, quotations from other market participants and values of similar investments. Investments with these unobservable inputs are measured at NAV per share and are not classified in the fair value hierarchy.

Beneficial Interest in Charitable Remainder Trust – The fair value is based on estimated present value of the expected payments. Investments with these unobservable inputs are classified as Level 3 investments in the valuation hierarchy. See Note 4, *Charitable Remainder Trust*, for further information.

Beneficial Interest in Perpetual Trust – Fair value in the Trust is determined primarily on the fair value of the underlying assets of the trust. Fair value of the underlying assets is determined using quoted market prices and pricing services. Investments with these unobservable inputs are classified as Level 3 investments in the valuation hierarchy. See Note 5, *Beneficial Interest in Perpetual Trust*, for further information.

Annuity Obligations – The fair value is based on the present value of the expected payments to beneficiaries using the mortality tables published by the Internal Revenue Service (IRS) and five-year treasury discount rate. These liabilities are determined using Level 3 inputs. See Note 9, *Gift Annuity Obligations*, for further information.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level within the fair value hierarchy, the School's assets and liabilities at fair value as of June 30:

	2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Exchange Traded Funds - Equity	\$ 1,357,386	\$ -	\$ -	\$ 1,357,386
Mutual Funds:				
Domestic Equity	1,462,857	-	-	1,462,857
Fixed Income	2,709,863	-	-	2,709,863
Common Stocks:				
Domestic Equity	12,689,624	-	-	12,689,624
International Equity	1,365,999	-	-	1,365,999
Fixed Income Securities:				
Bonds and Government Agencies	1,145,232	3,497,903	-	4,643,135
Subtotal	20,730,961	3,497,903	-	24,228,864
Investments Measured at NAV				2,157,023
Subtotal Investments				26,385,887
Cash and Money Market Funds				19,242,052
Total Investments				45,627,939
Beneficial Interests In:				
Charitable Remainder Trust	-	-	84,659	84,659
Perpetual Trust	-	-	2,359,937	2,359,937
Total Assets	\$ 20,730,961	\$ 3,497,903	\$ 2,444,596	\$ 48,072,535
	Level 1	Level 2	Level 3	Total
Liabilities:				
Gift Annuity Obligations	\$ -	\$ -	\$ -	\$ -

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Exchange Traded Funds - Equity	\$ 6,764,944	\$ -	\$ -	\$ 6,764,944
Mutual Funds:				-
Domestic Equity	3,947,207	-	-	3,947,207
Fixed Income	5,811,078	-	-	5,811,078
Common Stocks:				-
Domestic Equity	14,617,557	-	-	14,617,557
International Equity	1,815,040	-	-	1,815,040
Fixed Income Securities:				-
Bonds and Government Agencies	1,820,235	3,094,635	-	4,914,870
Mortgage Backed Securities	-	2,164,879	-	2,164,879
Master Limited Partnerships	213,004	-	-	213,004
Subtotal	33,168,830	7,079,749	-	40,248,579
Investments Measured at NAV				2,466,922
Subtotal Investments				42,715,501
Cash and Money Market Funds				1,254,408
Total Investments				43,969,909
Beneficial Interests In:				
Charitable Remainder Trust	-	-	89,054	89,054
Perpetual Trust	-	-	2,145,350	2,145,350
Total Assets	<u>\$ 33,168,830</u>	<u>\$ 7,079,749</u>	<u>\$ 2,234,404</u>	<u>\$ 46,204,313</u>
Liabilities:				
Gift Annuity Obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,173</u>	<u>\$ 51,173</u>

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the School's Level 3 financial instruments for the years ended June 30, 2025 and 2024:

	<u>Assets</u> Beneficial Interest in Trusts	<u>Liabilities</u> Annuity Obligations
Balance - June 30, 2023	\$ 2,063,463	\$ 55,486
Purchases, Interest, and Reinvested Dividends	324,155	-
Realized Gain (Loss)	8,336	(4,313)
Unrealized Gain	226,945	-
Sales, Including Capital Distribution	(388,495)	-
Payments to Beneficiaries	-	-
Balance - June 30, 2024	2,234,404	51,173
Purchases, Interest, and Reinvested Dividends	311,149	-
Realized Gain	52,243	-
Unrealized Gain	166,668	-
Sales, Including Capital Distribution	(319,868)	-
Payments to Beneficiaries	-	(51,173)
Balance - June 30, 2025	<u>\$ 2,444,596</u>	<u>\$ -</u>

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30:

Fund Description	Number of Investments	Fair Value at June 30, 2025	Fair Value at June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	5	\$ 1,557,936	\$ 1,711,865	\$ 761,803	Illiquid	N/A
Real Estate Fund	1	307,328	335,960	103,288	Illiquid	N/A
Private Debt/Credit Funds	1	291,759	419,097	85,765	Illiquid	N/A
Total	<u>7</u>	<u>\$ 2,157,023</u>	<u>\$ 2,466,922</u>	<u>\$ 950,856</u>		

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Private Equity Funds – Funds focused on real assets. The underlying assets are illiquid, and the funds' managers provide details of those assets. As of June 30, 2025 and 2024, all of the investments in this category cannot be redeemed with no restrictions.

Real Estate Funds – Funds focused on real estate assets primarily located in the United States. As of June 30, 2025 and 2024, all of the investments in this category cannot be redeemed with no restrictions.

Private Credit Funds – Funds focused on privately negotiated senior secured loans to US companies in sectors across software, professional services, and healthcare. These investments can be redeemed by the School subject to fund repurchases making them relatively illiquid. The funds continuously raise capital and invests in private loans with a perpetual existence providing investors with income through distributions.

NOTE 7 PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at June 30:

	2025	2024
Buildings and Improvements	\$ 73,091,803	\$ 70,555,766
Furniture and Equipment	5,322,897	4,933,169
Land	69,050	69,050
Art	80,915	80,915
Irrigation Shares	12,921	12,921
Total Depreciable Assets	78,577,586	75,651,821
Less: Accumulated Depreciation	(42,688,115)	(40,689,018)
Total Depreciable Assets, Net	35,889,471	34,962,803
Construction in Progress	4,648,566	4,330,836
Total Property and Equipment, Net	<u>\$ 40,538,037</u>	<u>\$ 39,293,639</u>

Depreciation expense was \$2,202,111 and \$2,128,448 during the years ended June 30, 2025 and 2024, respectively. During the year ended June 30, 2025, assets of \$180,214 were disposed of for a loss \$27,228. During the year ended June 30, 2024, assets of \$1,661,857 were disposed of for a gain of \$21,500.

NOTE 8 LINE OF CREDIT

On January 16, 2024, the School renegotiated its line of credit with a bank for \$5,000,000 that matures on January 16, 2027. The line requires monthly interest payments with the outstanding balance due upon maturity. The line bears interest at a rate of the three-year U.S. treasury rate plus 200 basis points, but not less than 3.25%. The interest rate as of June 30, 2025 and 2024 was 5.57% and 6.41%, respectively. There was \$-0- in debt outstanding related to this line of credit as June 30, 2025 and 2024.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 GIFT ANNUITY OBLIGATIONS

The School has been the recipient of several gift annuities, which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value and are included in investments on the statements of financial position. The investments are held in endowment and included in the endowment funds restricted by donor. The School has recorded a liability of \$-0- and \$51,173 at June 30, 2025 and 2024, respectively, which represents the actuarially determined present value of the future annuity obligations.

NOTE 10 ENDOWMENT FUNDS

The School's endowment consists of approximately 49 individual funds established for a variety of purposes. The endowment includes donor restricted and board-designated endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of Colorado passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides statutory guidance for management, investment and expenditures of endowment funds held by nonprofit schools. In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the endowment fund;
2. The purposes of the institution and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from investment income and appreciation or depreciation of investments;
6. Other resources of the institution; and
7. The investment policies of the institution.

The School's Board of Trustees has interpreted UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the restricted in perpetuity endowment, (b) the original value of subsequent gifts to the restricted in perpetuity endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Endowment net asset composition by type of fund is as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Without Donor Restrictions:		
Board-Designated Endowment	\$ 13,538,778	\$ 9,199,585
With Donor Restrictions:		
Held in Perpetuity	25,988,853	25,700,402
Restricted for Purpose or Time	<u>12,255,461</u>	<u>9,847,522</u>
Total Endowment	<u>\$ 51,783,092</u>	<u>\$ 44,747,509</u>

Changes in endowment net assets for the years ended June 30, 2025 and 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - June 30, 2023	\$ 9,294,052	\$ 33,234,474	\$ 42,528,526
Investment Return	918,859	3,091,883	4,010,742
Contributions and Other Additions	-	215,699	215,699
Appropriation of Endowment Assets for Expenditures and Other Adjustments	<u>(1,013,326)</u>	<u>(994,132)</u>	<u>(2,007,458)</u>
Endowment Net Assets - June 30, 2024	9,199,585	35,547,924	44,747,509
Investment Return	918,859	2,558,176	3,477,035
Contributions and Other Additions	4,336,000	1,287,951	5,623,951
Appropriation of Endowment Assets for Expenditures and Other Adjustments	<u>(915,666)</u>	<u>(1,149,737)</u>	<u>(2,065,403)</u>
Endowment Net Assets - June 30, 2025	<u>\$ 13,538,778</u>	<u>\$ 38,244,314</u>	<u>\$ 51,783,092</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the School is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA (underwater endowments). At June 30, 2025, funds with original gift values of \$21,695, fair values of \$18,918, and deficiencies of \$2,777 were reported in net assets with donor restrictions. At June 30, 2024, funds with original gift values of \$21,695, fair values of \$18,416, and deficiencies of \$3,276 were reported in net assets with donor restrictions. The School has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the School must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The School expects its endowment funds, over time, to provide an average rate of return of approximately the sum of 5% plus the consumer price index (CPI) annually. Actual returns in any given year may vary from this amount.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

To satisfy its long-term rate-of-return objectives, the School relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The School targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The School has a policy of appropriating, for distribution each year, an amount up to 5.5% of the twenty-quarter trailing average of the fair value of its endowment fund, calculated as of the end of the year. For the years ended June 30, 2025 and 2024, the draw was 4.7% and 4.8%, respectively. The School also has a policy that allows it to suspend distribution from its donor restricted funds to allow the fund to grow to a critical mass. In establishing these policies, the School considered the long-term expected return on its endowment. This is consistent with the School's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are composed of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Restricted in Perpetuity:		
Endowment	\$ 25,988,853	\$ 25,700,402
Pledges for Endowment	11,500	12,000
Restricted for Purpose, Including Earnings on the Endowment:		
Capital Projects	11,213,059	5,104,023
Scholarships	4,944,174	3,442,132
Faculty Development	3,426,878	3,015,011
Student Activities	107,036	89,554
Awards	191,782	168,328
Instruction	154,082	134,846
Operations	1,461,210	1,405,838
Total	<u>\$ 47,498,574</u>	<u>\$ 39,072,134</u>

Refer to the Supplementary Information schedule on the pages listed in the table of contents for the details of the releases of net assets with donor restrictions.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 PENSION AND OTHER POST RETIREMENT BENEFIT PLANS

The School has a defined contribution pension plan (the Plan) covering substantially all employees. The School makes an 8% contribution to the Teachers Insurance and Annuity Association for all contributing participants who work at least 1,000 hours in the Plan year and who are making at least a 5% pre-tax contribution based on their eligible annual compensation. All benefits under this Plan are vested. Pension expense was \$443,604 and \$418,383 for the years ended June 30, 2025 and 2024, respectively.

NOTE 13 COMMITMENTS

Included in the endowment fund investments are investments in limited partnerships and private equity funds. As of June 30, 2025, the School, a limited partner in the partnerships, has committed to invest an additional \$950,856 in these investments as capital calls are made for specific investment opportunities. As of June 30, 2024, the School, a limited partner in the partnerships, has committed to invest an additional \$270,000 in these investments as capital calls are made for specific investment opportunities.

NOTE 14 GARDNER CARNEY LEADERSHIP INSTITUTE

In 2005, the School began the Gardner Carney Leadership Institute (GCLI), a program that primarily provides training to teachers through conferences and teaching programs on how to instill leadership qualities in students. The School controls the nature and activities of the GCLI. A restricted in perpetuity fund has been established related to the program. The program is funded by fees charged to participants, donations and income earned on the restricted in perpetuity funds. The current intent of the board and management of the School is to offer this program using only the fees generated by the program and income earned on the program's restricted net assets. Operating assets of the School are not to be used to support this program.

NOTE 15 RELATED PARTY TRANSACTIONS

The School received \$6,949,866 and \$427,104 of contributions from board members during the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the School has receivables of \$749,684 and \$-0- outstanding from board members, respectively.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 16 SUBSEQUENT EVENTS

The School has evaluated subsequent events through December 9, 2025, which is the date the financial statements were available to be issued.

In October 2025, the School agreed to transfer the operations and oversight of the Garder Carney Leadership Institute (GCLI) program and the related assets to a separate nonprofit organization. During the years ended June 30, 2025 and 2024 the GCLI program had program revenues of \$206,657 and \$239,884, respectively, and had program expenses of \$441,030 and \$400,057, respectively. As of June 30, 2025 and 2024, GCLI's endowment totaled \$3,801,706 and \$3,689,464, respectively. For the year ending June 30, 2026, the School anticipates that the GCLI program will generate program revenue of approximately \$29,809 and program expenses of approximately \$814. In October 2025, the School transferred \$3,823,197 to the separate nonprofit organization, which represents the net asset value of the GCLI endowment minus operating expenses from fiscal years 2025 and 2026.

On December 4, 2025, the School received a contribution of \$10,000,000 from a single donor. This contribution was not recognized in the accompanying financial statements as of June 30, 2025 because it was received subsequent to year-end. The contribution will be restricted to the endowment during fiscal year 2026.

SUPPLEMENTARY INFORMATION

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD-DESIGNATED NET ASSETS
YEAR ENDED JUNE 30, 2025

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance
Endowment Funds With Donor Restrictions:										
Armour Family Fund	\$ 147,501	\$ -	\$ 30,235	\$ (9,775)	\$ 167,961	\$ 230,964	\$ -	\$ -	\$ -	\$ 230,964
Ballantine Professional Development	558,241	-	75,460	(4,201)	629,500	386,339	-	-	-	386,339
Bancroft Scholarship	-	-	61,921	(61,921)	-	775,101	-	-	-	775,101
Barker Wardrop Memorial	3,199	-	455	-	3,654	2,500	-	-	-	2,500
Bedford/Nelson Endowment Fund	114,030	-	18,166	-	132,196	113,369	-	-	-	113,369
Brian Scott Chandler Memorial	-	-	13,922	(13,922)	-	168,550	10,250	-	-	178,800
C & J Emery Scholarship	320,350	-	65,268	(19,281)	366,337	498,250	1,000	-	-	497,250
Charlie Kurchinski Music Comp Endowment	17,268	-	3,377	(700)	19,945	25,000	-	-	-	25,000
Claire Emma McGregor Scholarship	397,863	-	87,689	(24,268)	461,084	700,000	-	-	-	700,000
Class of '89 Mountain Campus Endowment	43,540	-	45,861	(16,634)	72,767	530,200	1,600	-	-	531,800
Coach Don Kardok Scholarship Endowment	17,547	-	5,376	(1,146)	21,777	49,342	1,000	-	-	50,342
Creedon Exponential Endowment	272,304	-	42,085	(7,300)	307,089	254,505	-	-	-	254,505
Dack Cheny Endowment	-	-	25,365	(25,365)	-	317,504	-	-	-	317,504
Dominique Dunne Memorial	54,874	-	7,407	-	62,281	37,839	-	-	-	37,839
Edward E Ford Foundation	-	-	2,397	-	2,397	30,000	-	-	-	30,000
Elizabeth S. Hare Scholarship	294,816	-	65,666	(44,383)	316,099	527,172	-	-	-	527,172
F. Martin Brown Fund/Science	1	-	20,414	(20,415)	-	254,319	3,000	-	-	257,319
Faculty Development Travel - R.D. Cole	53,258	-	9,338	(3,118)	59,478	63,500	1,000	-	-	64,500
Family of Funds	-	-	7,638	(7,638)	-	95,615	-	-	-	95,615
Frautschi Challenge	1,708,462	-	351,149	(102,981)	1,956,630	2,687,084	-	-	-	2,687,084
Frautschi Maintenance Endowment	1,114,792	558,621	456,089	(106,475)	2,023,027	2,036,011	1,999,726	-	-	4,035,737
Plant Maintenance Trust	558,621	(558,621)	-	-	-	1,999,726	(1,999,726)	-	-	-
Frederick Vonstade Music	17,039	-	5,048	(1,104)	20,983	46,150	-	-	-	46,150
Gates/FVS Teacher Education Fund	300,913	-	95,724	(33,185)	363,452	897,329	-	-	-	897,329
General Scholarship Endowment	-	-	220,451	(220,451)	-	2,759,526	-	-	-	2,759,526
General Trust 3505	-	-	46,520	(46,520)	-	582,321	-	-	-	582,321
Henderson Plant Maintenance	-	-	1,997	(1,997)	-	25,000	-	-	-	25,000
Henderson Scholarship	-	-	19,173	(19,173)	-	240,000	-	-	-	240,000
Henry B. Poor Endowment Fund	379,152	-	140,206	(25,790)	493,568	1,375,839	100	-	-	1,375,939
Holloway Endowment	18	-	330	(348)	-	4,110	-	-	-	4,110
Hunter Frost Theatre Award Endowment	30,669	-	2,953	(200)	33,422	6,300	-	-	-	6,300
John Emery Music Endowment Fund	67,349	-	10,179	-	77,528	60,068	-	-	-	60,068
John Gale Memorial Endowment	1,484	-	8,543	(10,027)	-	104,762	5,100	-	-	109,862
L. Perry Jr. Endowment	387,587	-	88,644	(58,415)	417,816	722,026	-	-	-	722,026
Lane - Faculty Family	6,549	-	1,322	(7,871)	-	10,000	-	-	-	10,000
Lane - Horse Program	-	-	823	(823)	-	10,300	-	-	-	10,300
Learning Center Scholarship	74,863	-	13,969	(4,442)	84,390	100,000	-	-	-	100,000
McCumber Artist in Residence	4,614	-	1,345	-	5,959	12,224	-	-	-	12,224
Round Square Endowment	34,680	-	12,431	(2,356)	44,755	120,924	-	-	-	120,924
Samuel Li Opportunity Fund	11,457	-	2,381	(413)	13,425	18,351	-	-	-	18,351
General Scholarship Endowment- Campaign 2030	-	1,090,000	-	-	1,090,000	-	-	-	-	-
Scott Endowment Fund	-	1,390,503	174,438	(5,205)	1,559,736	-	2,183,545	-	-	2,183,545
Scott Montana Scholarship Endowment	1,070,256	(1,070,256)	-	-	-	1,481,997	(1,481,997)	-	-	-
Scott Sheridan Scholarship Endowment	320,247	(320,247)	-	-	-	701,548	(701,548)	-	-	-

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD-DESIGNATED NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance
Endowment Funds With Donor Restrictions										
(Continued):										
Sinclair Endowment	\$ 1,490	\$ -	\$ 4,173	\$ (5,663)	\$ -	\$ 50,750	\$ -	\$ -	\$ -	\$ 50,750
Street Playground Endowment	14,940	-	2,791	(887)	16,844	20,000	-	-	-	20,000
The Rumbough Music Fund	(92)	-	970	(970)	(92)	12,233	-	-	-	12,233
Theda Clark Smith Endowment	39,245	-	12,183	-	51,428	113,257	-	-	-	113,257
Timolati Endowment	(3,185)	-	502	-	(2,683)	9,463	-	-	-	9,463
Subtotal	8,435,742	1,000,000	2,262,374	(915,363)	10,782,753	21,265,368	23,050	-	-	21,288,418
Other Endowment Funds Related to Net Assets										
With Donor Restrictions:										
Gardner Carney Endowment	1,399,780	-	295,802	(234,374)	1,461,208	2,289,684	50,814	-	-	2,340,498
7960 Trust	-	-	-	-	-	2,145,350	214,587	-	-	2,359,937
Subtotal	1,399,780	-	295,802	(234,374)	1,461,208	4,435,034	265,401	-	-	4,700,435
Total Endowment Funds With Donor Restrictions	9,835,522	1,000,000	2,558,176	(1,149,737)	12,243,961	25,700,402	288,451	-	-	25,988,853
Pledges Receivable Restricted for Perpetuity:										
Class of 69' Mountain Campus Endowment	-	-	-	-	-	6,000	-	-	-	6,000
L. Perry Endowment	-	-	-	-	-	6,000	(500)	-	-	5,500
Subtotal	-	-	-	-	-	12,000	(500)	-	-	11,500

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD-DESIGNATED NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance
Other Net Assets With Donor Restrictions:										
Athletic Facility/Building Endowment - Gym	\$ 1,044,892	\$ -	\$ -	\$ -	\$ 1,044,892	\$ -	\$ -	\$ -	\$ -	\$ -
Carlton Tower Pledge	1,501,858	1,324,948	-	(553,941)	2,272,963	-	-	-	-	-
Capital Campaign 2030	221,850	6,779,453	-	(1,823,578)	5,177,525	-	-	-	-	-
Environmental Science Building	80,000	-	-	-	80,000	-	-	-	-	-
Faith/Speakers	20,304	-	-	-	20,304	-	-	-	-	-
Hanna Memorial	1,364	-	-	-	1,364	-	-	-	-	-
Hunter & Lynn Frost Performing Arts Center	55,233	-	-	-	55,233	-	-	-	-	-
Flik '21	431,334	-	-	-	431,334	-	-	-	-	-
Lovelace Riding Award	3,185	-	-	(600)	2,585	-	-	-	-	-
Maker Space	10,017	-	-	-	10,017	-	-	-	-	-
Misc. Donor Restricted	25,632	25,630	-	(21,862)	29,400	-	-	-	-	-
Mullen Hacienda Courtyard	8,343	-	-	-	8,343	-	-	-	-	-
Native American Student Fund	6,165	-	-	-	6,165	-	-	-	-	-
PAC Sound System	3,079	-	-	-	3,079	-	-	-	-	-
Resiliency Fund	6,056	-	-	(6,056)	-	-	-	-	-	-
Riding Program	-	-	-	-	-	-	-	-	-	-
Scott Land Conservation	15,966	-	-	-	15,966	-	-	-	-	-
Subtotal	3,435,156	6,130,031	-	(2,406,037)	9,159,150	-	-	-	-	-
Other Restricted Funds:										
J. Goonly Unitrust	89,054	6,056	-	-	95,110	-	-	-	-	-
Subtotal	89,054	6,056	-	-	95,110	-	-	-	-	-
Total Donor Restricted Net Assets	\$ 13,358,732	\$ 9,136,087	\$ 2,558,176	\$ (3,555,774)	\$ 21,498,221	\$ 25,712,402	\$ 287,951	\$ -	\$ -	\$ 26,000,353
Board-Designated Quasi Endowment	\$ 9,109,585	\$ 4,336,000	\$ 918,859	\$ (915,666)	\$ 13,538,778	\$ -	\$ -	\$ -	\$ -	\$ -



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FOUNTAIN VALLEY SCHOOL OF COLORADO

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Fountain Valley School of Colorado
Colorado Springs, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fountain Valley School of Colorado (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fountain Valley School of Colorado as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fountain Valley School of Colorado and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in donor restricted and board-designated net assets (the supplementary information) as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Denver, Colorado
December 17, 2024

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,864,684	\$ 3,650,233
Accounts Receivable, Net	139,928	67,615
Pledges Receivable, Net	1,714,460	2,447,813
Prepaid Expenses and Other Assets	391,169	208,778
Investments	43,969,909	41,519,987
Beneficial Interest in Charitable Remainder Trusts	89,054	82,998
Beneficial Interest in Perpetual Trust	2,145,350	1,980,465
Property and Equipment, Net	<u>39,293,639</u>	<u>39,253,291</u>
 Total Assets	 <u><u>\$ 89,608,193</u></u>	 <u><u>\$ 89,211,180</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 832,646	\$ 900,204
Accrued Liabilities	166,248	92,553
Gift Annuity Obligations	51,173	55,486
Deferred Revenue	<u>3,694,530</u>	<u>3,137,782</u>
 Total Liabilities	 4,744,597	 4,186,025
 NET ASSETS		
Without Donor Restrictions:		
Undesignated	36,591,877	37,798,931
Board-Designated for Endowment	<u>9,199,585</u>	<u>9,294,052</u>
Total Without Donor Restrictions	45,791,462	47,092,983
With Donor Restrictions	<u>39,072,134</u>	<u>37,932,172</u>
Total Net Assets	<u>84,863,596</u>	<u>85,025,155</u>
 Total Liabilities and Net Assets	 <u><u>\$ 89,608,193</u></u>	 <u><u>\$ 89,211,180</u></u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Tuition and Fees	\$ 9,726,061	\$ -	\$ 9,726,061	\$ 9,674,875	\$ -	\$ 9,674,875
Contributions	1,241,988	523,755	1,765,743	2,887,912	280,234	3,168,146
Employee Retention Credit	423,688	-	423,688	-	-	-
Other Income	607,486	-	607,486	504,935	-	504,935
Facility Rentals	99,944	-	99,944	125,031	-	125,031
Auxiliary Services	20,948	-	20,948	21,946	-	21,946
Gain on Disposal of Equipment	21,390	-	21,390	-	-	-
Investment Income, Net	1,369,528	3,091,883	4,461,411	850,925	2,406,909	3,257,834
Net Assts Released from Restrictions	2,475,676	(2,475,676)	-	2,552,022	(2,552,022)	-
Total Revenues	15,986,709	1,139,962	17,126,671	16,617,646	135,121	16,752,767
EXPENSES						
Program Services	11,249,398	-	11,249,398	11,373,337	-	11,373,337
Supporting Services:						
Administration	5,145,099	-	5,145,099	4,270,450	-	4,270,450
Development	893,733	-	893,733	1,039,213	-	1,039,213
Total Expenses	17,288,230	-	17,288,230	16,683,000	-	16,683,000
CHANGE IN NET ASSETS	(1,301,521)	1,139,962	(161,559)	(65,354)	135,121	69,767
Net Assets - Beginning of Year	47,092,983	37,932,172	85,025,155	47,158,337	37,797,051	84,955,388
NET ASSETS - END OF YEAR	<u>\$ 45,791,462</u>	<u>\$ 39,072,134</u>	<u>\$ 84,863,596</u>	<u>\$ 47,092,983</u>	<u>\$ 37,932,172</u>	<u>\$ 85,025,155</u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services		Total Supporting Services	Total
		Administrative	Development		
Personnel Expenses:					
Salaries	\$ 4,010,379	\$ 2,543,092	\$ 373,925	\$ 2,917,017	\$ 6,927,396
Employee Benefits	1,140,862	637,780	81,749	719,529	1,860,391
Total Personnel Expenses	5,151,241	3,180,872	455,674	3,636,546	8,787,787
Other Expenses:					
Books and Supplies	149,970	432,235	9,731	441,966	591,936
Capital Campaign	-	634	-	634	634
Department Expenses	304,942	9,132	13,778	22,910	327,852
Facility Rental Expenses	13,126	-	-	-	13,126
Food	1,944,851	122	-	122	1,944,973
Insurance	529,810	112,401	-	112,401	642,211
Irrigation Assessment	-	57,242	-	57,242	57,242
Maintenance	316,415	93,544	-	93,544	409,959
Medical and Counseling Services	12,590	-	-	-	12,590
Memberships	56,781	41,648	10,819	52,467	109,248
Miscellaneous	9,897	276,539	38,426	314,965	324,862
Outside Professional Services	-	341,663	3,149	344,812	344,812
Postage	-	5,512	-	5,512	5,512
Printing and Advertising	8,233	44,075	227,536	271,611	279,844
Professional Development	73,786	49,542	-	49,542	123,328
Recruitment	31,922	26,747	-	26,747	58,669
Scholarships	23,111	-	-	-	23,111
Student Services	181,603	-	-	-	181,603
Subscriptions and Publications	29,331	-	-	-	29,331
Telephone	34,853	19,452	-	19,452	54,305
Travel and Entertainment	99,970	45,511	134,620	180,131	280,101
Utilities	361,363	195,383	-	195,383	556,746
Total Other Expenses	4,182,554	1,751,382	438,059	2,189,441	6,371,995
Total Expenses Before Depreciation	9,333,795	4,932,254	893,733	5,825,987	15,159,782
Depreciation	1,915,603	212,845	-	212,845	2,128,448
Total Expenses	\$ 11,249,398	\$ 5,145,099	\$ 893,733	\$ 6,038,832	\$ 17,288,230

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services	Supporting Services			Total
		Administrative	Development	Total Supporting Services	
Personnel Expenses:					
Salaries	\$ 3,961,131	\$ 1,936,478	\$ 480,420	\$ 2,416,898	\$ 6,378,029
Employee Benefits	913,640	728,081	80,209	808,290	1,721,930
Total Personnel Expenses	4,874,771	2,664,559	560,629	3,225,188	8,099,959
Other Expenses:					
Books and Supplies	151,436	297,360	5,726	303,086	454,522
Department Expenses	261,153	-	12,865	12,865	274,018
Facility Rental Expenses	37,804	-	-	-	37,804
Food	1,722,366	3,889	-	3,889	1,726,255
Insurance	547,368	38,353	-	38,353	585,721
Irrigation Assessment	-	54,392	-	54,392	54,392
Maintenance	317,485	82,100	-	82,100	399,585
Medical and Counseling Services	42,172	-	-	-	42,172
Memberships	93,217	38,827	6,917	45,744	138,961
Miscellaneous	19,580	108,145	14,443	122,588	142,168
Outside Professional Services	30,109	478,245	28,529	506,774	536,883
Postage	-	17,645	-	17,645	17,645
Printing and Advertising	-	-	262,462	262,462	262,462
Professional Development	73,637	57,621	-	57,621	131,258
Recruitment	51,003	27,254	-	27,254	78,257
Student Services	294,895	-	-	-	294,895
Subscriptions and Publications	53,701	-	-	-	53,701
Telephone	35,066	20,020	-	20,020	55,086
Travel and Entertainment	101,588	15,683	147,642	163,325	264,913
Utilities	533,108	133,277	-	133,277	666,385
Total Other Expenses	4,365,688	1,372,811	478,584	1,851,395	6,217,083
Total Expenses Before Depreciation	9,240,459	4,037,370	1,039,213	5,076,583	14,317,042
Depreciation	2,132,878	233,080	-	233,080	2,365,958
Total Expenses	\$ 11,373,337	\$ 4,270,450	\$ 1,039,213	\$ 5,309,663	\$ 16,683,000

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts:		
Cash Received from Tuition and Fees	\$ 10,210,496	\$ 9,264,657
Cash Received from Contributions	2,283,397	3,291,865
Cash Received from Facility Rentals and Auxiliary Services	120,892	146,977
Cash Received from Interest and Dividends Received	1,219,320	1,200,221
Cash Received from Employee Retention Credit	423,688	-
Cash Received from Other Income	601,430	525,338
Cash Payments:		
Cash Used to Pay Personnel Expenses	(8,714,092)	(8,194,855)
Cash Used to Pay Other Operating Expenses	(6,626,257)	(6,379,711)
Net Cash Used by Operating Activities	<u>(481,126)</u>	<u>(145,508)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Receipts:		
Proceeds from Disposition of Investments	7,753,103	26,125,468
Cash Payments:		
Purchase of Property and Equipment	(2,168,796)	(5,110,955)
Purchase of Investments	(7,104,429)	(22,641,622)
Net Cash Used by Investing Activities	<u>(1,520,122)</u>	<u>(1,627,109)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Receipts:		
Proceeds from Contributions and Investment Income		
Restricted for Long-Term Purposes	215,699	211,407
Net Cash Provided by Financing Activities	<u>215,699</u>	<u>211,407</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,785,549)	(1,561,210)
Cash and Cash Equivalents - Beginning of Year	<u>3,650,233</u>	<u>5,211,443</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,864,684</u></u>	<u><u>\$ 3,650,233</u></u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Fountain Valley School of Colorado (the School), a nonprofit corporation formed under the laws of Colorado, is a private college preparatory school for grades 9-12, located in Colorado Springs, Colorado.

The School's revenues and other support are derived principally from tuition and fees (under either day enrollment or boarding enrollment agreements), contributions and investment income. Students at the School come from all over the world and share in the diverse academic, social and athletic programs offered by the School.

Basis of Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Cash and Cash Equivalents

The School considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted primarily of demand deposits. The School maintains cash balances at several financial institutions, which occasionally exceed the federally insured amount. The School has never experienced any losses related to those balances.

Accounts Receivable

Accounts receivable consist primarily of tuition and fees and are stated at the amount billed to students. The School provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and existing and reasonably supportable future economic conditions. At June 30, 2024 and 2023, the allowance was \$1,314. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written-off based on individual credit evaluation and specific circumstances of the student.

Promises to Give

The School records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2024 and 2023, the allowance was \$2,743 and \$5,203, respectively.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Return

Investments are initially recorded at cost, or estimated fair value at the date of donation, if donated. Investments are subsequently reported at fair value. Investment income includes dividend, interest, and other investment income; and realized and unrealized gains and losses on investments reported at fair value. Investment income that is initially restricted by donor stipulation, and for which the restriction will be satisfied in the same year, is included in net assets without donor restrictions. Other investment income is reflected in the statements of activities as with or without donor restrictions, based upon the existence and nature of any donor-imposed restrictions on the income.

The School maintains investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the investment accounts are allocated to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the investment accounts and adjusted for as additions to or deductions from those accounts.

Beneficial Interests in Perpetual Trusts

The School has been named as an irrevocable beneficiary of a perpetual trust held and administered by an independent trustee. Perpetual trusts provide for the distribution of the net income of the trust to the School; however, the School will never receive the assets of the trust. At the date notice is received of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities, and a beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost. Donated assets are recorded at fair market value on the date of the donation. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 15 years for furniture, furnishings, and equipment, and 5 to 40 years for buildings and improvements. Management is not aware of any indications of impairment of property and equipment and, therefore, no impairment loss was recorded during the years ended June 30, 2024 and 2023.

Construction in progress is recorded as costs are incurred, and depreciation of the assets commence upon placing the asset into service.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The School follows Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and all the related amendments with respect to all contracts. The School accounts for contract revenue in accordance with Topic 606, which requires the School to recognize revenue in a manner which depicts the transfer of goods or services to its customers at an amount that reflects the consideration the School expects to receive in exchange for those goods or services. Additionally, the School follows ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The guidance aids in the classification of contributions and exchange transactions.

Tuition and Fees

Tuition revenue and related fees are recognized when the revenue is earned, which is ratably throughout the school year. Revenue recognized is net of scholarships and other tuition assistance.

Deferred Revenue

Tuition revenue and related fees received in advance of the school term or meeting the performance obligation are deferred until the revenue is earned.

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits presented as deferred revenue (contract liabilities) on the statements of financial position. Amounts are either billed when as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly) or upon achievement of contractual milestones. Generally, billing to customers occurs at the beginning of contract periods after customer orders are received, resulting in contract liabilities. These deposits are recognized as revenue when earned and removed from deferred revenue. However, the

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

School sometimes bills customers after services have been provided, resulting in accounts receivable.

The beginning and ending contract balances are as follows as of June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accounts Receivable	\$ 139,928	\$ 67,615	\$ 101,149
Unbilled Receivables	-	-	-
Deferred Revenue	3,694,530	3,137,782	3,581,534

Contributions

In accordance with Accounting Standards Codification (ASC) 958-605 *Not-for-Profit Entities – Revenue Recognition*, contributions received are recorded as revenue with or without donor restrictions, depending upon the existence and nature of any donor restrictions. Contributions are recorded when cash or unconditional promises to give have been received or ownership of donated assets to be used directly in operations is transferred. Conditional contributions – that is, those with a measurable performance or other barrier and a right of return or release – are recorded when the conditions upon which they depend have been met. Until that time, they are reported in the statements of financial position as a refundable advance.

All donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reported in the statements of activities as Net Assets Released from Restrictions. Restricted grants and contributions that are received and expire or have restrictions met in the same year are shown as without donor restrictions in the financial statements.

Donated Goods and Services

Donated investments are initially recorded at estimated fair value at the date of donation. Donated professional services, goods and equipment are recorded at estimated fair values as revenue and expenses, or capitalized assets, depending on the nature of the donation. The contribution of services is recognized if the services received either create or enhance non- financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The School did not receive any in-kind donations during the years ended June 30, 2024 and 2023.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees, as estimated by management, of the School providing those services. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the School executives, accounting, information technology personnel, and payroll taxes.

Advertising

In accordance with ASC 720-35 *Other Expenses, Advertising Cost*, direct-response advertising is to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The School does not currently use direct-response advertising; hence advertising costs are expensed when incurred.

Tax Status

The School is exempt from income tax as determined by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the School is subject to federal income tax on any unrelated business taxable income. As of June 30, 2024 and 2023, the School believes that it does not have any uncertain tax positions that are material to the financial statements. The School believes that it has conducted its operations in accordance with and has properly maintained its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The School is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2020.

Use of Estimates

Preparation of the School's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Recently Adopted Accounting Pronouncements

At the beginning of fiscal year 2024, the School adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. There was no cumulative net asset adjustment as the implementation of Topic 326 did not have a material impact on the financial statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 LIQUIDITY AND AVAILABILITY OF FUNDS

The School's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 1,864,684	\$ 3,650,233
Accounts Receivable, Net	139,928	67,615
Pledges Receivable, Net	1,714,460	2,447,813
Investments	<u>43,969,909</u>	<u>41,519,987</u>
Total	47,688,981	47,685,648
Less: Amounts Not Available for General Use:		
Net Assets Restricted by Donors	<u>(39,072,134)</u>	<u>(37,932,172)</u>
 Financial Assets Available at Year End for General Use	 <u>\$ 8,616,847</u>	 <u>\$ 9,753,476</u>

The School's endowment funds consist of donor restricted and board designated endowments. Income from donor restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the School has a line of credit with an available amount of \$1,000,000, which it could draw upon. See Note 8 for more detail on the line of credit. As of June 30, 2024 and 2023, the balance due on the line of credit was \$-0-.

NOTE 3 PLEDGES RECEIVABLE

Unconditional pledges receivable are estimated to be collected as follows at June 30:

	<u>2024</u>	<u>2023</u>
Within One Year	\$ 1,218,974	\$ 1,350,807
In One to Five Years	513,956	1,125,956
Less: Discount to Net Present Value	(15,727)	(23,747)
Less: Allowance for Doubtful Accounts	<u>(2,743)</u>	<u>(5,203)</u>
Total	<u>\$ 1,714,460</u>	<u>\$ 2,447,813</u>

Pledges receivable which are receivable in more than one year are discounted at risk-adjusted rates ranging from 2.80% to 5.10%. As of June 30, 2024, 87% of the pledges receivable balance was due from one donor, while as of June 30, 2023, 93% was due from three donors.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 CHARITABLE REMAINDER TRUSTS

The School is a beneficiary under a charitable remainder trust, for which a bank serves as the trustee and makes annual distributions to the lead beneficiary. The distributions are to continue for the lifetime of the lead beneficiary. Upon the death of the beneficiary, the trust's remaining principal will be distributed to the School. Based on the remaining beneficiary's life expectancy, an estimated annual investment return of approximately 2%, and a discount rate of approximately 5%, the present value of future benefits to be received by the School is estimated to be \$89,054 and \$82,998 on June 30, 2024 and 2023, respectively. This amount is classified as donor restricted until the trust's assets are distributed to the School.

NOTE 5 BENEFICIAL INTEREST IN PERPETUAL TRUST

The beneficial interest in perpetual trust of \$2,145,350 and \$1,980,465 at June 30, 2024 and 2023, respectively, represents the estimated net present value of the future interest in the perpetual trust. The present value of the future interest in the trust is estimated to be the fair value of the trust assets. The School is not the trustee for this trust. The trust assets are held by a third-party and consist primarily of government and corporate bonds, equities, and money market funds. The School receives net income from the trust in perpetuity that can be used as deemed most expedient for the furtherance of its educational aims and purposes.

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The School is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 – Values determined using significant other observable inputs. Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active or inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Values determined using significant unobservable inputs.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The School uses net asset value (NAV) per share, or its equivalent, such as member units, as a practical expedient to estimate the fair value of alternative investments, which do not have a readily determinable fair value. The investments, which are valued using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There were no significant changes to the valuation methodologies used by the School during the year. The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Cash and Money Market Funds – These investments are valued to maintain a \$1 per unit value, and provide a return as dividends or interest. These funds do not have a quoted market price but are valued based on the estimated value. These funds are not classified in the fair value hierarchy.

Mutual Funds and Exchange Traded Funds – The School invests in various mutual funds and exchange traded funds. Where quoted market prices are available for such funds in an active market, the funds are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then the funds are valued at net asset value based on the fair value of the underlying investments. Funds with these observable inputs are classified as Level 2 securities in the valuation hierarchy.

Common Stocks – Common stocks are valued based on quoted market prices and are classified within Level 1 of the valuation hierarchy.

Fixed Income Securities and Mortgage Backed Securities – Fixed income securities and mortgage backed securities are valued based on quoted market prices or through pricing services for securities that are not actively traded. Where quoted market prices are available, the securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, the securities are classified within Level 2 of the valuation hierarchy.

Master Limited Partnerships – These include investments in in various equity investments. Where quoted market prices are available for such funds in an active market, the funds are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then the funds are valued at net asset value based on the fair value of the underlying investments. Funds with these observable inputs are classified as Level 2 securities in the valuation hierarchy.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Alternative Investments – The School's alternative investments consist of limited partnerships and private equity funds. As a group, the alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity securities, foreign and domestic fixed income investments, options, warrants, derivatives, and contracts. To the extent possible, fair value is based on the last sale price for securities listed on national exchanges. For securities not listed on national exchanges, fair value is determined at the last bid or asking price depending on the long or short position of the security. Investments for which quotations are not available are valued at an estimated fair value by the fund managers using various models, comparisons, and assumptions. Consideration is given to several factors, including the type of investment, risks, marketability, restrictions on disposition, quotations from other market participants and values of similar investments. Investments with these unobservable inputs are measured at NAV per share and are not classified in the fair value hierarchy.

Beneficial Interest in Charitable Remainder Trust – The fair value is based on estimated present value of the expected payments. Investments with these unobservable inputs are classified as Level 3 investments in the valuation hierarchy. See Note 4, *Charitable Remainder Trust*, for further information.

Beneficial Interest in Perpetual Trust – Fair value in the Trust is determined primarily on the fair value of the underlying assets of the trust. Fair value of the underlying assets is determined using quoted market prices and pricing services. Investments with these unobservable inputs are classified as Level 3 investments in the valuation hierarchy. See Note 5, *Beneficial Interest in Perpetual Trust*, for further information.

Annuity Obligations – The fair value is based on the present value of the expected payments to beneficiaries using the mortality tables published by the Internal Revenue Service (IRS) and five-year treasury discount rate. These liabilities are determined using Level 3 inputs. See Note 9, *Gift Annuity Obligations*, for further information.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level within the fair value hierarchy, the School's assets and liabilities at fair value as of June 30:

	2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Exchange Traded Funds	\$ 6,764,944	\$ -	\$ -	\$ 6,764,944
Mutual Funds:				
Domestic Equity	3,947,207	-	-	3,947,207
Fixed Income	5,811,078	-	-	5,811,078
Common Stocks:				
Domestic Equity	14,617,557	-	-	14,617,557
International Equity	1,815,040	-	-	1,815,040
Fixed Income Securities:				
Bonds and Government Agencies	-	4,914,870	-	4,914,870
Mortgage Backed Securities	-	2,164,879	-	2,164,879
Master Limited Partnerships	213,004	-	-	213,004
Subtotal	33,168,830	7,079,749	-	40,248,579
Investments Measured at NAV				2,466,922
Subtotal Investments				42,715,501
Cash and Money Market Funds				1,254,408
Total Investments				43,969,909
Beneficial Interests In:				
Charitable Remainder Trust	-	-	89,054	89,054
Perpetual Trust	-	-	2,145,350	2,145,350
Total Assets	\$ 33,168,830	\$ 7,079,749	\$ 2,234,404	\$ 46,204,313
Liabilities:				
Gift Annuity Obligations	\$ -	\$ -	\$ 51,173	\$ 51,173

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Exchange Traded Funds	\$ 2,927,189	\$ -	\$ -	\$ 2,927,189
Mutual Funds:				
Domestic Equity	6,154,043	-	-	6,154,043
Fixed Income	5,361,899	-	-	5,361,899
Common Stocks:				
Domestic Equity	14,066,159	-	-	14,066,159
International Equity	1,439,945	-	-	1,439,945
Fixed Income Securities:				
Bonds and Government Agencies	-	4,875,597	-	4,875,597
Mortgage Backed Securities	-	2,018,590	-	2,018,590
Master Limited Partnerships	203,538	-	-	203,538
Subtotal	30,152,773	6,894,187	-	37,046,960
Investments Measured at NAV				2,857,629
Subtotal Investments				39,904,589
Cash and Money Market Funds				1,615,398
Total Investments				41,519,987
Beneficial Interests In:				
Charitable Remainder Trust	-	-	82,998	82,998
Perpetual Trust	-	-	1,980,465	1,980,465
Total Assets	<u>\$ 30,152,773</u>	<u>\$ 6,894,187</u>	<u>\$ 2,063,463</u>	<u>\$ 43,583,450</u>
	Level 1	Level 2	Level 3	Total
Liabilities:				
Gift Annuity Obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,486</u>	<u>\$ 55,486</u>

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the School's Level 3 financial instruments for the years ended June 30, 2024 and 2023:

	Assets Beneficial Interest in Trusts	Liabilities Annuity Obligations
Balance - June 30, 2022	\$ 2,006,977	\$ 51,634
Purchases, Interest, and Reinvested Dividends	314,759	-
Realized Gain	52,090	3,852
Unrealized Gain	102,287	-
Sales, Including Capital Distribution	(412,650)	-
Payments to Beneficiaries	-	-
Balance - June 30, 2023	2,063,463	55,486
Purchases, Interest, and Reinvested Dividends	324,155	-
Realized Gain (Loss)	8,336	(4,313)
Unrealized Gain	226,945	-
Sales, Including Capital Distribution	(388,495)	-
Payments to Beneficiaries	-	-
Balance - June 30, 2024	<u>\$ 2,234,404</u>	<u>\$ 51,173</u>

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30:

	Number of Investments	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>June 30, 2024</u>					
Private Equity Funds	5	\$ 2,466,922	\$ 270,000	Illiquid	N/A
<u>June 30, 2023</u>					
Private Equity Funds	5	\$ 2,857,629	\$ 763,979	Illiquid	N/A

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at June 30:

	2024	2023
Buildings and Improvements	\$ 70,555,766	\$ 69,412,375
Furniture and Equipment	4,933,169	6,073,748
Land	69,050	69,050
Art	80,915	80,915
Irrigation Shares	12,921	12,921
Total Depreciable Assets	75,651,821	75,649,009
Less: Accumulated Depreciation	(40,689,018)	(40,190,555)
Total Depreciable Assets, Net	34,962,803	35,458,454
Construction in Progress	4,330,836	3,794,837
Total Property and Equipment, Net	<u>\$ 39,293,639</u>	<u>\$ 39,253,291</u>

Depreciation expense was \$2,128,448 and \$2,365,958 during the years ended June 30, 2024 and 2023, respectively. During the year ended June 30, 2024, assets of \$1,661,857 were disposed of for a gain of \$21,500. There were no assets disposed of during the year ended June 30, 2023.

NOTE 8 LINE OF CREDIT

On January 16, 2024, the School renegotiated its line of credit with a bank for \$1,000,000 that matures on January 16, 2027. The line requires monthly interest payments with the outstanding balance due upon maturity. The line bears interest at a rate of the three-year U.S. treasury rate plus 200 basis points, but not less than 3.25%. The interest rate as of June 30, 2024 and 2023 was 6.41% and 6.32%, respectively. There was \$-0- in debt outstanding related to this line of credit as June 30, 2024 and 2023.

NOTE 9 GIFT ANNUITY OBLIGATIONS

The School has been the recipient of several gift annuities, which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value and are included in investments on the statements of financial position. The investments are held in endowment and included in the endowment funds restricted by donor. The School has recorded a liability of \$51,173 and \$55,486 at June 30, 2024 and 2023, respectively, which represents the actuarially determined present value of the future annuity obligations.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 ENDOWMENT FUNDS

The School's endowment consists of approximately 50 individual funds established for a variety of purposes. The endowment includes donor restricted and board-designated endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of Colorado passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides statutory guidance for management, investment and expenditures of endowment funds held by nonprofit schools. In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the endowment fund;
2. The purposes of the institution and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from investment income and appreciation or depreciation of investments;
6. Other resources of the institution; and
7. The investment policies of the institution.

The School's Board of Trustees has interpreted UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the restricted in perpetuity endowment, (b) the original value of subsequent gifts to the restricted in perpetuity endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment net asset composition by type of fund is as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Without Donor Restrictions:		
Board-Designated Endowment	\$ 9,199,585	\$ 9,294,052
With Donor Restrictions:		
Held in Perpetuity	25,700,402	25,484,203
Restricted for Purpose or Time	9,847,522	7,750,271
Total Endowment	<u>\$ 44,747,509</u>	<u>\$ 42,528,526</u>

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets for the years ended June 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - June 30, 2022	\$ 9,776,908	\$ 31,293,672	\$ 41,070,580
Investment Return	798,780	2,406,909	3,205,689
Contributions and Other Additions	-	211,407	211,407
Appropriation of Endowment Assets for Expenditures and Other Adjustments	<u>(1,281,636)</u>	<u>(677,514)</u>	<u>(1,959,150)</u>
Endowment Net Assets - June 30, 2023	9,294,052	33,234,474	42,528,526
Investment Return	918,859	3,091,883	4,010,742
Contributions and Other Additions	-	215,699	215,699
Appropriation of Endowment Assets for Expenditures and Other Adjustments	<u>(1,013,326)</u>	<u>(994,132)</u>	<u>(2,007,458)</u>
Endowment Net Assets - June 30, 2024	<u>\$ 9,199,585</u>	<u>\$ 35,547,924</u>	<u>\$ 44,747,509</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the School is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA (underwater endowments). At June 30, 2024, funds with original gift values of \$21,695, fair values of \$18,416, and deficiencies of \$3,279 were reported in net assets with donor restrictions. At June 30, 2023, funds with original gift values of \$4,404,966, fair values of \$4,180,083, and deficiencies of \$224,883 were reported in net assets with donor restrictions. The School has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the School must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The School expects its endowment funds, over time, to provide an average rate of return of approximately the sum of 5% plus the consumer price index (CPI) annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the School relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The School targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

The School has a policy of appropriating, for distribution each year, an amount up to 5.5% of the twenty-quarter trailing average of the fair value of its endowment fund, calculated as of the end of the year. For the years ended June 30, 2024 and 2023, the draw was 4.8% and 4.9%, respectively. The School also has a policy that allows it to suspend distribution from its donor restricted funds to allow the fund to grow to a critical mass. In establishing these policies, the School considered the long-term expected return on its endowment. This is consistent with the School's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are composed of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Restricted in Perpetuity:		
Endowment	\$ 25,700,402	\$ 25,484,203
Pledges for Endowment	12,000	12,500
Restricted for Purpose, Including Earnings on the Endowment:		
Capital Projects	5,104,023	4,573,737
Scholarships	3,442,132	2,558,006
Faculty Development	3,015,011	2,504,943
Student Activities	89,554	68,874
Awards	168,328	140,929
Instruction	134,846	149,754
Operations	1,405,838	2,439,226
Total	<u>\$ 39,072,134</u>	<u>\$ 37,932,172</u>

Refer to the Supplementary Information schedule on the pages listed in the table of contents for the details of the releases of net assets with donor restrictions.

NOTE 12 PENSION AND OTHER POST RETIREMENT BENEFIT PLANS

The School has a defined contribution pension plan (the Plan) covering substantially all employees. The School makes an 8% contribution to the Teachers Insurance and Annuity Association for all contributing participants who work at least 1,000 hours in the Plan year and who are making at least a 5% pre-tax contribution based on their eligible annual compensation. All benefits under this Plan are vested. Pension expense was \$418,383 and \$411,275 for the years ended June 30, 2024 and 2023, respectively.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 13 COMMITMENTS

Included in the endowment fund investments are investments in limited partnerships and private equity funds. As of June 30, 2024, the School, a limited partner in the partnerships, has committed to invest an additional \$270,000 in these investments as capital calls are made for specific investment opportunities. As of June 30, 2023, the School, a limited partner in the partnerships, has committed to invest an additional \$763,979 in these investments as capital calls are made for specific investment opportunities.

NOTE 14 GARDNER CARNEY LEADERSHIP INSTITUTE

In 2005, the School began the Gardner Carney Leadership Institute (GCLI), a program that primarily provides training to teachers through conferences and teaching programs on how to instill leadership qualities in students. The School controls the nature and activities of the GCLI. A restricted in perpetuity fund has been established related to the program. The program is funded by fees charged to participants, donations and income earned on the restricted in perpetuity funds. The current intent of the board and management of the School is to offer this program using only the fees generated by the program and income earned on the program's restricted net assets. Operating assets of the School are not to be used to support this program.

NOTE 15 SUBSEQUENT EVENTS

The School has evaluated subsequent events through December 17, 2024, which is the date the financial statements were available to be issued. There were no events requiring disclosure.

SUPPLEMENTARY INFORMATION

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD-DESIGNATED NET ASSETS
YEAR ENDED JUNE 30, 2024

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance
Endowment Funds With Donor Restrictions:										
Armour Family Fund	\$ 121,263	\$ -	\$ 34,823	\$ (8,585)	\$ 147,501	\$ 230,964	\$ -	\$ -	\$ -	\$ 230,964
Ballantine Professional Development	482,443	-	85,892	(10,084)	558,241	386,339	-	-	-	386,339
Bancroft Scholarship	(49,510)	-	71,736	(22,226)	-	775,101	-	-	-	775,101
Barker Wardrop Memorial	2,888	-	513	-	3,199	2,500	-	-	-	2,500
Bedford/Nelson Endowment Fund	93,571	-	20,459	-	114,030	113,369	-	-	-	113,369
Brian Scott Chandler Memorial	(9,318)	-	15,743	(6,425)	-	168,550	-	-	-	168,550
C & J Emery Scholarship	262,253	-	74,957	(16,860)	320,350	495,750	500	-	-	496,250
Charlie Kurchinski Music Comp Endowment	13,465	-	3,803	-	17,268	25,000	-	-	-	25,000
Claire Emma McGregor Scholarship	317,953	-	100,640	(20,930)	397,663	700,000	-	-	-	700,000
Class of '69 Mountain Campus Endowment	47,741	-	56,907	(61,108)	43,540	518,700	11,500	-	-	530,200
Coach Don Kardok Scholarship Endowment	11,529	-	6,018	-	17,547	49,342	-	-	-	49,342
Creeden Experiential Endowment	234,326	-	48,328	(10,350)	272,304	254,505	-	-	-	254,505
Deck Cheny Endowment	-	-	31,390	(31,390)	-	317,504	-	-	-	317,504
Dominique Dunne Memorial	46,533	-	8,341	-	54,874	37,839	-	-	-	37,839
Edward E Ford Foundation	-	-	2,966	(2,966)	-	30,000	-	-	-	30,000
Elizabeth S. Hare Scholarship	260,231	-	77,847	(43,262)	294,816	527,172	-	-	-	527,172
F. Martin Brown Fund/Science	(16,069)	-	23,555	(7,485)	1	254,319	-	-	-	254,319
Faculty Development Travel - R.D. Cole	43,644	-	10,602	(988)	53,258	62,500	1,000	-	-	63,500
Family of Funds	(6,049)	-	8,855	(2,806)	-	95,615	-	-	-	95,615
Frautschi Challenge	1,394,822	-	403,559	(89,919)	1,708,462	2,687,084	-	-	-	2,687,084
Frautschi Maintenance Endowment	884,707	-	288,758	(58,673)	1,114,792	2,036,011	-	-	-	2,036,011
Frederick Vonstade Music	12,170	-	5,766	(897)	17,039	46,150	-	-	-	46,150
Gates/FVS Teacher Education Fund	250,488	-	113,479	(63,054)	300,913	897,329	-	-	-	897,329
General Scholarship Endowment	(119,207)	-	281,036	(141,829)	-	2,759,526	-	-	-	2,759,526
General Trust 3505	-	-	57,571	(57,571)	-	582,321	-	-	-	582,321
Henderson Plant Maintenance	(1,582)	-	2,315	(733)	-	25,000	-	-	-	25,000
Henderson Scholarship	(15,182)	-	22,227	(7,045)	-	240,000	-	-	-	240,000
Henry B. Poor Endowment Fund	222,126	-	157,026	-	379,152	1,365,568	10,271	-	-	1,375,839
Holloway Endowment	(260)	-	381	(103)	18	4,110	-	-	-	4,110
Hunter Frost Theatre Award Endowment	27,436	-	3,433	(200)	30,669	8,300	(2,000)	-	-	6,300
John Emery Music Endowment Fund	55,885	-	11,464	-	67,349	60,068	-	-	-	60,068
John Gale Memorial Endowment	2,084	-	10,554	(11,154)	1,484	104,662	100	-	-	104,762
L. Perry Jr. Endowment	340,914	-	105,088	(58,415)	387,587	722,026	-	-	-	722,026
Lane - Faculty Family	8,700	-	1,849	(4,000)	6,549	10,000	-	-	-	10,000
Lane - Horse Program	(651)	-	954	(303)	-	10,300	-	-	-	10,300
Learning Center Scholarship	62,716	-	16,087	(3,940)	74,863	100,000	-	-	-	100,000
McCumber Artist in Residence	3,554	-	1,560	(500)	4,614	12,224	-	-	-	12,224
Plant Maintenance Trust	355,201	-	232,821	(29,401)	558,621	1,999,726	-	-	-	1,999,726
Round Square Endowment	22,341	-	14,164	(1,825)	34,680	120,924	-	-	-	120,924
Samuel Li Opportunity Fund	9,324	-	2,736	(603)	11,457	18,351	-	-	-	18,351
Scott Montana Scholarship Endowment	891,890	-	234,695	(56,329)	1,070,256	1,481,997	-	-	-	1,481,997
Scott Sheridan Scholarship Endowment	228,316	-	81,931	-	320,247	701,548	-	-	-	701,548

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD-DESIGNATED NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance
Endowment Funds With Donor Restrictions (Continued):										
Sinclair Endowment	\$ (3,210)	\$ -	\$ 4,700	\$ -	\$ 1,490	\$ 50,750	\$ -	\$ -	\$ -	\$ 50,750
Street Playground Endowment	12,512	-	3,214	(786)	14,940	20,000	-	-	-	20,000
The Rumbough Music Fund	(92)	-	1,200	(1,200)	(92)	12,233	-	-	-	12,233
Theda Clark Smith Endowment	25,524	-	13,721	-	39,245	113,257	-	-	-	113,257
Timolat Endowment	(3,750)	-	565	-	(3,185)	9,463	-	-	-	9,463
Subtotal	6,523,468	-	2,746,229	(833,955)	8,435,742	21,243,997	21,371	-	-	21,265,368
Other Endowment Funds Related to Net Assets With Donor Restrictions:										
Gardner Carney Endowment	1,214,303	-	345,650	(160,173)	1,399,780	2,259,741	29,943	-	-	2,289,684
7960 Trust	-	-	-	-	-	1,980,465	164,885	-	-	2,145,350
Subtotal	1,214,303	-	345,650	(160,173)	1,399,780	4,240,206	194,828	-	-	4,435,034
Total Endowment Funds With Donor Restrictions	7,737,771	-	3,091,879	(994,128)	9,835,522	25,484,203	216,199	-	-	25,700,402
Pledges Receivable Restricted for Perpetuity:										
Class of 69' Mountain Campus Endowment	-	-	-	-	-	6,000	-	-	-	6,000
L. Perry Endowment	-	-	-	-	-	6,500	(500)	-	-	6,000
Subtotal	-	-	-	-	-	12,500	(500)	-	-	12,000

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD-DESIGNATED NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Loss	Deductions, Transfers, and Expenses	Ending Balance
Other Net Assets With Donor Restrictions:										
Broadcasting/Media	\$ 6,041	\$ -	\$ -	\$ (6,041)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Athletic Facility/Building Endowment - Gym	1,171,230	-	-	(126,338)	1,044,892	-	-	-	-	-
Carillon Tower '22	1,501,956	-	-	-	1,501,956	-	-	-	-	-
Capital Campaign 2030	-	300,000	-	(78,350)	221,650	-	-	-	-	-
Environmental Science Building	80,000	-	-	-	80,000	-	-	-	-	-
Faith/Speakers	20,304	-	-	-	20,304	-	-	-	-	-
Hanna Memorial	1,364	-	-	-	1,364	-	-	-	-	-
Hunter & Lynn Frost Performing Arts Center	53,233	2,000	-	-	55,233	-	-	-	-	-
Flik '21	431,334	-	-	-	431,334	-	-	-	-	-
Lovelace Riding Award	3,772	-	-	(607)	3,165	-	-	-	-	-
Maker Space	10,317	-	-	(300)	10,017	-	-	-	-	-
Misc. Donor Restricted	58,953	-	-	(33,321)	25,632	-	-	-	-	-
Mullen Hacienda Courtyard	8,343	-	-	-	8,343	-	-	-	-	-
Native American Student Fund	14,926	-	-	(8,761)	6,165	-	-	-	-	-
PAC Sound System	3,079	-	-	-	3,079	-	-	-	-	-
Resiliency Fund	1,230,972	-	-	(1,224,916)	6,056	-	-	-	-	-
Riding Program	2,910	-	-	(2,910)	-	-	-	-	-	-
Scott Land Conservation	15,966	-	-	-	15,966	-	-	-	-	-
Subtotal	4,614,700	302,000	-	(1,481,544)	3,435,156	-	-	-	-	-
Other Restricted Funds:										
J. Coorly Unitrust	82,998	6,056	-	-	89,054	-	-	-	-	-
Subtotal	82,998	6,056	-	-	89,054	-	-	-	-	-
Total Donor Restricted Net Assets	\$ 12,435,469	\$ 308,056	\$ 3,091,879	\$ (2,475,672)	\$ 13,359,732	\$ 25,486,703	\$ 215,699	\$ -	\$ -	\$ 25,712,402
Board-Designated Quasi Endowment	\$ 9,294,052	\$ -	\$ 918,859	\$ (1,013,326)	\$ 9,199,585	\$ -	\$ -	\$ -	\$ -	\$ -



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FOUNTAIN VALLEY SCHOOL OF COLORADO

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



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**FOUNTAIN VALLEY SCHOOL OF COLORADO
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Fountain Valley School of Colorado
Colorado Springs, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fountain Valley School of Colorado (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fountain Valley School of Colorado as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fountain Valley School of Colorado and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters – Prior Period Financial Statements

The financial statements of Fountain Valley School of Colorado as of June 30, 2022, were audited by other auditors whose report dated September 23, 2022 expressed an unmodified opinion on those statements.

Emphasis-of-Matter Regarding Correction of an Error

As described in Note 16 to the financial statements, the Organization has restated its liabilities, property and equipment, revenue, expenses and net assets for the year ended June 30, 2022. These adjustments were recorded during fiscal year 2022 and impacted balances as of June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Trustees
Fountain Valley School of Colorado

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in donor restricted net assets (the supplementary information) as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Denver, Colorado
January 26, 2024

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>As Restated 2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,650,233	\$ 5,211,443
Accounts Receivable, Net	67,615	101,149
Pledges Receivable, Net	2,447,813	2,782,939
Prepaid Expenses and Other Assets	208,778	197,427
Investments	41,519,987	43,023,109
Beneficial Interest in Charitable Remainder Trusts	82,998	103,401
Beneficial Interest in Perpetual Trust	1,980,465	1,903,576
Property and Equipment, Net (As Restated - Note 16)	<u>39,253,291</u>	<u>36,508,294</u>
Total Assets	<u><u>\$ 89,211,180</u></u>	<u><u>\$ 89,831,338</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 900,204	\$ 1,055,333
Accrued Liabilities	92,553	187,449
Gift Annuity Obligations	55,486	51,634
Deferred Revenue (As Restated - Note 16)	<u>3,137,782</u>	<u>3,581,534</u>
Total Liabilities	<u>4,186,025</u>	<u>4,875,950</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated (As Restated - Note 16)	37,798,931	37,381,429
Board Designated for Endowment	<u>9,294,052</u>	<u>9,776,908</u>
Total Without Donor Restrictions	<u>47,092,983</u>	<u>47,158,337</u>
With Donor Restrictions	<u>37,932,172</u>	<u>37,797,051</u>
Total Net Assets	<u>85,025,155</u>	<u>84,955,388</u>
Total Liabilities and Net Assets	<u><u>\$ 89,211,180</u></u>	<u><u>\$ 89,831,338</u></u>

See accompanying Notes to Financial Statements.

**FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			As Restated 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Tuition and Fees	\$ 9,674,875	\$ -	\$ 9,674,875	\$ 8,823,741	\$ -	\$ 8,823,741
Contributions (As Restated - Note 16)	2,887,912	280,234	3,168,146	976,743	6,485,352	7,462,095
Other Income	504,935	-	504,935	515,491	-	515,491
Facility Rentals	125,031	-	125,031	160,351	-	160,351
Auxiliary Services	21,946	-	21,946	21,953	-	21,953
Loss on Disposal of Equipment	-	-	-	(2,214)	-	(2,214)
Investment Income (Loss), Net	850,925	2,406,909	3,257,834	(16,027)	(4,630,544)	(4,646,571)
Net Assts Released from Restrictions	2,552,022	(2,552,022)	-	4,036,500	(4,036,500)	-
Total Revenues	16,617,646	135,121	16,752,767	14,516,538	(2,181,692)	12,334,846
EXPENSES						
Program Services (As Restated - Note 16)	11,373,337	-	11,373,337	11,232,672	-	11,232,672
Supporting Services:						
Administration	4,270,450	-	4,270,450	3,626,247	-	3,626,247
Development	1,039,213	-	1,039,213	1,186,706	-	1,186,706
Total Expenses	16,683,000	-	16,683,000	16,045,625	-	16,045,625
CHANGE IN NET ASSETS	(65,354)	135,121	69,767	(1,529,087)	(2,181,692)	(3,710,779)
Net Assets - Beginning of Year	47,158,337	37,797,051	84,955,388	48,687,424	39,978,743	88,666,167
NET ASSETS - END OF YEAR	<u>\$ 47,092,983</u>	<u>\$ 37,932,172</u>	<u>\$ 85,025,155</u>	<u>\$ 47,158,337</u>	<u>\$ 37,797,051</u>	<u>\$ 84,955,388</u>

See accompanying Notes to Financial Statements.

**FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services	Supporting Services		Total Supporting Services	Total
		Administrative	Development		
Personnel Expenses:					
Salaries	\$ 3,961,131	\$ 1,936,478	\$ 480,420	\$ 2,416,898	\$ 6,378,029
Employee Benefits	913,640	728,081	80,209	808,290	1,721,930
Total Personnel Expenses	4,874,771	2,664,559	560,629	3,225,188	8,099,959
Other Expenses:					
Books and Supplies	151,436	297,360	5,726	303,086	454,522
Department Expenses	261,153	-	12,865	12,865	274,018
Facility Rental Expenses	37,804	-	-	-	37,804
Food	1,722,366	3,889	-	3,889	1,726,255
Insurance	547,368	38,353	-	38,353	585,721
Irrigation Assessment	-	54,392	-	54,392	54,392
Maintenance	317,485	82,100	-	82,100	399,585
Medical and Counseling Services	42,172	-	-	-	42,172
Memberships	93,217	38,827	6,917	45,744	138,961
Miscellaneous	19,580	108,145	14,443	122,588	142,168
Outside Professional Services	30,109	478,245	28,529	506,774	536,883
Postage	-	17,645	-	17,645	17,645
Printing and Advertising	-	-	262,462	262,462	262,462
Professional Development	73,637	57,621	-	57,621	131,258
Recruitment	51,003	27,254	-	27,254	78,257
Student Services	294,895	-	-	-	294,895
Subscriptions and Publications	53,701	-	-	-	53,701
Telephone	35,066	20,020	-	20,020	55,086
Travel and Entertainment	101,588	15,683	147,642	163,325	264,913
Utilities	533,108	133,277	-	133,277	666,385
Total Other Expenses	4,365,688	1,372,811	478,584	1,851,395	6,217,083
Total Expenses Before Depreciation	9,240,459	4,037,370	1,039,213	5,076,583	14,317,042
Depreciation	2,132,878	233,080	-	233,080	2,365,958
Total Expenses	<u>\$ 11,373,337</u>	<u>\$ 4,270,450</u>	<u>\$ 1,039,213</u>	<u>\$ 5,309,663</u>	<u>\$ 16,683,000</u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	As Restated				
	Supporting Services			Total Supporting Services	Total
	Program Services	Administrative	Development		
Personnel Expenses:					
Salaries	\$ 3,825,430	\$ 1,548,274	\$ 603,625	\$ 2,151,899	\$ 5,977,329
Employee Benefits	1,227,420	446,671	108,559	555,230	1,782,650
Total Personnel Expenses	5,052,850	1,994,945	712,184	2,707,129	7,759,979
Other Expenses:					
Books and Supplies	394,515	164,577	7,444	172,021	566,536
Department Expenses	473,628	-	24,384	24,384	498,012
Facility Rental Expenses	39,569	-	-	-	39,569
Food	1,419,145	1,688	-	1,688	1,420,833
Insurance	482,424	61,890	-	61,890	544,314
Irrigation Assessment	-	52,237	-	52,237	52,237
Maintenance	288,416	89,130	-	89,130	377,546
Medical and Counseling Services	40,710	-	-	-	40,710
Memberships	46,341	43,549	1,346	44,895	91,236
Miscellaneous	22,906	78,321	9,817	88,138	111,044
Outside Professional Services	37,922	551,517	-	551,517	589,439
Postage	-	16,462	-	16,462	16,462
Printing and Advertising	-	-	243,571	243,571	243,571
Professional Development	62,989	33,492	-	33,492	96,481
Recruitment	24,748	168,007	-	168,007	192,755
Scholarships	14,196	-	-	-	14,196
Student Services	262,914	-	-	-	262,914
Subscriptions and Publications	30,471	-	-	-	30,471
Telephone	26,859	15,451	-	15,451	42,310
Travel and Entertainment	98,982	11,765	187,960	199,725	298,707
Utilities	550,060	137,515	-	137,515	687,575
Total Other Expenses	4,316,795	1,425,601	474,522	1,900,123	6,216,918
Total Expenses Before Depreciation	9,369,645	3,420,546	1,186,706	4,607,252	13,976,897
Depreciation (As Restated - Note 16)	1,863,027	205,701	-	205,701	2,068,728
Total Expenses	<u>\$ 11,232,672</u>	<u>\$ 3,626,247</u>	<u>\$ 1,186,706</u>	<u>\$ 4,812,953</u>	<u>\$ 16,045,625</u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts:		
Cash Received from Tuition and Fees	\$ 9,264,657	\$ 8,868,370
Cash Received from Contributions	3,291,865	6,056,305
Cash Received from Facility Rentals and Auxiliary Services	146,977	182,304
Cash Received from Interest and Dividends Received	1,200,221	2,440,985
Cash Received from Other Income	525,338	485,071
Cash Payments:		
Cash Used to Pay Personnel Expenses	(8,194,855)	(7,834,038)
Cash Used to Pay Other Operating Expenses	(6,379,711)	(4,713,426)
Net Cash Flows from Operating Activities	<u>(145,508)</u>	<u>5,485,571</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Receipts:		
Proceeds from Disposition of Investments	26,125,468	22,024,753
Cash Payments:		
Purchase of Property and Equipment	(5,110,955)	(2,245,952)
Purchase of Investments	(22,641,622)	(24,749,311)
Net Cash Flows from Investing Activities	<u>(1,627,109)</u>	<u>(4,970,510)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Receipts:		
Proceeds from Contributions and Investment Income		
Restricted for Long-Term Purposes	<u>211,407</u>	<u>150,847</u>
Net Cash Flows from Financing Activities	<u>211,407</u>	<u>150,847</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,561,210)	665,908
Cash and Cash Equivalents - Beginning of Year	<u>5,211,443</u>	<u>4,545,535</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 3,650,233</u></u>	<u><u>\$ 5,211,443</u></u>

See accompanying Notes to Financial Statements.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Fountain Valley School of Colorado (the School), a nonprofit corporation formed under the laws of Colorado, is a private college preparatory school for grades 9-12, located in Colorado Springs, Colorado.

The School's revenues and other support are derived principally from tuition and fees (under either day enrollment or boarding enrollment agreements), contributions and investment income. Students at the School come from all over the world and share in the diverse academic, social and athletic programs offered by the School.

Basis of Presentation

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Cash and Cash Equivalents

The School considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. At June 30, 2023 and 2022, cash equivalents consisted primarily of demand deposits. The School maintains cash balances at several financial institutions, which occasionally exceed the federally insured amount. The School has never experienced any losses related to those balances.

Accounts Receivable

Accounts receivable consist primarily of tuition and fees and are stated at the amount billed to students. The School provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. At June 30, 2023 and 2022, the allowance was \$1,314. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written-off based on individual credit evaluation and specific circumstances of the student.

Promises to Give

The School records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2023 and 2022, the allowance was \$5,203 and \$7,910, respectively.

**FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Return

Investments are initially recorded at cost, or estimated fair value at the date of donation, if donated. Investments are subsequently reported at fair value. Investment income includes dividend, interest, and other investment income; and realized and unrealized gains and losses on investments reported at fair value. Investment income that is initially restricted by donor stipulation, and for which the restriction will be satisfied in the same year, is included in net assets without donor restrictions. Other investment income is reflected in the statements of activities as with or without donor restrictions, based upon the existence and nature of any donor-imposed restrictions on the income.

The School maintains investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the investment accounts are allocated to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the investment accounts, and adjusted for as additions to or deductions from those accounts.

Beneficial Interests in Perpetual Trusts

The School has been named as an irrevocable beneficiary of a perpetual trust held and administered by an independent trustee. Perpetual trusts provide for the distribution of the net income of the trust to the School; however, the School will never receive the assets of the trust. At the date notice is received of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities, and a beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost. Donated assets are recorded at fair market value on the date of the donation. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 15 years for furniture, furnishings, and equipment, and 5 to 40 years for buildings and improvements. Management is not aware of any indications of impairment of property and equipment and, therefore, no impairment loss was recorded during the years ended June 30, 2023 and 2022.

Construction in progress is recorded as costs are incurred, and depreciation of the assets commence upon placing the asset into service.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The School follows Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and all the related amendments with respect to all contracts. The School accounts for contract revenue in accordance with Topic 606, which requires the School to recognize revenue in a manner which depicts the transfer of good or services to its customers at an amount that reflects the consideration the School expects to receive in exchange for those goods or services.

Additionally, the School follows ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The guidance aids in the classification of contributions and exchange transactions.

Tuition and Fees

Tuition revenue and related fees are recognized when the revenue is earned, which is ratably throughout the school year. Revenue recognized is net of scholarships and other tuition assistance.

Deferred Revenue

Tuition revenue and related fees received in advance of the school term or meeting the performance obligation are deferred until the revenue is earned.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

In accordance with Accounting Standards Codification (ASC) 958-605 *Not-for-Profit Entities – Revenue Recognition*, contributions received are recorded as revenue with or without donor restrictions, depending upon the existence and nature of any donor restrictions. Contributions are recorded when cash or unconditional promises to give have been received or ownership of donated assets to be used directly in operations is transferred. Conditional contributions – that is, those with a measurable performance or other barrier and a right of return or release – are recorded when the contributions upon which they depend have been met. Until that time, they are reported in the statements of financial position as a refundable advance.

All donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reported in the statements of activities as net assets released from restrictions. Restricted grants and contributions that are received and expire or have restrictions met in the same year are shown as without donor restrictions in the financial statements.

Donated Goods and Services

Donated investments are initially recorded at estimated fair value at the date of donation. Donated professional services, goods and equipment are recorded at estimated fair values as revenue and expenses, or capitalized assets, depending on the nature of the donation. The contribution of services is recognized if the services received either create or enhance non- financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The School did not receive any in-kind donations during the years ended June 30, 2023 and 2022.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees, as estimated by management, of the School providing those services. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the School executives, accounting, information technology personnel, and payroll taxes.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

In accordance with ASC 720-35 *Other Expenses, Advertising Cost*, direct-response advertising is to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The School does not currently use direct-response advertising; hence advertising costs are expensed when incurred.

Tax Status

The School is exempt from income tax as determined by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the School is subject to federal income tax on any unrelated business taxable income. As of June 30, 2023 and 2022, the School believes that it does not have any uncertain tax positions that are material to the financial statements. The School believes that it has conducted its operations in accordance with and has properly maintained its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The School is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2019.

Use of Estimates

Preparation of the School's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The School adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. The adoption of the standard did not have a significant impact on the assets and liabilities reported on the statements of financial position.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 LIQUIDITY AND AVAILABILITY OF FUNDS

The School's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 3,650,233	\$ 5,211,443
Accounts Receivable, Net	67,615	181,149
Pledges Receivable, Net	2,447,813	2,782,939
Investments	41,519,987	43,023,109
Total	<u>47,685,648</u>	<u>51,198,640</u>
Less: Amounts Not Available for General Use:		
Net Assets Restricted by Donors	<u>(37,932,172)</u>	<u>(37,797,051)</u>
Financial Assets Available at Year End for General Use	<u>\$ 9,753,476</u>	<u>\$ 13,401,589</u>

The School's endowment funds consist of donor restricted and board designated endowments. Income from donor restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the School has a line of credit with an available amount of \$1,000,000, which it could draw upon. See Note 8 for more detail on the line of credit. As of June 30, 2023 and 2022, the balance due on the line of credit was \$-0-.

NOTE 3 PLEDGES RECEIVABLE

Unconditional pledges receivable are estimated to be collected as follows at June 30:

	<u>2023</u>	<u>2022</u>
Within One Year	\$ 1,350,807	\$ 2,530,988
In One to Five Years	1,125,956	342,995
Less: Discount to Net Present Value	(23,747)	(83,135)
Less: Allowance for Doubtful Accounts	(5,203)	(7,909)
Total	<u>\$ 2,447,813</u>	<u>\$ 2,782,939</u>

Pledges receivable which are receivable in more than one year are discounted at risk-adjusted rates ranging from 2.80% to 2.89%. As of June 30, 2023, 93% of the pledges receivable balance was due from three donors, while as of June 30, 2022, 79% was due from three donors.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 CHARITABLE REMAINDER TRUSTS

The School is a beneficiary under a charitable remainder trust, for which a bank serves as the trustee and makes annual distributions to the lead beneficiary. The distributions are to continue for the lifetime of the lead beneficiary. Upon the death of the beneficiary, the trust's *remaining principal* will be distributed to the School. Based on the remaining beneficiary's life expectancy, an estimated annual investment return of approximately 2%, and a discount rate of approximately 5%, the present value of future benefits to be received by the School is estimated to be \$82,998 and \$103,401 on June 30, 2023 and 2022, respectively. This amount is classified as donor restricted until the trust's assets are distributed to the School.

NOTE 5 BENEFICIAL INTEREST IN PERPETUAL TRUST

The beneficial interest in perpetual trust of \$1,980,465 and \$1,903,576 at June 30, 2023 and 2022, respectively, represents the estimated net present value of the future interest in the perpetual trust. The present value of the future interest in the trust is estimated to be the fair value of the trust assets. The School is not the trustee for this trust. The trust assets are held by a *third-party and consist primarily of government and corporate bonds, equities, and money market funds*. The School receives net income from the trust in perpetuity that can be used as deemed most expedient for the furtherance of its educational aims and purposes.

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The School is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 – Values determined using significant other observable inputs. Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active or inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Values determined using significant unobservable inputs.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The School uses net asset value (NAV) per share, or its equivalent, such as member units, as a practical expedient to estimate the fair value of alternative investments, which do not have a readily determinable fair value. The investments, which are valued using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There were no significant changes to the valuation methodologies used by the School during the year. The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Cash and Money Market Funds – These investments are valued to maintain a \$1 per unit value, and provide a return as dividends or interest. These funds do not have a quoted market price but are valued based on the estimated value. These funds are not classified in the fair value hierarchy.

Mutual Funds and Exchange Traded Funds – The School invests in various mutual funds and exchange traded funds. Where quoted market prices are available for such funds in an active market, the funds are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then the funds are valued at net asset value based on the fair value of the underlying investments. Funds with these observable inputs are classified as Level 2 securities in the valuation hierarchy.

Common Stocks – Common stocks are valued based on quoted market prices and are classified within Level 1 of the valuation hierarchy.

Fixed Income Securities and Mortgage Backed Securities – Fixed income securities and mortgage backed securities are valued based on quoted market prices or through pricing services for securities that are not actively traded. Where quoted market prices are available, the securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, the securities are classified within Level 2 of the valuation hierarchy.

Master Limited Partnerships – These investments include investments in various equity investments. Where quoted market prices are available for such funds in an active market, the funds are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then the funds are valued at net asset value based on the fair value of the underlying investments. Funds with these observable inputs are classified as Level 2 securities in the valuation hierarchy.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Alternative Investments – The School's alternative investments consist of limited partnerships and limited liability corporations. As a group, the alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity securities, foreign and domestic fixed income investments, options, warrants, derivatives, and contracts. To the extent possible, fair value is based on the last sale price for securities listed on national exchanges. For securities not listed on national exchanges, fair value is determined at the last bid or asking price depending on the long or short position of the security. Investments for which quotations are not available are valued at an estimated fair value by the fund managers using various models, comparisons, and assumptions. Consideration is given to several factors, including the type of investment, risks, marketability, restrictions on disposition, quotations from other market participants and values of similar investments. Investments with these unobservable inputs are measured at NAV per share and are not classified in the fair value hierarchy.

Beneficial Interest in Charitable Remainder Trust – The fair value is based on estimated present value of the expected payments. Investments with these unobservable inputs are classified as Level 3 investments in the valuation hierarchy. See Note 4, *Charitable Remainder Trust*, for further information).

Beneficial Interest in Perpetual Trust – Fair value in the Trust is determined primarily on the fair value of the underlying assets of the trust. Fair value of the underlying assets is determined using quoted market prices and pricing services. Investments with these unobservable inputs are classified as Level 3 investments in the valuation hierarchy. See Note 5, *Beneficial Interest in Perpetual Trust*, for further information.

Annuity Obligations – The fair value is based on the present value of the expected payments to beneficiaries using the mortality tables published by the Internal Revenue Service (IRS) and five-year treasury discount rate. These liabilities are determined using Level 3 inputs. See Note 9, *Gift Annuity Obligations*, for further information.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level within the fair value hierarchy, the School's assets and liabilities at fair value as of June 30:

	2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Exchange Traded Funds	\$ 2,927,189	\$ -	\$ -	\$ 2,927,189
Mutual Funds:				
Domestic Equity	6,154,043	-	-	6,154,043
Fixed Income	5,361,899	-	-	5,361,899
Common Stocks:				
Domestic Equity	14,066,159	-	-	14,066,159
International Equity	1,439,945	-	-	1,439,945
Fixed Income Securities:				
Domestic Equity	-	4,875,597	-	4,875,597
Mortgage Backed Securities	-	2,018,590	-	2,018,590
Master Limited Partnerships	203,538	-	-	203,538
Subtotal	\$ 30,152,773	\$ 6,894,187	\$ -	37,046,960
Investments Measured at NAV				2,857,629
Subtotal Investments				39,904,589
Cash and Money Market Funds				1,615,398
Total Investments				<u>\$ 41,519,987</u>
 Beneficial Interests In:				
Charitable Remainder Trust	-	-	82,998	82,998
Perpetual Trust	-	-	1,980,465	1,980,465
 Total Assets	<u>\$ 30,152,773</u>	<u>\$ 6,894,187</u>	<u>\$ 2,063,463</u>	<u>\$ 43,583,450</u>
 Liabilities:				
Gift Annuity Obligations	\$ -	\$ -	\$ 55,486	\$ 55,486

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	2022			
	Level 1	Level 2	Level 3	Total
Operating Investments:				
Exchange Traded Funds	\$ 1,305,595	\$ -	\$ -	\$ 1,305,595
Mutual Funds:				
Domestic Equity	9,561,157	-	-	9,561,157
Fixed Income	5,064,022	-	-	5,064,022
Common Stocks:				
Domestic Equity	16,071,472	-	-	16,071,472
International Equity	1,569,163	-	-	1,569,163
Fixed Income Securities:				
Domestic Equity	-	1,962,117	-	1,962,117
Mortgage Backed Securities	-	731,210	-	731,210
Master Limited Partnerships	427,168	-	-	427,168
Subtotal	\$ 33,998,577	\$ 2,693,327	\$ -	36,691,904
Investments Measured at NAV				3,107,198
Subtotal Investments				39,799,102
Cash and Money Market Funds				3,224,007
Total Investments				<u>\$ 43,023,109</u>
Beneficial Interests In:				
Charitable Remainder Trust	-	-	103,401	103,401
Perpetual Trust	-	-	1,903,576	1,903,576
Total Assets	<u>\$ 33,998,577</u>	<u>\$ 2,693,327</u>	<u>\$ 2,006,977</u>	<u>\$ 45,030,086</u>
	Level 1	Level 2	Level 3	Total
Liabilities:				
Gift Annuity Obligations	\$ -	\$ -	\$ 51,634	\$ 51,634

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the School's Level 3 and NAV per share financial instruments for the years ended June 30, 2023 and 2022:

	<u>Assets</u> Beneficial Interest in Trusts	<u>Liabilities</u> Annuity Obligations
Balance - June 30, 2021	\$ 2,366,046	\$ 43,379
Purchases, Interest, and Reinvested Dividends	-	-
Realized Gain (Loss)	-	-
Unrealized Gain (Loss)	(359,069)	8,255
Sales, Including Capital Distribution	-	-
Payments to Beneficiaries	-	-
Balance - June 30, 2022	2,006,977	51,634
Purchases, Interest, and Reinvested Dividends	314,759	-
Realized Gain	52,090	3,852
Unrealized Gain	102,287	-
Sales, Including Capital Distribution	(412,650)	-
Payments to Beneficiaries	-	-
Balance - June 30, 2023	<u>\$ 2,063,463</u>	<u>\$ 55,486</u>

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30:

	<u>Number of Investments</u>	<u>Fair value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>June 30, 2023</u>					
Private Equity Funds	5	\$ 2,857,629	\$ 763,979	Illiquid	N/A
<u>June 30, 2022</u>					
Private Equity Funds	5	\$ 3,107,198	\$ 54,103	Illiquid	N/A

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>As Restated 2022</u>
Buildings and Improvements	\$ 69,412,375	\$ 66,836,091
Furniture and Equipment (As Restated - Note 16)	6,073,748	5,952,564
Land	69,050	69,050
Art	80,915	80,915
Irrigation Shares	<u>12,921</u>	<u>12,921</u>
Total Depreciable Assets	75,649,009	72,951,541
Less: Accumulated Depreciation (As Restated - Note 16)	<u>(40,190,555)</u>	<u>(37,875,458)</u>
Total Depreciable Assets, Net	35,458,454	35,076,083
Construction in Progress	<u>3,794,837</u>	<u>1,432,211</u>
Total Property and Equipment, Net	<u><u>\$ 39,253,291</u></u>	<u><u>\$ 36,508,294</u></u>

Depreciation expense was \$2,365,958 and \$2,068,728 during the years ended June 30, 2023 and 2022, respectively. There were no assets disposed of during the year ended June 30, 2023. During the year ended June 30, 2022, assets of \$342,395 were disposed of for a loss of \$2,214.

NOTE 8 LINE OF CREDIT

On January 16, 2021, the School renegotiated its line of credit with a bank for \$1,000,000 that matures on January 16, 2024. The line requires monthly interest payments with the outstanding balance due upon maturity. The line bears interest at a rate of the 3 year U.S. treasury rate plus 200 basis points, but not less than 3.25%. The interest rate as of June 30, 2023 and 2022 was 6.32% and 3.50%, respectively. There was \$0- in debt outstanding related to this line of credit as June 30, 2023 and 2022.

NOTE 9 GIFT ANNUITY OBLIGATIONS

The School has been the recipient of several gift annuities, which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value and are included in investments on the statements of financial position. The investments are held in endowment and included in the endowment funds restricted by donor. The School has recorded a liability of \$55,486 and \$51,634 at June 30, 2023 and 2022, respectively, which represents the actuarially determined present value of the future annuity obligations.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10 ENDOWMENT FUNDS

The School's endowment consists of approximately 50 individual funds established for a variety of purposes. The endowment includes donor restricted and board-designated endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of Colorado passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides statutory guidance for management, investment and expenditures of endowment funds held by nonprofit Schools. In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the endowment fund;
2. The purposes of the institution and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from investment income and appreciation or depreciation of investments;
6. Other resources of the institution; and
7. The investment policies of the institution.

The School's Board of Trustees has interpreted UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the restricted in perpetuity endowment, (b) the original value of subsequent gifts to the restricted in perpetuity endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment net asset composition by type of fund is as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Without Donor Restrictions:		
Board Designated Endowment	\$ 9,294,052	\$ 9,776,908
With Donor Restrictions:		
Held in Perpetuity	25,484,203	25,264,207
Restricted for Purpose or Time	7,750,271	6,029,465
Total Endowment	<u>\$ 42,528,526</u>	<u>\$ 41,070,580</u>

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets for the years ended June 30, 2023 and 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - June 30, 2021	\$ 11,289,616	\$ 36,669,278	\$ 47,958,894
Investment Return	(16,027)	(4,630,544)	(4,646,571)
Contributions and Other Additions	-	150,847	150,847
Appropriation of Endowment Assets for Expenditures and Other Adjustments	<u>(1,496,681)</u>	<u>(895,909)</u>	<u>(2,392,590)</u>
Endowment Net Assets - June 30, 2022	9,776,908	31,293,672	41,070,580
Investment Return	798,780	2,406,909	3,205,689
Contributions and Other Additions	-	211,407	211,407
Appropriation of Endowment Assets for Expenditures and Other Adjustments	<u>(1,281,636)</u>	<u>(677,514)</u>	<u>(1,959,150)</u>
Endowment Net Assets - June 30, 2023	<u>\$ 9,294,052</u>	<u>\$ 33,234,474</u>	<u>\$ 42,528,526</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the School is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA (underwater endowments). At June 30, 2023, funds with original gift values of \$4,404,966, fair values of \$4,180,083, and deficiencies of \$224,883 were reported in net assets with donor restrictions. At June 30, 2022, funds with original gift values of \$5,293,791, fair values of \$4,698,773, and deficiencies of \$595,018 were reported in net assets with donor restrictions. The School has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the School must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The School expects its endowment funds, over time, to provide an average rate of return of approximately the sum of 5% plus the consumer price index (CPI) annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the School relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The School targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10 ENDOWMENT FUNDS (CONTINUED)

The School has a policy of appropriating, for distribution each year, an amount up to 5.5% of the twenty-quarter trailing average of the fair value of its endowment fund, calculated as of the end of the year. For the years ended June 30, 2023 and 2022, the draw was 4.9% and 5.0%, respectively. The School also has a policy that allows it to suspend distribution from its donor restricted funds to allow the fund to grow to a critical mass. In establishing these policies, the School considered the long-term expected return on its endowment. This is consistent with the School's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are composed of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Restricted in Perpetuity:		
Endowment	\$ 25,484,203	\$ 25,264,207
Pledges for Endowment	12,500	21,089
Restricted for Purpose, Including Earnings on the Endowment:		
Capital Projects	4,573,737	5,801,828
Scholarships	2,558,006	1,801,202
Faculty Development	2,504,943	2,152,902
Student Activities	68,874	53,112
Awards	140,929	124,575
Instruction	149,754	94,599
Operations	2,439,226	2,483,537
Total	<u>\$ 37,932,172</u>	<u>\$ 37,797,051</u>

Refer to the Supplementary Information schedule on the pages listed in the table of contents for the details of the releases of net assets with donor restrictions.

NOTE 12 PENSION AND OTHER POST RETIREMENT BENEFIT PLANS

The School has a defined contribution pension plan (the Plan) covering substantially all employees. The School makes an 8% contribution to the Teachers Insurance and Annuity Association for all contributing participants who work at least 1,000 hours in the Plan year and who are making at least a 5% pre-tax contribution based on their eligible annual compensation. All benefits under this Plan are vested. Pension expense was \$411,275 and \$432,264 for the years ended June 30, 2023 and 2022, respectively.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 13 COMMITMENTS

Included in the endowment fund investments are investments in limited partnerships and limited liability corporations. As of June 30, 2023, the School, a limited partner in the partnerships, has committed to invest an additional \$763,979 in these investments as capital calls are made for specific investment opportunities. As of June 30, 2022, the School, a limited partner in the partnerships, has committed to invest an additional \$54,103 in these investments as capital calls are made for specific investment opportunities.

NOTE 14 GARDNER CARNEY LEADERSHIP INSTITUTE

In 2005, the School began the Gardner Carney Leadership Institute (GCLI), a program that primarily provides training to teachers through conferences and teaching programs on how to instill leadership qualities in students. The School controls the nature and activities of the GCLI. A restricted in perpetuity fund has been established related to the program. The program is funded by fees charged to participants, donations and income earned on the restricted in perpetuity funds. The current intent of the board and management of the School is to offer this program using only the fees generated by the program and income earned on the program's restricted net assets. Operating assets of the School are not to be used to support this program.

NOTE 15 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 26, 2024, which is the date the financial statements were available to be issued. There were no events requiring disclosure.

NOTE 16 RESTATEMENT

The Organization has restated its liabilities, property and equipment, revenue, expenses and net assets for the year ended June 30, 2022 related to cash and non-cash deferred contract incentives including annual amortization and depreciation of equipment as specified in the contract.

The effects of this restatement on the fiscal year 2022 financial statements have been summarized below.

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 16 RESTATEMENT (CONTINUED)

Statement of Financial Position, 2022			
	As Originally Stated	As Restated	Effect of Change
ASSETS			
Cash and Cash Equivalents	\$ 5,211,443	\$ 5,211,443	\$ -
Accounts Receivable, Net	181,149	101,149	(80,000)
Pledges Receivable, Net	2,782,939	2,782,939	-
Prepaid Expenses and Other Assets	197,427	197,427	-
Investments	43,023,109	43,023,109	-
Beneficial Interest in Charitable Remainder Trusts	103,401	103,401	-
Beneficial Interest in Perpetual Trust	1,903,576	1,903,576	-
Property and Equipment, Net	36,344,241	36,508,294	164,053
Total Assets	<u>\$ 89,747,285</u>	<u>\$ 89,831,338</u>	<u>\$ 84,053</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable	\$ 1,055,333	\$ 1,055,333	\$ -
Accrued Liabilities	123,020	187,449	64,429
Gift Annuity Obligations	51,634	51,634	-
Deferred Revenue	2,813,599	3,581,534	767,935
Total Liabilities	4,043,586	4,875,950	832,364
COMMITMENTS AND CONTINGENCIES			
NET ASSETS			
Without Donor Restrictions:			
Undesignated	38,129,740	37,381,429	(748,311)
Board Designated for Endowment	9,776,908	9,776,908	-
Total Without Donor Restrictions	47,906,648	47,158,337	(748,311)
With Donor Restrictions	37,797,051	37,797,051	-
Total Net Assets	85,703,699	84,955,388	(748,311)
Total Liabilities and Net Assets	<u>\$ 89,747,285</u>	<u>\$ 89,831,338</u>	<u>\$ 84,053</u>

FOUNTAIN VALLEY SCHOOL OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 16 RESTATEMENT (CONTINUED)

Statement of Activities, 2022								
	As Originally Stated			As Restated			Effect of Change	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions
REVENUES								
Tuition and Fees	\$ 8,823,741	\$ -	\$ 8,823,741	\$ 8,823,741	\$ -	\$ 8,823,741	\$ -	\$ -
Contributions	1,411,619	6,485,352	7,896,971	976,743	6,485,352	7,462,095	(434,876)	-
Other Income	515,491	-	515,491	515,491	-	515,491	-	-
Facility Rentals	160,351	-	160,351	160,351	-	160,351	-	-
Auxiliary Services	21,953	-	21,953	21,953	-	21,953	-	-
Gain (Loss) on Disposal of Equipment	(2,214)	-	(2,214)	(2,214)	-	(2,214)	-	-
Investment Income (Loss), Net	(16,027)	(4,630,544)	(4,646,571)	(16,027)	(4,630,544)	(4,646,571)	-	-
Net Assts Released from Restrictions	4,036,500	(4,036,500)	-	4,036,500	(4,036,500)	-	-	-
Total Revenue	14,951,414	(2,181,692)	12,769,722	14,516,538	(2,181,692)	12,334,846	(434,876)	-
EXPENSES								
Program Services	11,063,666	-	11,063,666	11,232,672	-	11,232,672	169,006	-
Supporting Services:								
Administration	3,626,247	-	3,626,247	3,626,247	-	3,626,247	-	-
Development	1,186,706	-	1,186,706	1,186,706	-	1,186,706	-	-
Total Expenses	15,876,619	-	15,876,619	16,045,625	-	16,045,625	169,006	-
CHANGE IN NET ASSETS	(925,205)	(2,181,692)	(3,106,897)	(1,529,087)	(2,181,692)	(3,710,779)	(603,882)	-
Net Assets - Beginning of Year	48,831,853	39,978,743	88,810,596	48,687,424	39,978,743	88,666,167	(144,429)	-
NET ASSETS - END OF YEAR	<u>\$ 47,906,648</u>	<u>\$ 37,797,051</u>	<u>\$ 85,703,699</u>	<u>\$ 47,158,337</u>	<u>\$ 37,797,051</u>	<u>\$ 84,955,388</u>	<u>\$ (748,311)</u>	<u>\$ (748,311)</u>

SUPPLEMENTARY INFORMATION

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD DESIGNATED NET ASSETS
YEAR ENDED JUNE 30, 2023

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance
Endowment Funds With Donor Restrictions:										
Amour Family Fund	\$ 101,191	\$ -	\$ 27,130	\$ (7,058)	\$ 121,263	\$ 230,964	\$ -	\$ -	\$ -	\$ 230,964
Ballantine Professional Development	422,818	-	66,090	(6,465)	482,443	386,339	-	-	-	386,339
Bancroft Scholarship	(104,299)	-	54,789	-	(49,510)	775,101	-	-	-	775,101
Barker Wardrop Memorial	2,294	-	392	-	2,686	2,500	-	-	-	2,500
Bedford/Nelson Endowment Fund	82,160	-	15,970	(4,559)	93,571	113,369	-	-	-	113,369
Brian Scott Chandler Memorial	(20,886)	-	11,588	-	(9,318)	158,300	10,250	-	-	168,550
C & J Emery Scholarship	217,788	-	58,268	(13,803)	262,253	495,600	150	-	-	495,750
Charlie Kurchinski Music Comp Endowment	11,115	-	2,950	(600)	13,465	25,000	-	-	-	25,000
Claire Emma McGregor Scholarship	256,558	-	78,129	(16,734)	317,953	700,000	-	-	-	700,000
Class of '69 Mountain Campus Endowment	15,452	-	42,960	(10,671)	47,741	503,103	15,597	-	-	518,700
Coach Don Kardok Scholarship Endowment	6,933	-	4,596	-	11,529	49,342	-	-	-	49,342
Creeden Experiential Endowment	207,582	-	37,694	(10,950)	234,326	253,505	1,000	-	-	254,505
Deck Cheny Endowment	(12,440)	-	24,917	(12,477)	-	317,504	-	-	-	317,504
Dominique Dunne Memorial	40,162	-	6,371	-	46,533	37,839	-	-	-	37,839
Edward E Ford Foundation	3,115	-	2,705	(5,820)	-	30,000	-	-	-	30,000
Elizabeth S. Hare Scholarship	239,087	-	62,586	(41,442)	260,231	527,172	-	-	-	527,172
F. Martin Brown Fund/Science	(34,059)	-	17,990	-	(16,069)	254,319	-	-	-	254,319
Faculty Development Travel - R.D. Cole	43,565	-	8,622	(8,543)	43,644	61,500	1,000	-	-	62,500
Family of Funds	(12,812)	-	6,763	-	(6,049)	95,615	-	-	-	95,615
Frautschi Challenge	1,154,466	-	313,768	(73,412)	1,394,822	2,687,084	-	-	-	2,687,084
Frautschi Maintenance Endowment	707,212	-	224,059	(46,564)	884,707	2,036,011	-	-	-	2,036,011
Frederick Vonstade Music	8,359	-	4,452	(641)	12,170	46,150	-	-	-	46,150
Gates/FVS Teacher Education Fund	216,170	-	90,948	(56,630)	250,488	897,329	-	-	-	897,329
General Scholarship Endowment	(318,568)	-	199,361	-	(119,207)	2,759,276	250	-	-	2,759,526
General Trust 3505	(42,522)	-	44,057	(1,535)	-	581,821	500	-	-	582,321
Henderson Plant Maintenance	(3,350)	-	1,768	-	(1,582)	25,000	-	-	-	25,000
Henderson Scholarship	(32,158)	-	16,976	-	(15,182)	240,000	-	-	-	240,000
Henry B. Poor Endowment Fund	114,212	-	119,605	(11,691)	222,126	1,344,318	21,250	-	-	1,365,568
Holloway Endowment	(551)	-	291	-	(260)	4,110	-	-	-	4,110
Hunter Frost Theatre Award Endowment	24,999	-	2,637	(200)	27,436	6,300	2,000	-	-	8,300
John Emery Music Endowment Fund	47,124	-	8,761	-	55,885	60,068	-	-	-	60,068
John Gale Memorial Endowment	-	-	8,860	(6,776)	2,084	99,662	5,000	-	-	104,662
L. Perry Jr. Endowment	339,418	-	86,696	(85,200)	340,914	722,026	-	-	-	722,026
Lane - Faculty Family	10,524	-	1,676	(3,500)	8,700	10,000	-	-	-	10,000
Lane - Horse Program	(1,380)	-	729	-	(651)	10,300	-	-	-	10,300
Learning Center Scholarship	53,480	-	12,536	(3,300)	62,716	100,000	-	-	-	100,000
McCumber Artist in Residence	9,692	-	1,790	(7,928)	3,554	12,224	-	-	-	12,224
Plant Maintenance Trust	194,664	-	179,232	(18,695)	355,201	1,999,726	-	-	-	1,999,726
Round Square Endowment	12,610	-	10,907	(1,176)	22,341	120,924	-	-	-	120,924
Samuel Li Opportunity Fund	7,688	-	2,127	(491)	9,324	18,351	-	-	-	18,351
Scott Montana Scholarship Endowment	756,035	-	182,797	(46,942)	891,890	1,481,997	-	-	-	1,481,997
Scott Sheriden Scholarship Endowment	158,101	-	70,215	-	228,316	701,548	-	-	-	701,548

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD DESIGNATED NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance
Endowment Funds With Donor Restrictions										
(Continued):										
Sinclair Endowment	\$ (6,800)	\$ -	\$ 3,590	\$ -	\$ (3,210)	\$ 50,750	\$ -	\$ -	\$ -	\$ 50,750
Street Playground Endowment	10,665	-	2,505	(658)	12,512	20,000	-	-	-	20,000
The Rumbough Music Fund	(1,009)	-	917	-	(92)	12,233	-	-	-	12,233
Theda Clark Smith Endowment	15,045	-	10,479	-	25,524	113,257	-	-	-	113,257
Timolat Endowment	(4,181)	-	431	-	(3,750)	9,463	-	-	-	9,463
Subtotal	4,895,269	-	2,132,660	(504,461)	6,523,468	21,187,000	56,997	-	-	21,243,997
Other Endowment Funds Related to Net Assets										
With Donor Restrictions:										
Gardner Carney Endowment	1,134,198	-	274,249	(194,144)	1,214,303	2,173,631	86,110	-	-	2,259,741
7960 Trust	-	-	-	-	-	1,903,576	76,889	-	-	1,980,465
Subtotal	1,134,198	-	274,249	(194,144)	1,214,303	4,077,207	162,999	-	-	4,240,206
Total Endowment Funds With Donor Restrictions	6,029,467	-	2,406,909	(698,605)	7,737,771	25,264,207	219,996	-	-	25,484,203
Pledges Receivable Restricted for Perpetuity:										
Class of 69' Mountain Campus Endowment	-	-	-	-	-	12,549	(6,549)	-	-	6,000
L. Perry Endowment	-	-	-	-	-	8,540	(2,040)	-	-	6,500
Subtotal	-	-	-	-	-	21,089	(8,589)	-	-	12,500

FOUNTAIN VALLEY SCHOOL OF COLORADO
SCHEDULE OF CHANGES IN DONOR RESTRICTED AND BOARD DESIGNATED NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Fund Name	Restricted for Purpose or Time					Held in Perpetuity				
	Beginning Balance	Contributions and Other Additions	Investment Income	Deductions, Transfers, and Expenses	Ending Balance	Beginning Balance	Contributions and Other Additions	Investment Loss	Deductions, Transfers, and Expenses	Ending Balance
Other Net Assets With Donor Restrictions:										
TR Grant '21	\$ 2,011	\$ -	\$ -	\$ (2,011)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Broadcasting/Media	25,320	-	-	(19,279)	6,041	-	-	-	-	-
Athletic Facility/Building Endowment - Gym	1,171,230	-	-	-	1,171,230	-	-	-	-	-
Capital Campaign	(469,570)	4,200	-	465,370	-	-	-	-	-	-
Carillon Tower '22	1,981,660	-	-	(479,704)	1,501,956	-	-	-	-	-
Dunne Entry Fees	340	-	-	(340)	-	-	-	-	-	-
Environmental Science Building	80,000	-	-	-	80,000	-	-	-	-	-
Faith/Speakers	20,600	-	-	(296)	20,304	-	-	-	-	-
Hanna Memorial	1,364	-	-	-	1,364	-	-	-	-	-
Hunter & Lynn Frost Performing Arts Center	53,233	-	-	-	53,233	-	-	-	-	-
Irrigation Project & Bees	442	-	-	(442)	-	-	-	-	-	-
Filk '21	566,941	-	-	(135,607)	431,334	-	-	-	-	-
Rowland '21	1,508,622	-	-	(1,508,622)	-	-	-	-	-	-
Lovelace Riding Award	4,007	-	-	(235)	3,772	-	-	-	-	-
Maker Space	10,380	-	-	(63)	10,317	-	-	-	-	-
Misc. Donor Restricted	4,523	61,062	-	(6,633)	58,952	-	-	-	-	-
Mullen Hacienda Courtyard	8,343	-	-	-	8,343	-	-	-	-	-
Native American Student Fund	26,476	1,550	-	(13,100)	14,926	-	-	-	-	-
PAC Sound System	3,079	-	-	-	3,079	-	-	-	-	-
Resiliency Fund	1,361,358	-	-	(130,386)	1,230,972	-	-	-	-	-
Riding Program	2,114	796	-	-	2,910	-	-	-	-	-
Science Department Grant	144	-	-	(143)	1	-	-	-	-	-
Scott Land Conservation	17,489	-	-	(1,523)	15,966	-	-	-	-	-
Subtotal	6,380,106	67,608	-	(1,833,014)	4,614,700	-	-	-	-	-
Other Restricted Funds:										
J. Coonly Unitrust	103,401	-	-	(20,403)	82,998	-	-	-	-	-
Subtotal	103,401	-	-	(20,403)	82,998	-	-	-	-	-
Total Donor Restricted Net Assets	<u>\$ 12,512,974</u>	<u>\$ 67,608</u>	<u>\$ 2,406,909</u>	<u>\$ (2,552,022)</u>	<u>\$ 12,435,469</u>	<u>\$ 25,285,296</u>	<u>\$ 211,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,496,703</u>
Board-Designated Quasi Endowment	<u>\$ 9,776,908</u>	<u>\$ -</u>	<u>\$ 798,780</u>	<u>\$ (1,281,636)</u>	<u>\$ 9,294,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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APPENDIX C

FORMS OF THE INDENTURE AND LOAN AGREEMENT

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INDENTURE OF TRUST

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY,
as Authority

to

UMB BANK, NATIONAL ASSOCIATION,
as Trustee

Executed as Part of the Proceedings Pertaining to the
Authorization and Issuance of:

\$[_____]

Colorado Educational and Cultural Facilities Authority
Independent School Revenue Bonds
(Fountain Valley School of Colorado Project)
Series 2026

Dated as of May 1, 2026

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of May 1, 2026 (this “Indenture”), by and between the **COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY**, an independent public body politic and corporate, constituting a public instrumentality (the “Authority”), and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”), being authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America;

WITNESSETH:

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Indenture, and if not defined below shall have the definition or the same meaning set forth in the hereinafter defined Loan Agreement; and

WHEREAS, the Authority is authorized by the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23 of the Colorado Revised Statutes, as amended (the “Act”) and the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the “Supplemental Act”), to make secured or unsecured loans to persons, educational institutions and cultural institutions operating in the State of Colorado (the “State”), for the purpose of financing or refinancing the costs of the acquisition, construction, reconstruction, repair, alteration, equipment, enlargement, improvement and extension of facilities required or useful for the operation of an educational institution or a cultural institution and the refunding or refinancing of any outstanding obligations incurred to finance such facilities; and

WHEREAS, Fountain Valley School of Colorado (the “Borrower”), a nonprofit corporation duly incorporated and existing under the laws of the State, has requested, pursuant to and in accordance with the Act and the Supplemental Act, the Authority to issue its bonds and loan the proceeds therefrom to the Borrower pursuant to the terms of the Loan Agreement, dated as of May 1, 2026 (the “Loan Agreement”), by and between the Authority and the Borrower, in order to (a) finance the acquisition, design, construction, improvement, renovation, expansion, furnishing and equipping of (i) a new 20,800 square-foot Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces, (ii) a new 34,000-square-foot Humanities building and (iii) various capital improvement projects, including but not limited to certain deferred maintenance projects (collectively, the “Project Facilities”), all located on the Borrower’s 1,100-acre core campus, located at 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911; (b) fund a debt service reserve fund for the hereinafter defined Series 2026 Bonds; and (c) pay costs of issuing the Series 2026 Bonds (collectively, the “Project”); and

WHEREAS, the Act and the Supplemental Act authorize the Authority to issue revenue bonds to finance the Project; and

WHEREAS, in order to finance the Project, the Authority shall, pursuant to the Act, the Supplemental Act and the Resolution (defined below), issue its Independent School Revenue

Bonds (Fountain Valley School of Colorado Project), Series 2026 (the “Series 2026 Bonds”) pursuant to and secured by this Indenture; and

WHEREAS, the Loan Agreement provides for the payment by the Borrower of amounts sufficient, together with income from the investment of the funds and accounts established under this Indenture, to enable the Authority to pay the principal of, premium, if any, and interest on the Series 2026 Bonds and other costs incurred in connection with the issuance of the Series 2026 Bonds; and

WHEREAS, the Authority will assign and pledge to the Trustee, without recourse and subject to the Unassigned Rights, certain of its rights under the Loan Agreement as security for the Series 2026 Bonds; and

WHEREAS, the Series 2026 Bonds and the Trustee’s authentication certificates are to be substantially in the form attached hereto as Exhibit A, with such necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Series 2026 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Authority and to constitute this Indenture a valid, binding and legal instrument for the security of the Series 2026 Bonds in accordance with its terms, have been done and performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2026 Bonds by the Registered Owners thereof and of the sum of One Dollar to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Series 2026 Bonds at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Series 2026 Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Series 2026 Bonds are issued and secured, and to secure Additional Parity Indebtedness subject to the limitations set forth in Section 3.01 hereof, has executed and delivered this Indenture and has granted, bargained, sold, alienated, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, alienate, assign, pledge, set over and confirm unto UMB Bank, National Association, as Trustee hereunder, and to its successors and assigns forever, all and singular the following described property, franchises and income (except in all cases, for the Unassigned Rights and any payment in respect thereof):

(a) the rights and interests of the Authority under the Loan Agreement, including the rights of the Authority under and pursuant to the Promissory Note, other than the Unassigned Rights of the Authority under the Loan Agreement and other than the rights of the Authority to receive certain reports and perform certain discretionary acts as reserved in the Loan Agreement;

(b) all Funds created in this Indenture (except the Rebate Fund), except for moneys or obligations deposited with or paid to the Trustee for the redemption of Series

2026 Bonds that are no longer deemed to be Outstanding hereunder, and all Revenues payable to the Trustee by or for the account of the Authority pursuant to the Loan Agreement and this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

(c) All payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Authority under the Loan Agreement including, without limitation, the Loan Payments to be paid by the Borrower to the Trustee for the account of the Authority pursuant to Section 5.02 of the Loan Agreement.

(d) the Pledged Revenues (as defined in the Loan Agreement) and all rights and interests of the Authority in the Pledged Revenues, subject to Permitted Encumbrances, except as to the Unassigned Rights of the Authority under the Loan Agreement.;

(e) all rights and interests of the Authority in the Facilities (as defined in the Loan Agreement), subject to Permitted Encumbrances (as defined in the Loan Agreement), except as to the Unassigned Rights of the Authority under the Loan Agreement;

(f) all trust accounts held by the Trustee containing all insurance and condemnation proceeds payable to the Trustee by or for the account of the Authority pursuant to the Loan Agreement and this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; and

(g) any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security hereunder by the Authority or by anyone on its behalf or with its written consent in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TOGETHER WITH the rights and interests of the Trustee under and pursuant to the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of May 1, 2026 from the Borrower to the Public Trustee in and for El Paso County Colorado, for the benefit of the Trustee (the "Deed of Trust"), encumbering the Facilities (said property, along with the property described in clauses (a) through (f) above being herein referred to as the "Trust Estate");

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Registered Owners of the Series 2026 Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Series 2026 Bonds over any other of the Series 2026 Bonds except as specifically provided herein;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Series 2026 Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2026 Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Principal Fund and the Bond Interest Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, or certain securities as herein permitted, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Authority and the United States of America all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise, this Indenture to be and remain in full force and effect;

IT IS HEREBY EXPRESSLY ACKNOWLEDGED that the Authority has entered into this Indenture and issued the Series 2026 Bonds to fulfill the public purposes of the Act, and the Trustee hereby accepts such Trust Estate and covenants to enforce the provisions of this Indenture, the Loan Agreement and the Deed of Trust so as to effect the public purposes of the Act.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Series 2026 Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights, interests and revenues and funds hereby pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant with the Trustee for the benefit of the Registered Owners from time to time of the Series 2026 Bonds as follows:

ARTICLE I

DEFINITIONS; INDENTURE TO CONSTITUTE CONTRACT

Section 1.01. Definitions. All words and phrases defined in Article I of the Loan Agreement shall have the same meaning in this Indenture. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

“Act” means the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23 of the Colorado Revised Statutes, as amended.

“*Authority Fees and Expenses*” means (i) payment or reimbursement to the Authority for any expenses or indemnification; (ii) the Annual Fee; and (iii) any other reasonable expense that may be incurred by the Authority, plus any Authority late fees incurred with respect to any of the foregoing.

“*Authority Officer*” means the Chair, the Vice Chair, any Assistant Vice Chair, or the Executive Director of the Authority, and, when used with reference to an act or document, also means any other person authorized by resolution of the Authority to perform such act or sign such document.

“*Authorized Denominations*” means with respect to the Series 2026 Bonds, \$5,000 denominations and any integral multiple in excess thereof.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement dated as of May [___], 2026, by and among the Authority, the Borrower and the Underwriter.

“*Business Day*” shall have the meaning as set forth in the Loan Agreement.

“*Campaign Receipts*” means funds received by the Borrower pursuant to the Borrower’s capital campaign.

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

“*Closing Date*” means May [___], 2026.

“*Code*” means the Internal Revenue Code of 1986, as amended, including the regulations promulgated thereunder.

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

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

“*Electronic Means*” or “*electronic means*” means a portable document format (“pdf”) or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*Event of Default*” means those defaults specified in Section 8.01 hereof.

“*Funds*” means the Bond Principal Fund and the Special Optional Redemption Account therein, the Bond Interest Fund, the Project Fund, the Debt Service Reserve Fund, the Issuance Expense Fund and the Rebate Fund, all as established and created by Section 3.02 hereof.

“*Government Obligations*” means obligations described in paragraph (a)(i)-(iv) of the definition of Permitted Investments.

“*Loan Agreement*” means the Loan Agreement, dated as of May 1, 2026, by and between the Authority and the Borrower.

“*Nominee*” means Cede & Co., as nominee of DTC, the initial Securities Depository for the Series 2026 Bonds, and any successor nominee of DTC and, if another Securities Depository replaces DTC as Securities Depository hereunder, any nominee of such substitute Securities Depository.

“*Outstanding*” means, as of any particular time, all Series 2026 Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Series 2026 Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Series 2026 Bonds for the payment or redemption of which cash funds (or securities to the extent described in Section 7.01 hereof) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Series 2026 Bonds); provided that, if such Series 2026 Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Series 2026 Bonds in lieu of which other Series 2026 Bonds have been authenticated under Sections 2.05 and 2.06 hereof; and

(d) Bonds for which the conditions enumerated in Section 5.04 hereof have been met.

“*Participants*” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Series 2026 Bonds as a securities depository.

“*Permitted Investments*” means any of the following which at the time are legal investments under the laws of the State for moneys held hereunder and then proposed to be invested therein:

(a) (i) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America; (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; (iv) evidences of ownership or proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated; or (v) securities of or other interests in any open end or closed end management type investment company or investment trust registered under the federal “Investment Company Act of 1940,” 15 U.S.C. section 80(a)-1 et seq., if the portfolio of such investment company or investment trust is limited to United States of America obligations which are backed by the full faith and credit of the United States of America;

(b) negotiable certificates of deposit issued by, or banker’s acceptances drawn on and accepted by, any bank, including the Trustee, the certificate of deposit or debt

obligations of which (or if such bank is the principal bank in a bank holding company, debt obligations of the bank holding company) are rated, at the time such certificates or acceptances are issued, in one of the three highest Rating Categories;

(c) commercial paper, rated at the time of purchase in one of the three highest Rating Categories or commercial paper backed by a letter of credit or line of credit, with the bank providing the enhancement being rated at the time of purchase in one of the three highest Rating Categories and corporate bonds or notes rated at the time acquired in one of the three highest Rating Categories;

(d) repurchase agreements with any U.S. commercial bank, or with any United States Government securities dealer, provided that such repurchase agreements are fully secured by Government Obligations, and provided further that (i) such collateral is held by the Trustee or any agent acting solely for the Trustee during the term of such repurchase agreement; (ii) such collateral is not subject to liens or claims of third parties and the Trustee has a perfected first security interest in the collateral; (iii) such collateral has a market value (determined at least once every 14 days) at least equal to the amount invested in the repurchase agreement; and (iv) the failure to maintain such collateral at the level required in clause (iii) above will require the Trustee to liquidate the collateral;

(e) certificates of deposit issued by any bank, savings institution or trust company, including the Trustee, and time deposits in any bank, savings institution or trust company, including the Trustee, as to which principal is fully insured by a federally sponsored deposit insurance program;

(f) money market funds including money market funds from which the Trustee or its affiliates may derive a fee for investment advisory or other services to the fund which are rated in the highest Rating Category; and

(g) obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at the time of purchase, are rated in one of the three highest Rating Categories.

“Project” has the meaning set forth in the WHEREAS clauses of this Indenture.

“Rating Agency” means Moody’s Investors Service, Inc., S&P Global Ratings and Fitch Ratings, and their respective successors and assigns.

“Rating Category” or *“Categories”* means the rating category or categories respectively of each Rating Agency.

“Resolution” means the resolution duly adopted by the Authority on April 22, 2026 authorizing among other things, the issuance of the Series 2026 Bonds.

“Registered Owner” or *“Owner”* means the registered owner of any Series 2026 Bond.

“Regular Record Date” means the fifteenth day of the calendar month preceding each regularly scheduled interest payment date for the Series 2026 Bonds.

“Responsible Officer” means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

“Revenues” means all payments received by the Trustee for the account of the Authority pursuant to the Loan Agreement and this Indenture.

“Series 2026 Bonds” means the Colorado Educational and Cultural Facilities Authority Independent School Revenue Bonds (Fountain Valley School of Colorado Project), Series 2026 issued pursuant to Article II hereof.

“Special Optional Redemption Account” means the account by that name within the Bond Principal Fund established pursuant to Section 3.02(a) hereof.

“Special Record Date” means a special record date fixed to determine the names and addresses of Registered Owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.03 hereof.

“Supplemental Act” means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2 of the Colorado Revised Statutes, as amended.

“Tax Agreement” means the Tax Regulatory Agreement, dated as of May 1, 2026, by and among the Authority, the Borrower and the Trustee and including any amendments or supplements thereto.

“Trustee” means UMB Bank, National Association, a national banking association duly organized and validly existing under the laws of the United States of America as trustee under this Indenture, and any of its successors and assigns.

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

“Unassigned Rights” means the rights of the Authority under Sections 4.04, 5.02(c), 7.03, 7.04, 7.05, 7.09, 7.14, 9.04, 10.04, 11.01, and 11.07, of the Loan Agreement and, to the extent not expressly provided in said sections (or in any other sections hereof or thereof) the Authority’s rights thereunder and under this Indenture to (a) inspect books and records; (b) give or receive notices, approvals, consents, requests, and other communications; (c) receive payment or reimbursement for expenses, including without limitation the Annual Fee; (d) immunity from and limitation of liability; (e) indemnification by the Borrower or any other Person; and (f) to enforce, in its own name and on its own behalf, those provisions hereof and of the Loan Agreement and any other document, instrument or agreement entered into with respect to the Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Authority. For avoidance of doubt, the “Unassigned Rights” referenced in clauses (d), (e) and (f), above, shall include (but not be limited to) the rights of the Authority to immunity from and limitation of liability and

indemnification by the Borrower as provided in the Loan Agreement and the right of any Authority Indemnified Party to enforce such rights in his, her or its own name.

“Underwriter” means Stifel, Nicolaus & Company, Inc.

Section 1.02. Indenture To Constitute Contract. In consideration of the purchase and acceptance of any or all of the Series 2026 Bonds by those who shall own the same from time to time, the provisions of this Indenture shall be part of the contract of the Authority with the Registered Owners of the Series 2026 Bonds, and shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Registered Owners from time to time of the Series 2026 Bonds. The pledge made in this Indenture and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Series 2026 Bonds except as specifically provided herein. All of the Series 2026 Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2026 Bonds over any other thereof, except as expressly provided in or pursuant to this Indenture.

Section 1.03. Pledge and Agreement of the State. By the enactment of Section 23-15-124 of the Act, the State has pledged to and agreed with the Registered Owners of any bonds, notes and other obligations issued under the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter, restrict or impair the rights vested in the Authority to acquire, construct, reconstruct, maintain and operate any facility as defined in the Act or to establish, revise, charge and collect rates, rents, fees and other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the Registered Owners of bonds, notes or other obligations authorized and issued pursuant to the Act, and with the parties who may enter into contracts with the Authority pursuant to the Act, and will not in any way impair the rights or remedies of the Registered Owners of such bonds, notes or other obligations of such parties until such bonds, notes or other obligations, together with interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding by or on behalf of such Registered Owners, are fully met and discharged and such contracts are fully performed on the part of the Authority. Nothing in the Act precludes such limitation or alteration if and when adequate provision is made by law for the protection of the owners of such bonds, notes or other obligations of the Authority or those entering into such contracts with the Authority.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF SERIES 2026 BONDS

Section 2.01. Authorized Amount of Series 2026 Bonds. No bonds may be issued under this Indenture except in accordance with this Article. The total principal amount of Series 2026 Bonds that may be issued hereunder is hereby expressly limited to \$[_____], except as provided in Sections 2.05, 2.06 and 2.11 hereof.

Section 2.02. All Series 2026 Bonds Equally and Ratably Secured by Trust Estate Except As Expressly Provided Herein; Special, Limited Revenue Obligation of Series 2026 Bonds and Pledges Securing the Same. All Series 2026 Bonds issued under this Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority or distinction on account of the date or dates or the actual time or times of the issue or maturity of the Series 2026 Bonds, so that all Series 2026 Bonds at any time issued and outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture, and shall all be equally and ratably secured hereby, except as otherwise expressly provided herein.

The Series 2026 Bonds shall constitute special, limited revenue obligations of the Authority payable solely from the receipts and revenues specifically pledged therefor under this Indenture. The Series 2026 Bonds shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or of any county, city, city and county, town, school district or other subdivision of the State, or of any other political subdivision or body corporate and politic within the State other than the Authority (but only to the extent provided in this Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State, except the Authority to the extent provided above, shall be liable thereon; nor shall the Series 2026 Bonds constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds herein provided therefor. The issuance of the Series 2026 Bonds shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Authority to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for their payment, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Authority to create a debt or multiple fiscal year obligation of the State within the meaning of the Constitution or statutes of the State or authorize the Authority to levy or collect taxes or assessments. Neither the members of the Authority nor any person executing the Series 2026 Bonds shall be liable personally on the Series 2026 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Authority. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Authority may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Authority by the Trustee or the Borrower as to the existence of any fact or state of affairs, (b) the Authority shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, and (c) none of the provisions of this Indenture, the Loan Agreement, the Tax Agreement or any other Bond Document shall require the Authority to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, the Loan Agreement, the Tax Agreement or any other Bond

Document unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses, and liability which it may incur as a result of taking such action. It is recognized that notwithstanding any other provision of this Indenture, neither the Borrower, the Trustee, nor any owner of the Bonds shall look to the Authority for damages suffered by the Borrower, the Trustee, or such owner of a Bond as a result of the failure of the Authority to perform any covenant, undertaking, or obligation under this Indenture, the Loan Agreement, the Bonds or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Authority in any of such documents, nor for any other reason. Although this Indenture recognizes that such documents shall not give rise to any pecuniary liability of the Authority, nothing contained in this Indenture shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Authority) in any court or before any governmental body, agency, or instrumentality or otherwise against the Authority or any of its officers or employees to enforce the provisions of any of such documents which the Authority is obligated to perform and the performance of which the Authority has not assigned to the Trustee or any other person; provided, however, that as a condition precedent to the Authority proceeding pursuant to this Section 2.02, the Authority shall have received satisfactory indemnification.

Section 2.03. Authorization of Series 2026 Bonds. There is hereby authorized to be issued pursuant to the Act and the Supplemental Act and hereunder and secured hereby an issue of bonds designated as the “Colorado Educational and Cultural Facilities Authority Independent School Revenue Bonds (Fountain Valley School of Colorado Project), Series 2026” in the aggregate principal amount of \$[_____] (the “Series 2026 Bonds”). The Series 2026 Bonds shall be issuable only as fully registered bonds in Authorized Denominations. The Series 2026 Bonds shall be lettered “R” and shall be numbered separately from 1 upward.

The Series 2026 Bonds shall be dated the date of delivery, and shall bear interest from such date to maturity at a rate per annum equal to [_____]%, on the basis of a 360-day year composed of twelve 30-day months, payable semiannually on June 1 and December 1 of each year, with the first interest payment to be made on [December 1, 2026], except that Series 2026 Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from the date of the Series 2026 Bonds.

The Series 2026 Bonds shall mature in the amount of \$[_____] on [June 1, 2037], unless subject to special optional redemption prior to the maturity date pursuant to Section 5.01 hereof.

Proceeds of the Series 2026 Bonds shall be applied as provided herein and in the Loan Agreement.

The principal of and premium, if any, on the Series 2026 Bonds shall be payable at the designated trust office of the Trustee in Kansas City, Missouri, or at the designated office of its successor in trust upon presentation and surrender of the Series 2026 Bonds. Payment of interest on any Series 2026 Bond shall be made to the Registered Owner thereof by check or draft mailed on the interest payment date by the Trustee to the Registered Owner at his address as it last appears on the registration books kept by the Trustee at the close of business on the Regular Record Date

for such interest payment date, but any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner thereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of such Special Record Date shall be given to the Registered Owners of the Series 2026 Bonds not less than 10 days prior thereto by first-class mail or Electronic Means to each such Registered Owner as shown on the Trustee's registration books on the date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. All payments on the Series 2026 Bonds shall be made in lawful money of the United States of America upon collection of immediately available funds. Each check or other transfer of funds issued for the purpose of paying principal of, premium, if any, and interest on the Series 2026 Bonds shall bear such information identifying, by issue and maturity, the Series 2026 Bonds being paid with the proceeds of such check or other transfer.

The Series 2026 Bonds are subject to prior redemption as herein set forth. The Series 2026 Bonds shall be substantially in the form and tenor hereinabove recited with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Section 2.04. Execution of Series 2026 Bonds. The Series 2026 Bonds shall be executed in the name and on behalf of the Authority, by the manual or facsimile signature of the Chair, Vice-Chair, Executive Director or any Assistant Vice-Chair of the Authority, and the Authority's corporate seal or a facsimile thereof shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon, and attested by the manual or facsimile signature of the Executive Director, the Vice Chair or any Assistant Vice Chair of the Authority. Any Series 2026 Bond may be signed (manually or by facsimile), sealed or attested on behalf of the Authority by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office.

Section 2.05. Registration, Transfer and Exchange of Series 2026 Bonds, Persons Treated as Owners. The Authority shall cause books for the registration and for the transfer of the Series 2026 Bonds as provided in this Indenture to be kept by the Trustee which is hereby appointed the transfer agent of the Authority for the Series 2026 Bonds. Notwithstanding such appointment, the Trustee is hereby authorized to make any arrangements with other institutions that it deems necessary or desirable in order that such institutions may perform the duties of transfer agent for the Series 2026 Bonds. Upon surrender for transfer of any Series 2026 Bond at the designated office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Series 2026 Bond or Series 2026 Bonds for a like aggregate principal amount of the same maturity.

Series 2026 Bonds may be exchanged at the designated office of the Trustee for a like aggregate principal amount of fully registered Series 2026 Bonds of the same maturity in Authorized Denominations. The Authority shall execute and the Trustee shall authenticate and deliver Series 2026 Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding. The execution by the Authority of any fully

registered Series 2026 Bond of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such fully registered Series 2026 Bond.

The Trustee shall not be required to transfer or exchange any Series 2026 Bond during the period of 15 days next preceding the mailing of notice of redemption as herein provided. After the giving of such notice of redemption, the Trustee shall not be required to transfer or exchange any Series 2026 Bond, which Series 2026 Bond or portion thereof has been called for redemption.

As to any Series 2026 Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes (except to the extent otherwise provided herein with respect to Regular Record Dates and Special Record Dates) for the payment of interest, and payment of either principal or interest on any fully registered Series 2026 Bond shall be made only to or upon the written order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond to the extent of the sum or sums paid.

The Trustee and the Authority shall require any Registered Owner requesting exchange or transfer to pay the reasonable expenses of the Authority, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Borrower shall, under the Loan Agreement, be liable to pay all expenses and charges of the Authority and of the Trustee in connection with such exchange or transfer.

Section 2.06. Lost, Stolen, Destroyed and Mutilated Series 2026 Bonds. Upon receipt by the Authority and the Trustee of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Series 2026 Bond and, in the case of a lost, stolen or destroyed Series 2026 Bond, of indemnity satisfactory to them, and upon surrender and cancellation of the Series 2026 Bond, if mutilated, (a) the Authority shall execute, and the Trustee shall authenticate and deliver, a new Series 2026 Bond of the same maturity and denomination in lieu of such lost, stolen, destroyed or mutilated Series 2026 Bond; or (b) if such lost, stolen, destroyed or mutilated Series 2026 Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Series 2026 Bond as aforesaid, the Authority may pay such Series 2026 Bond. Any such new Series 2026 Bond shall bear a number not contemporaneously outstanding. The applicant for any such new Series 2026 Bond may be required to pay all expenses and charges of the Authority and of the Trustee in connection with the issuance of such Series 2026 Bond. All Series 2026 Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Series 2026 Bonds, negotiable instruments or other securities. All Series 2026 Bonds which have been redeemed or surrendered shall be canceled or otherwise destroyed by the Trustee in accordance with the customary practices of the Trustee and applicable record retention requirements.

Section 2.07. Delivery of Series 2026 Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2026 Bonds and deliver them to the initial purchasers thereof as directed by the Authority and as hereinafter in this Section provided.

Prior to the delivery by the Trustee of any of the Series 2026 Bonds, there shall have been filed with or delivered to the Trustee the following:

(a) the Resolution duly adopted by the Authority, certified by the Executive Director or other Authority Officer thereof, authorizing the issuance of the Series 2026 Bonds, the execution and delivery of the Loan Agreement, the Bond Purchase Agreement, the Tax Agreement and this Indenture and the issuance of the Series 2026 Bonds;

(b) a duly executed copy of this Indenture, the Loan Agreement, the Deed of Trust and the Tax Agreement;

(c) the written order of the Authority as to the delivery of the Series 2026 Bonds signed by an Authority Officer;

(d) an opinion of counsel to the Authority and the Borrower, including but not limited to, opinions as to the enforceability of any resolutions authorizing the Loan Agreement and the security interest in the Trust Estate and otherwise in form acceptable to the Authority; and

(e) an Opinion of Bond Counsel substantially to the effect that the Series 2026 Bonds constitute legal, valid and binding obligations and that interest on the Series 2026 Bonds is exempt from federal and state income taxes.

Section 2.08. Trustee's Authentication Certificate. The Trustee's authentication certificate upon the Series 2026 Bonds shall be substantially in the form and tenor hereinbefore provided. No Series 2026 Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Trustee, and such certificate of the Trustee upon any Series 2026 Bond shall be conclusive evidence and the only competent evidence that such Series 2026 Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Series 2026 Bonds issued hereunder.

Section 2.09. Cancellation and Destruction of Series 2026 Bonds. Whenever any Outstanding Series 2026 Bonds shall be delivered to the Trustee for cancellation thereof pursuant to this Indenture, upon payment of the principal amount or interest represented thereby, or for replacement pursuant to Section 2.06 hereof such Series 2026 Bonds shall be promptly cancelled and destroyed by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

Section 2.10. Reserved.

Section 2.11. Book-Entry System; Special, Limited Revenue Obligation of Authority.

(a) The Series 2026 Bonds shall be initially issued in the form of single, certificated, fully registered Series 2026 Bonds for each maturity. Upon initial issuance,

the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Series 2026 Bonds registered in the name of Cede or held by a Depository, neither the Authority nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Series 2026 Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Series 2026 Bonds, including notice of redemption; and (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Series 2026 Bonds. The Authority and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Series 2026 Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the Authority pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Series 2026 Bonds at any time by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law. DTC or any successor Depository may be removed at any time by the Authority. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book entry transfers upon reasonable and customary terms may be engaged by the Authority or, if the Authority determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the Authority that the Beneficial Owners should be able to obtain certificated Series 2026 Bonds, the Series 2026 Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

(d) The Authority, in its sole discretion and without the consent of any other Person, may terminate the services of DTC with respect to the Bonds if the Authority determines that:

- (i) DTC is unable to discharge its responsibilities with respect to the Bonds; or
- (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration records kept by the Trustee in the name of Cede or any other nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds.

(e) Upon the termination of the services of DTC with respect to the Bonds pursuant to Section 2.11(c) or (d) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Trustee is obligated at the written direction of the Authority to deliver Bond certificates at the expense of the Borrower and the Bonds shall no longer be restricted to being registered in the registration records kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 2.12. Supplemental Public Securities Act Provisions. Pursuant to the Resolution, the Authority has elected to apply certain provisions of the Supplemental Act to the Bonds. Pursuant to Section 11-57-210 of the Supplemental Act, each Bond shall recite that it is issued under the authority of the Resolution and the Supplemental Act and that it is the intention of the Authority that such recital shall be conclusive evidence of the validity and the regularity of the issuance of such Bonds after their delivery for value. Pursuant to Section 11-57-208 of Supplemental Act, the assets pledged under the Indenture for the payment of the Bonds, as received by or otherwise credited to the Authority, shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge and the obligation to perform the contractual provisions made in the Resolution and the Indenture shall have priority over any or all other obligations and liabilities of the Authority. The lien of such pledge shall be valid, binding and enforceable as against all persons having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such persons have notice of such lien.

ARTICLE III

REVENUES AND FUNDS

Section 3.01. Pledge of Trust Estate. Subject only to the rights of the Authority to apply amounts under the provisions of this Article III, a pledge of the Trust Estate to the extent provided herein is hereby made, and the same is pledged to secure the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds and any Additional Parity Indebtedness under the Loan Agreement, on an equal and ratable, parity basis. Notwithstanding the foregoing, the Project Fund shall only secure the Series 2026 Bonds and the Borrower's obligations with respect thereto and shall not be deemed to secure the Additional Parity Indebtedness. The pledge hereby made shall be valid and binding from and after the time of the delivery by the Trustee of the first Series 2026 Bond authenticated and delivered under this Indenture. The security so pledged and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Authority with respect to the Trust Estate and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

Section 3.02. Establishment of Funds. The Authority hereby establishes and creates the following funds, which shall be special trust funds held by the Trustee:

- (a) Bond Principal Fund; and the Special Optional Redemption Account therein;
- (b) Bond Interest Fund;
- (c) Debt Service Reserve Fund;
- (d) Project Fund;
- (e) Issuance Expense Fund; and
- (f) Rebate Fund.

The Trustee shall apply the proceeds of the Series 2026 Bonds in the manner set forth in Section 4.01 of the Loan Agreement.

Section 3.03. Payments Into the Bond Principal Fund and the Bond Interest Fund. There shall be deposited into the Bond Interest Fund all accrued interest, if any, received from the sale of the Series 2026 Bonds to the initial purchasers thereof. In addition, there shall be deposited into the Bond Principal Fund or the Bond Interest Fund, as appropriate, and as and when received (a) all payments pursuant to Section 5.02(a) of the Loan Agreement; (b) all other moneys required or permitted to be deposited into the Bond Principal Fund or Bond Interest Fund pursuant to the Loan Agreement or this Indenture, including any supplements hereto; and (c) all other moneys received by the Trustee when accompanied by directions not inconsistent with the Loan Agreement or this Indenture that such moneys are to be paid into the Bond Principal Fund or Bond Interest Fund. There shall also be retained in the Bond Principal Fund and Bond Interest Fund, respectively, interest and other income received on investment of moneys in the Bond Principal Fund and Bond Interest Fund to the extent provided in Section 6.03 hereof. If the Trustee does not receive payments into the Bond Principal Fund and the Bond Interest Fund pursuant to Section 5.02(a) of the Loan Agreement when due after expiration of the applicable grace period, the Trustee will immediately notify the Authority and the Borrower of such nonpayment; and if such payments are not received within five days thereafter, the Trustee shall notify the Registered Owners of the Series 2026 Bonds.

Section 3.04. Use of Moneys in the Bond Principal Fund and the Bond Interest Fund.

(a) Any accrued or capitalized interest deposited into the Bond Interest Fund pursuant to Section 3.03 hereof shall be used to pay interest on the Series 2026 Bonds. Except as provided in this Section and in Sections 3.14, 3.15, 6.03 and 8.05 hereof, moneys in the Bond Principal Fund shall be used solely for the payment of the principal of and premium, if any, on the Series 2026 Bonds, and moneys in the Bond Interest Fund shall be used solely for the payment of the interest on the Series 2026 Bonds.

(b) In the event that the Borrower makes a prepayment pursuant to Section 10.01 of the Loan Agreement and elects pursuant to Section 5.01 hereof to apply

the amount so prepaid from Campaign Receipts to the redemption of Series 2026 Bonds, such prepayment shall first be deposited in the Special Optional Redemption Account and shall be transferred in appropriate amounts to the Bond Principal Fund and the Bond Interest Fund and applied thereafter to the redemption of Series 2026 Bonds as promptly as practicable in accordance with the provisions of this Indenture.

(c) Whenever the total amount in the Bond Principal Fund, the Bond Interest Fund and the Debt Service Reserve Fund is sufficient to redeem all of the Series 2026 Bonds Outstanding and to pay interest to accrue thereon prior to such redemption, and redemption premium, if any, the Authority, upon written notice from the Trustee and subject to the requirements of the Loan Agreement, covenants to take and cause to be taken the necessary steps to redeem all of the Series 2026 Bonds on the redemption date for which the required redemption notice has been given.

Section 3.05. Custody of the Bond Principal Fund and the Bond Interest Fund. The Bond Principal Fund and the Bond Interest Fund shall be in the custody of the Trustee but in the name of the Authority, and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Bond Principal Fund to pay the principal of and premium, if any, on the Series 2026 Bonds as the same become due and payable, and to withdraw sufficient funds from the Bond Interest Fund to pay the interest on the Series 2026 Bonds as the same becomes due and payable or to make transfers to the Rebate Fund pursuant to Section 3.14 hereof.

Section 3.06. Payments Into and Use of Moneys in the Project Fund. There shall be deposited in the Project Fund from the Series 2026 Bond proceeds, the amount set forth in Section 4.01(b) of the Loan Agreement.

The Project Fund shall be in the custody of the Trustee but in the name of the Authority, and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Project Fund for the Costs of the Project as set forth in Section 4.05 of the Loan Agreement, which authorization and direction the Trustee hereby accepts.

Section 3.07. Issuance Expense Fund.

(a) There shall be deposited in the Issuance Expense Fund the moneys received from the Borrower in the amount set forth in Section 4.01(a) of the Loan Agreement. There shall also be retained in the Issuance Expense Fund interest and other income received on investments of Issuance Expense Fund as provided in Section 6.03 hereof. Except as provided in Section 3.14 hereof, such moneys shall be expended to pay issuance expenses in accordance with the provisions of Section 4.02 of the Loan Agreement; provided, however, amounts necessary to pay for invoiced fees of nationally recognized municipal bond counsel, the Authority and the Trustee may be paid by the Trustee without additional documentation. The Trustee is hereby authorized and directed to issue its checks on or make wire payments from the Issuance Expense Fund for each payment in accordance with Section 4.02 of the Loan Agreement. The Trustee shall make payments from the Issuance Expense Fund in accordance with the closing memorandum provided by the Underwriter dated as of the Closing Date.

(b) The Trustee shall keep and maintain adequate records pertaining to the Issuance Expense Fund and all payments therefrom, which shall be open to inspection by the Borrower or its duly authorized agents during normal business hours of the Trustee. After all expenses incurred in connection with the issuance of the Series 2026 Bonds have been paid and a certificate of payment of all costs filed as provided in paragraph (c) below, the Trustee shall file a statement in the form of its customary trust statement detailing income and disbursements with respect thereto with the Borrower and the Authority.

(c) Upon the earlier of: (i) receipt by the Trustee of a Certificate of Borrower Representative stating that all expenses incurred in connection with the issuance of the Series 2026 Bonds have been paid; or (ii) six months after the Closing Date, any moneys remaining in the Issuance Expense Fund shall be transferred to the Project Fund and the Issuance Expense Fund shall be closed.

(d) The Issuance Expense Fund shall be in the custody of the Trustee but in the name of the Authority and the Authority authorizes and directs the Trustee to withdraw sufficient funds from the Issuance Expense Fund for the purposes set forth herein and in Section 4.04 of the Loan Agreement, which authorization and direction the Trustee hereby accepts.

Section 3.08. Debt Service Reserve Fund.

(a) There shall be deposited into the Debt Service Reserve Fund all moneys required to be paid by the Borrower to the Trustee pursuant to Section 5.02(b) of the Loan Agreement. In addition, there shall also be deposited into the Debt Service Reserve Fund (a) all moneys transferred to the Debt Service Reserve Fund from the Bond Principal Fund or the Bond Interest Fund pursuant to Section 6.03 hereof; (b) all other moneys required to be deposited therein pursuant to the Loan Agreement or this Indenture; and (c) all other moneys received by the Trustee when accompanied by directions not inconsistent with the Loan Agreement, the Deed of Trust or this Indenture that such moneys are to be paid into the Debt Service Reserve Fund. There also shall be retained in the Debt Service Reserve Fund interest and other income received on investments of Debt Service Reserve Fund moneys to the extent provided in Section 6.03 hereof.

(b) Except as provided in Sections 3.11 and 3.14 hereof, moneys in the Debt Service Reserve Fund shall be used by the Trustee promptly and solely for the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds in the event moneys in the Bond Principal Fund and Bond Interest Fund are insufficient to make such payments when due, whether on an interest payment date, sinking fund redemption date, maturity date or otherwise in an amount necessary to cure such Event of Default and notwithstanding any other provision of this Indenture. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 9.02(a) of the Loan Agreement or under the Deed of Trust and under Section 8.02(a) hereof, any moneys in the Debt Service Reserve Fund shall be transferred by the Trustee to the Bond Interest Fund, and with respect to any moneys in excess of the amount required to be transferred to the Bond Interest Fund, to the Bond Principal Fund and applied in accordance with Section 8.05 hereof. On the final maturity date of the Series 2026 Bonds any moneys

in the Debt Service Reserve Fund may be used to pay the principal of and interest on the Series 2026 Bonds on such final maturity date. In the event of the redemption of the Series 2026 Bonds, in whole, any moneys in the Debt Service Reserve Fund shall be transferred to the Bond Principal Fund and applied to the payment of the principal of and premium, if any, on the Series 2026 Bonds. The Trustee shall value the Investment Obligations in the Debt Service Reserve Fund semiannually on June 30 and December 31 of each year at their market value. If on any valuation date the amount in the Debt Service Reserve Fund (determined pursuant to this Section) is greater than the Debt Service Reserve Fund Requirement, such excess shall be transferred by the Trustee to the Bond Interest Fund and applied to the payment of the interest on the Series 2026 Bonds; provided, however, that the amount remaining in the Debt Service Reserve Fund (determined pursuant to this Section) immediately after such transfer shall not be less than the Debt Service Reserve Fund Requirement for the Series 2026 Bonds on that date. If on any valuation date the amount in the Debt Service Reserve Fund (determined pursuant to this Section) is less than the Debt Service Reserve Fund Requirement, the Trustee shall notify the Borrower of its obligation pursuant to Section 5.02(b) of the Loan Agreement.

(c) At such times as moneys are to be transferred out of the Debt Service Reserve Fund for deposit into the Bond Principal Fund or the Bond Interest Fund pursuant to this Section or to the Rebate Fund pursuant to Section 3.13 hereof, the Trustee shall use cash or Investment Obligations in such order of priority as the Borrower shall direct in writing. If no Borrower direction has been received, the Trustee shall apply amounts in the Debt Service Reserve Fund first to interest due and owing on the Series 2026 Bonds and second to principal on the Series 2026 Bonds.

(d) Within five Business Days of any transfer of funds from the Debt Service Reserve Fund to the Bond Principal Fund or the Bond Interest Fund as provided in this Section, the Trustee shall notify the Borrower and the Authority in writing of such transfer and of the amount of the deficiency, if any, of amounts then on deposit in the Debt Service Reserve Fund as of such date.

(e) Anything contained herein to the contrary notwithstanding, \$[] (the amount of the Debt Service Reserve Fund Requirement initially funded with the proceeds of the Series 2026 Bonds) on deposit in the Debt Service Reserve Fund, plus any interest earned thereon, to the extent such amounts do not consist of the proceeds of the Series 2026 Bonds, shall be transferred by the Trustee to the Bond Interest Fund and Bond Principal Fund, as needed, to cure a deficiency, and, if, on any Interest Payment Date, the amount then on hand in the Bond Interest Fund or the Bond Principal Fund is not sufficient to pay the principal and interest then due on the Series 2026 Bonds, whether at maturity or upon redemption or by acceleration.

(f) The Debt Service Reserve Fund shall be in the custody of the Trustee and the Authority hereby authorizes and directs the Trustee to withdraw sufficient funds from the Debt Service Reserve Fund to pay the principal of, premium, if any, and interest on the Series 2026 Bonds pledged for the repayment thereof and for the purpose described in Section 3.14 hereof, which authorization and direction the Trustee hereby accepts. In the event there shall be a deficiency in the Bond Principal Fund or the Bond Interest Fund on

any payment date for the Series 2026 Bonds, the Trustee shall promptly make up such deficiency from the Debt Service Reserve Fund so that the amount therein is equal to such deficiency.

Section 3.09. Nonpresentment of Series 2026 Bonds. In the event any Series 2026 Bonds shall not be presented for payment when the final principal payment thereof becomes due, either at maturity, the date fixed for final redemption and cancellation thereof, or otherwise, if collected funds sufficient for the payment thereof shall have been deposited in the Bond Principal Fund and the Bond Interest Fund or otherwise made available to the Trustee for deposit therein, all liability of the Authority to the Registered Owner or Registered Owners thereof for the payment of such Series 2026 Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds in a separate trust account for the benefit of the Registered Owner or Registered Owners of such Series 2026 Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her or their part under this Indenture with respect to said Series 2026 Bond or on, or with respect to, said Series 2026 Bond. The Trustee shall be under no obligation to, and shall not be required to, invest such funds pending payment of the Series 2026 Bonds. If any Series 2026 Bond shall not be presented for payment of the final principal payment within the period of three years following the date when such Series 2026 Bond becomes due, whether by maturity or as otherwise described herein, the Trustee shall return to the Borrower the funds theretofore held by it for payment of such Series 2026 Bond, and such Series 2026 Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Borrower.

Section 3.10. Moneys To Be Held in Trust. All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture and, except for moneys deposited with or paid to the Trustee for the redemption of Series 2026 Bonds for which the notice of redemption has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate (other than the Rebate Fund) and be subject to the lien hereof.

Section 3.11. Repayment from the Funds. Any amounts remaining in the Funds after payment in full of the Series 2026 Bonds (or making provision for such payment in accordance with Article VII hereof), the fees and expenses of the Trustee, the Annual Fee, payments due in respect of the Unassigned Rights and all other amounts required to be paid hereunder and under the Loan Agreement to the Authority, and all other amounts required to be paid hereunder and under the Loan Agreement to the Authority and all other amounts required to be paid hereunder and under the Loan Agreement shall, upon the expiration of the term of the Loan Agreement, be paid as the Borrower Representative shall direct in writing.

Section 3.12. Creation of Additional Accounts and Subaccounts; Transfers of Moneys Among Funds. The Trustee shall, at the written request of the Borrower Representative and the Authority, establish such additional accounts within any of the Funds established under this Indenture, and subaccounts within any of the accounts established under this Indenture, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from such Funds, accounts and subaccounts; but the establishment of any such additional accounts or subaccounts shall not alter or modify any of the requirements of this Indenture with respect to the deposit or use of the moneys in any Fund

established hereunder. The Trustee shall be compensated by the Borrower for any additional costs incurred in connection with the creation of any additional accounts or subaccounts.

Section 3.13. Rebate Fund. There is hereby created and established with the Trustee for the benefit of the United States of America a Rebate Fund in the name of the Authority which shall be expended in accordance with the provisions hereof and the Tax Agreement. The Borrower shall be responsible for making all such deposits to the Rebate Fund as required in the Tax Agreement and the Loan Agreement. The Trustee shall invest the Rebate Fund at the written direction (or by verbal instruction promptly confirmed in writing) of the Borrower Representative pursuant to said Tax Agreement and shall deposit income from said investments immediately upon receipt thereof in the Rebate Fund, all as set forth in the Tax Agreement. For purposes of determining rebate calculations, that may be required with respect thereto pursuant to the Tax Agreement, the Borrower shall employ, at its own expense, a firm with recognized expertise in the area of rebate calculation, and the Trustee may conclusively rely upon the calculation made by such firm and shall not be liable or responsible therefor. The Tax Agreement may be superseded or amended upon receipt by the Trustee and the Authority of an opinion of Bond Counsel that such change or changes will not adversely affect the exclusion of interest on the Series 2026 Bonds from gross income of the recipients thereof for purposes of federal income taxation. Neither the Trustee nor the Authority shall have any obligation to pay any amounts required to be rebated pursuant to this section and the Tax Agreement, other than from moneys held in the Rebate Fund as provided in this Indenture or from other moneys provided to it by the Authority.

Section 3.14. Rebate Deposits. The Trustee shall make the rebate deposit described in the Tax Agreement from funds provided to the Trustee by the Borrower and based upon the written instructions of the Borrower Representative. If a withdrawal from the Rebate Fund is permitted as a result of such computation, the amount withdrawn shall be deposited in the Bond Principal Fund in accordance with written instructions furnished to the Trustee. Records of the determinations required by this Section and the Tax Agreement must be retained by the Borrower Representative and the Trustee for a period of four years after the later of (i) payment in full of the Series 2026 Bonds or (ii) payment in full of any bonds issued to refund the Series 2026 Bonds.

Subject to the limitations of Section 6.03(c) hereof, if the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, the Trustee at the written direction of the Borrower shall transfer moneys to the Rebate Fund from the following Funds in the following order of priority: the Issuance Expense Fund, the Debt Service Reserve Fund, the Project Fund, the Bond Principal Fund and the Bond Interest Fund.

Section 3.15. Rebate Disbursements. Not later than 60 days after the last day of the fifth Bond Year, as defined in the Tax Agreement, and every five years thereafter, the Trustee shall pay to the United States of America at the written direction of the Rebate Analyst and with notice to the Borrower Representative, 90% of the amount on deposit in the Rebate Fund as of such payment date. No later than 60 days after the final retirement of the Series 2026 Bonds, the Trustee shall pay to the United States of America 100% of the balance remaining in the Rebate Fund (or such lesser amount as shall be due and owing to the United States of America) as specified in written instructions of the Borrower. Nothing herein shall relieve the Borrower of its obligation to pay the rebate amount in accordance with the Loan Agreement. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the Internal Revenue

Service Center, Ogden, Utah 84201. Each payment shall be accompanied by a copy of the Internal Revenue Form 8038 originally filed with respect to the Series 2026 Bonds, Internal Revenue Form 8038-T and, if necessary, a statement summarizing the determination of the amount to be paid to the United States of America.

Section 3.16. Tax Agreement. The use and investment of moneys in any of the Funds shall be subject to the provisions of the Tax Agreement, and the Trustee and the Authority agree to perform of their duties as expressly set forth thereunder.

Section 3.17. Insurance and Condemnation Proceeds. Reference is hereby made to the provisions of the Loan Agreement wherein it is provided that under certain circumstances the Net Proceeds of insurance payments and condemnation awards are to be paid to the Trustee and to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform such duties and obligations of the Trustee specified in the Loan Agreement, with respect to insurance payments and condemnation awards. The Trustee shall cooperate with the Borrower at the Borrower's expense in the handling and conduct of any prospective or pending insurable event or condemnation proceeding with respect to the Facilities or any part thereof.

ARTICLE IV

COVENANTS OF THE AUTHORITY

Section 4.01. Performance of Covenants. The Authority covenants that it will, to the extent within its control, faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Series 2026 Bond and in all proceedings of the Authority pertaining thereto. The Authority covenants, represents, warrants and agrees that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation, the Act and the Supplemental Act, to issue the Series 2026 Bonds and to execute this Indenture, to pledge the property described herein and pledged hereby and to pledge the Trust Estate in the manner and to the extent herein set forth, that all actions on its part required for the issuance of the Series 2026 Bonds and the execution and delivery of this Indenture have been duly and effectively taken or will be duly taken as provided herein, and that this Indenture is a valid and enforceable instrument of the Authority and that the Series 2026 Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Authority according to the terms thereof, except as the enforceability thereof may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally or against public corporations such as the Authority and by the application of general principles of equity.

Section 4.02. Instruments of Further Assurance. The Authority covenants that it will, to the extent within its control, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging and hypothecating unto the Trustee all and singular the Trust Estate to the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds; provided, however, that the Authority shall not be required to expend any money or take any action unless it

is reimbursed by the Borrower for the expense or the cost of taking such action. The Authority shall be under no obligation to prepare, record, or file any such instruments or transfers.

Section 4.03. Payment of Principal, Premium, if any, and Interest. The Authority will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Series 2026 Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from the Trust Estate, which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Series 2026 Bonds or in this Indenture shall be considered or construed as pledging any funds or assets of the Authority other than those pledged hereby or creating any liability of the Authority's directors, employees, attorneys or other agents.

Section 4.04. Conditions Precedent. Upon the date of issuance of any of the Series 2026 Bonds, the Authority hereby covenants that all conditions, acts and things required of the Authority by the Constitution or statutes of the State or by the Act or by this Indenture to exist, to have happened or to have been performed precedent to or in the issuance of the Series 2026 Bonds shall exist, have happened and have been performed.

Section 4.05. Recordation or Filing of Security Instruments. The Trustee shall, at the expense and at the written request of the Borrower, cause all continuation statements under the Colorado Uniform Commercial Code, as may be required, at all times to be recorded, registered and filed and to be kept, recorded, registered and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Registered Owners and all rights of the Trustee hereunder, provided that a copy of the filed initial financing statement is timely delivered to the Trustee. Notwithstanding the foregoing, the Trustee is not responsible for filing any initial financing statements on the Closing Date with respect to this Indenture, or record, register or file the Indenture or the Loan Agreement. The Authority shall have no responsibility for the filing, perfection or continuation of any security interest created under this Indenture or the Loan Agreement. The Trustee shall not be responsible for filing or for the sufficiency or accuracy of any financing statements initially filed to perfect security interests granted under this Indenture. In addition, unless the Trustee shall have been notified in writing by the Borrower that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (a) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section, and (b) filing any continuation statements in the same filing offices as the initial filings were made.

Section 4.06. Rights Under the Loan Agreement and Deed of Trust. To the extent within its control, the Authority will observe all of the obligations, terms and conditions required on its part to be observed or performed under the Loan Agreement and under the Deed of Trust. The Authority, except in respect of the Unassigned Rights, agrees that wherever in the Loan Agreement it is stated that the Authority will notify the Trustee, whenever the Loan Agreement or Deed of Trust gives the Trustee some right or privilege, or in any way attempts to confer upon the Trustee the ability for the Trustee to protect the security for payment of the Series 2026 Bonds, that such part of the Loan Agreement or Deed of Trust, as applicable, shall be as though it were set out in this Indenture in full. The Trustee is hereby obligated to monitor the receipt of those documents, certificates or reports of the Borrower and distribute such documents, certificates or reports to the Registered Owners.

The Authority agrees that the Trustee as assignee of the Loan Agreement and beneficiary of the Deed of Trust, shall be entitled (but not obligated) to enforce, in its name or in the name of the Authority, all rights of the Authority (other than the rights of the Authority under Sections 5.02(c), 7.05, 7.14 and 9.04 of the Loan Agreement and other than the rights of the Authority to receive certain notices and reports and to perform certain discretionary acts reserved in the Loan Agreement) and all obligations of the Borrower under and pursuant to the Loan Agreement or the Deed of Trust (subject to certain exceptions, including the Unassigned Rights, stated in the granting clauses hereof) for and on behalf of the Registered Owners, whether or not the Authority is in default hereunder.

Section 4.07. Foreign Tax Compliance Act. The Authority acknowledges that, under the provisions of the Foreign Account Tax Compliance Act, the Trustee is obligated to withhold a percentage of the proceeds from any disbursement to a payee that has not delivered to the Trustee a tax identification number on a correctly completed IRS Form W-9. If requested by the Trustee, the Authority shall provide the Trustee with a copy of any such completed Form W-9 form for the initial disbursement to any payee pursuant to any provision hereof.

ARTICLE V

REDEMPTION OF SERIES 2026 BONDS PRIOR TO MATURITY

Section 5.01. Special Optional Redemption of Series 2026 Bonds.

(a) The Series 2026 Bonds are subject to redemption prior to their scheduled maturity, at the option of the Borrower, from Campaign Receipts, in whole or in part, and if in part in Authorized Denominations, on any date on and after [_____], at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium. Such special optional redemption shall be conditioned upon the deposit by the Borrower of Campaign Receipts with the Trustee in the Special Optional Redemption Account at least thirty (30) days prior to the date fixed for redemption.

(b) The Series 2026 Bonds are also redeemable at the option and upon the written direction of the Borrower in whole at any time or in part (only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Series 2026 Bonds pursuant to paragraphs (b)(i) or (b)(ii) of this Section) on any interest payment date from and to the extent of funds on deposit under this Indenture and available for this purpose at a redemption price equal to the principal amount of each Series 2026 Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(i) The Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee (A) the Facilities cannot reasonably be restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction, or (B) the Borrower or its lessee are thereby prevented from carrying on its normal operations for a period of six consecutive months, or (C) the

cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.03 of the Loan Agreement.

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

(iii) As a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, the Loan Agreement or Deed of Trust 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 Borrower in respect to the Facilities, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement. Redemption pursuant to this paragraph (iii) shall be in whole only.

Section 5.02. Method of Selecting Series 2026 Bonds. In the event that less than all of the Outstanding Series 2026 Bonds shall be redeemed, the Series 2026 Bonds redeemed shall be redeemed in such order of maturity as the Borrower Representative shall determine in accordance with written directions furnished to the Trustee (less than all of the Series 2026 Bonds of a single maturity to be selected by lot in such manner as the Trustee may determine, or, if the Series 2026 Bonds are registered to participate in the DTC system, as determined by DTC pursuant to its policies and procedures in effect from time to time). In case a Series 2026 Bond is of a denomination larger than \$5,000, a portion of such Series 2026 Bond (\$5,000 or any integral multiple thereof) may be redeemed, but Series 2026 Bonds shall be redeemed only in Authorized Denominations.

Section 5.03. Notice of Redemption. Series 2026 Bonds shall be called for redemption by the Trustee as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date, unless such notice is waived by the Trustee, of a Certificate of Borrower Representative specifying the principal amount of the Series 2026 Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture pursuant to which such Series 2026 Bonds are to be called for redemption. The Trustee shall cause notice of any such redemption to be given by mailing not more than 45 days nor less than 30 days prior to the redemption date by first class mail and/or by electronic means a copy of the redemption notice to the Authority and to the Registered Owner of any Series 2026 Bonds designated for redemption in whole or in part, at their address as the same shall last appear upon the registration books; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2026 Bonds. Any notice of optional redemption by the Trustee may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to the pay the principal of, premium, if any, or interest on the Series 2026 Bonds so

called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Series 2026 Bonds called for redemption in the same manner as the original redemption notice was transmitted.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment and that payment will be made upon presentation and surrender of the Series 2026 Bonds to be redeemed; provided, however, that if the Series 2026 Bonds are then held by a Depository, the presentation and surrender of such Series 2026 Bonds shall only be required if such Series 2026 Bonds are being fully redeemed and will no longer be Outstanding at the time of such redemption, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Series 2026 Bonds are to be redeemed, the notice of redemption shall specify the Series 2026 Bonds to be redeemed, and the numbers of the Series 2026 Bonds or portions thereof to be redeemed.

Section 5.04. Series 2026 Bonds Due and Payable on Redemption Date; Interest Ceases To Accrue. On or before the Business Day next preceding the date of redemption notice given pursuant to Section 5.03 hereof, an amount of money sufficient to redeem all the Series 2026 Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Trustee unless a conditional notice of optional redemption has been provided by the Trustee as provided for in Section 5.03 hereof. On the redemption date, the principal amount of each Series 2026 Bond to be redeemed, together with the accrued interest thereon to such date, and redemption premium, if any, shall become due and payable; from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article V (except the last sentence of the first paragraph of Section 5.03 hereof), then, notwithstanding that any Series 2026 Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Series 2026 Bonds. From and after such date of redemption (such notice having been given and such deposit having been made), the Series 2026 Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Authority shall be under no further liability in respect thereof, as provided in Section 7.01 hereof.

Section 5.05. Cancellation. All Series 2026 Bonds which have been redeemed shall be cancelled by the Trustee and destroyed as provided in Section 2.09 hereof.

Section 5.06. Partial Redemption of Series 2026 Bonds. Upon surrender of any Series 2026 Bond for redemption in part only, the Authority shall execute, and the Trustee shall authenticate and deliver to the Registered Owner thereof, the costs of which shall be paid by the Borrower, a new Series 2026 Bond or Series 2026 Bonds of the same maturity and of Authorized Denominations, in an aggregate principal amount equal to the unredeemed portion of the Series 2026 Bond surrendered.

ARTICLE VI

INVESTMENTS

Section 6.01. Investment of Funds. Any moneys held as part of the Funds shall, on written instructions signed by a Borrower Representative, be invested by the Trustee in Permitted Investments with respect to the Bond Principal Fund, the Bond Interest Fund, the Issuance Expense Fund, the Debt Service Reserve Fund, the Project Fund and the Rebate Fund, maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable. In the absence of such written instructions, the moneys shall be held uninvested. The Trustee may conclusively rely upon the Borrower Representative's written direction as to both the suitability and legality of the directed investment and such direction shall be deemed to be a certification to the Trustee that the directed investment constitutes a Permitted Investment and complies with the requirements herein and in the Tax Agreement. The Trustee shall have no responsibility whatsoever to determine whether any investments made pursuant to this Indenture are or continue to be Permitted Investments. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment. The Trustee shall not be liable for any depreciation in the value of any investments or for any loss arising from any investment made in accordance with the written direction of the Borrower Representative. Ratings of Permitted Investments shall be determined at the time of initial purchase thereof and the Trustee shall have no shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments including at the time of reinvestment of earnings thereof. The Trustee shall have no liability whatsoever for any loss, fee, tax or other charge incurred in connection with any investment, reinvestment, sale or liquidation of an investment hereunder. To the extent practicable, all such Permitted Investments purchased shall mature or be redeemable on a date or dates prior to the time when the moneys so invested will be required for expenditure. The Trustee may make any and all investments permitted by the provisions of this Section through its trust or bond department. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Trustee or for any third person or dealing as principal for its own account. The parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

If, at any time after an investment by the Trustee in a Permitted Investment, the investment ceases to be a Permitted Investment as defined herein, the Trustee shall be so informed in writing by the Borrower Representative and such investment shall be sold or liquidated. Investments in any of the Funds or accounts herein shall be valued by the Trustee on each June 30 and December 31 of each year, commencing December 31, 2026, at the market value thereof, exclusive of interest. The Trustee shall not be responsible for any depreciation in the value of any Permitted Investments or for any loss resulting from the sale of any Investment Obligation. The Trustee may make any and all investments permitted by the provisions of this Section through its investment department or that of its affiliate's or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees.

The Trustee hereby agrees to retain the documentation with respect to investments of moneys in the Funds as required by and as described in the Tax Agreement. The Trustee is authorized and directed to enter into the Tax Agreement, and in so doing, the Trustee shall be entitled to the protections, and limitations from liability afforded to the Trustee under this Agreement.

The Authority (and the Borrower by its execution of the Loan Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Authority and the Borrower waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority (if requested by the Authority) and the borrower periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder. The Borrower and the Authority each acknowledges that the market values of investments in the Funds shall be determined in accordance with the price provided by pricing services and sources relied upon by the Bond Trustee and the Bond Trustee does not have any duty to independently value any investment other than the price provided by pricing services and sources relied upon by Bond Trustee.

Section 6.02. Arbitrage. In reliance upon the covenant of the Borrower in Section 4.04 the Loan Agreement, the Authority hereby covenants for the benefit of each Registered Owner of the Series 2026 Bonds that, to the extent within the control of the Authority, no use will be made of the proceeds of the Series 2026 Bonds or of any moneys in the Funds and that no other action shall be taken which will cause the Series 2026 Bonds or any obligations subsequently issued hereunder by the Authority to be “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations prescribed thereunder. The Trustee shall not be responsible for any determination or calculation concerning arbitrage rebate with respect to the Series 2026 Bonds, or for determining whether the yield on any investments made in accordance with this Indenture would cause, or whether any other facts exist which would cause, any of the Series 2026 Bonds to become “arbitrage bonds” under Section 148 of the Code.

Unless otherwise required by Section 148 of the Code, the Executive Director or any other officer of the Authority having responsibility with respect to the issuance of the Series 2026 Bonds shall, on or prior to the date of issuance of the Series 2026 Bonds, if applicable, either alone or in conjunction with any other officer, employee, consultant or agent of the Authority, deliver to the Trustee the certification required by the regulations promulgated under Section 148 of the Code to evidence that such Series 2026 Bonds will not be “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations thereunder. Such certificates may rely upon the certificate of the Borrower delivered to the Authority pursuant to the Loan Agreement.

Section 6.03. Allocation and Transfers of Investment Income. Any investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund from which the investment was made. Any loss resulting from such investments shall be charged to such Fund. Any interest or other gain from any Fund from any investment or reinvestment pursuant to Section 6.01 hereof shall be allocated and transferred subject to the Tax Agreement, as follows:

(a) any interest or other gain realized as a result of any investments or reinvestments of moneys in the Bond Principal Fund, the Bond Interest Fund, the Debt Service Reserve Fund, the Project Fund and the Issuance Expense Fund shall be retained in the respective Fund;

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund if the amount therein is less than the Debt Service Reserve Fund Requirement. If the amount in the Debt Service Reserve Fund is equal to or greater than the Debt Service Reserve Fund Requirement therein immediately subsequent to any valuation required pursuant to Section 3.08 hereof, such amount in excess of the Debt Service Reserve Fund Requirement therefor shall be paid into the Bond Interest Fund.

(c) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Project Fund shall be retained in the Project Fund unless a deficiency exists at the time such interest is received or other gain is realized in the Debt Service Reserve Fund, in which case such interest or other gain shall be paid into the Debt Service Reserve Fund forthwith.

(d) any interest or other gain realized as a result of any investment or reinvestment of moneys in the Rebate Fund shall be retained in the Rebate Fund; and

(e) notwithstanding the foregoing, any interest or other gain realized as a result of any investments or reinvestments of moneys in Funds pursuant to Section 6.01 hereof shall, at the written request of the Borrower Representative, first be deposited in the Rebate Fund to the extent amounts required to be deposited therein pursuant to Section 3.14 hereof have not been so deposited.

ARTICLE VII

DISCHARGE OF INDENTURE

Section 7.01. Discharge of This Indenture. If and when the Series 2026 Bonds secured hereby shall be paid in accordance with their terms (or payment of the Series 2026 Bonds has been provided for in the manner set forth in the following paragraph), together with all other sums payable hereunder, all amounts payable to the Authority and the Trustee under the Loan Agreement and all amounts payable to the United States of America pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. Also, if all Outstanding Series 2026 Bonds secured hereby shall have been purchased by the Borrower and delivered to the Trustee for cancellation, and all other sums payable hereunder, all amounts payable to the Authority under the Loan Agreement, and all amounts payable to the United States pursuant to Section 148 of the Code have been paid, or provision shall have been made for the payment of the same, then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such events, upon the written request of the Borrower, the Trustee shall assign and transfer to the Borrower any and all property then held by the Trustee hereunder

and shall execute such documents as may be reasonably required by the Borrower and shall turn over to the Borrower any surplus in any Fund pursuant to Section 3.11 hereof, except to the extent otherwise required by Section 4.04 of the Loan Agreement and Section 3.15 hereof.

Payment of any Outstanding Series 2026 Bonds prior to the maturity or redemption date thereof shall be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Series 2026 Bonds are to be redeemed on any date prior to their maturity, the Borrower Representative shall have given to the Trustee in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 5.03 hereof notice of redemption of such Series 2026 Bonds on said redemption date, such notice to be given in accordance with the provisions of Section 5.03 hereof; (b) there shall have been deposited with the Trustee, Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer before the date the principal thereof will be required, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with any other available moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on said Series 2026 Bonds on and prior to the redemption date or maturity date thereof, as the case may be (and if on the date of such deposit, the Series 2026 Bonds are not actually paid in full, then there shall be provided to the Trustee and the Authority (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Series 2026 Bonds in full; and (ii) an Opinion of Bond Counsel to the effect that the Series 2026 Bonds are no longer Outstanding under this Indenture and that the defeasance was in accordance with the requirements of the Indenture and will not adversely affect the tax exempt status of the Series 2026 Bonds; and (c) in the event said Series 2026 Bonds are not by their terms subject to redemption within the next 45 days, the Borrower Representative shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.03 hereof, a notice to the Authority and the Registered Owners of such Series 2026 Bonds that the deposit required by clause (b) above has been made with the Trustee and that payment of said Series 2026 Bonds has been provided for in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Series 2026 Bonds and further stating whether any other redemption rights remain outstanding after such defeasance. At such time as payment of any Series 2026 Bonds has been provided for as aforesaid, such Series 2026 Bonds shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of any payment from such moneys or securities deposited with the Trustee.

The release of the obligations of the Authority under this Section shall be without prejudice to the right of the Authority to payment of all fees, costs and expenses due to the Authority in respect of its Unassigned Rights and to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

Section 7.02. Liability of Authority Not Discharged. Upon compliance with the provisions of Section 7.01 hereof with respect to all Series 2026 Bonds then Outstanding, this Indenture may be discharged in accordance with the provisions of this Article VII, but the liability

of the Authority in respect of such Series 2026 Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or securities deposited with the Trustee as provided in Section 7.01 hereof.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following is hereby defined as and shall be deemed an “Event of Default”:

(a) default in the payment of the principal of or premium, if any, on any Series 2026 Bond when the same shall become due and payable;

(b) default in the payment of any installment of interest on any Series 2026 Bond when the same shall become due and payable;

(c) default shall be made in the observance or performance of any covenant, contract or other provision in the Series 2026 Bonds or this Indenture (other than as referred to in (a) or (b) of this Section) and such default shall continue for a period of 30 days after written notice to the Authority and the Trustee from the Registered Owners of at least a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding or to the Authority from the Trustee specifying such default and requiring the same to be remedied, provided, with respect to any such failure covered by this subsection (c), no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby and in the Opinion of Bond Counsel shall not adversely affect the tax exempt status of the Series 2026 Bonds, provided further, however, that failure to correct such default within 90 days after receipt of such notice shall constitute an Event of Default;

(d) the occurrence of an “event of default” under the Loan Agreement; and

(e) a material inaccuracy, misrepresentation or failure to comply regarding the statements and certifications made pursuant to the Project Fund Requisition Certificate, the form of which is attached to the Loan Agreement.

The foregoing provisions of this Section or any other provision of this Indenture or any other financing document notwithstanding, any Event of Default under this Section 8.01 (each a “Borrower Related Default”) shall not be deemed an Event of Default of the Authority, and the Authority shall not be considered to be in default of any of its obligations hereunder with respect thereto under any circumstances, as the Authority is merely acting in a conduit capacity hereunder and the Bonds are secured by and payable solely from amounts received from the Borrower or the Project and the Trust Estate, consisting of the Pledged Revenues and other assets pledged hereto, and is not a debt or indebtedness of the Authority. Any remedial action hereunder with respect to a Borrower Related Default is therefore limited to action against the Trust Estate.

Section 8.02. Remedies on Event of Default. Upon the occurrence of an Event of Default, the Trustee shall have the following rights and remedies.

(a) **Acceleration.** The Trustee may, and upon the written request of the Registered Owners of not less than a majority in aggregate principal amount of Series 2026 Bonds then Outstanding shall, by notice in writing given to the Authority and the Borrower, declare the principal amount of all Series 2026 Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Authority and the Trustee shall immediately declare all Loan Payments under the Loan Agreement to be immediately due and payable as provided in Section 9.02 of the Loan Agreement.

(b) **Legal Proceedings.** The Trustee may, by mandamus or other suit, action or proceeding at law or in equity, enforce the rights of the Registered Owners, and require the Authority, the Borrower or any or all of them to carry out the agreements with or for the benefit of the Registered Owners, and to perform its or their duties under the Act, the Loan Agreement and this Indenture. The Trustee may also, by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners.

(c) **Receivership.** The Trustee shall be entitled as a matter of right, following a hearing, to the appointment of a receiver or receivers of the Trust Estate, and of the rents, revenues, income, products and profits thereof, pending such proceedings, but, notwithstanding the appointment of any receiver, trustee or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities or other instruments at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.

(d) **Foreclosure.** Foreclosure under the Deed of Trust on or against all or any portion of the Facilities or any interest of the Authority or the Trustee therein with the power of sale as and to the extent permitted of a mortgagee or beneficiary by the laws of the State and exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto, and to realize upon the security interest in the Pledged Revenues and exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto.

(e) **Suit for Judgment on the Series 2026 Bonds.** The Trustee shall be entitled to sue for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture, for the enforcement of any of its rights, or the rights of the Registered Owners hereunder, but any such judgment against the Authority shall be enforceable only against the Trust Estate. No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the Registered Owners of the Series 2026 Bonds, but such lien, rights, powers and remedies of the Trustee and of the Registered Owners shall continue unimpaired as before. Pursuant to the Loan Agreement, other than amounts to be paid pursuant to Section

5.02(b) and (c) of the Loan Agreement and amounts payable pursuant to the indemnification provisions of Section 7.05 of the Loan Agreement which are general obligations of the Borrower, any recovery against the Borrower is limited to the Pledged Revenues and amounts realized from the foreclosure of the lien of the Deed of Trust on the Facilities and the liens granted by the Loan Agreement and the Deed of Trust. The obligations of the Borrower under the Loan Agreement, other than amounts to be paid pursuant to Section 5.02(b) and (c) of the Loan Agreement and amounts payable pursuant to the indemnification provisions of Section 7.05 of the Loan Agreement, are not general obligations of the Borrower; and none of the Trustee, the Authority or the Registered Owners of the Series 2026 Bonds shall have any recourse to any Property, funds or assets of the Borrower (other than the Pledged Revenues and the Facilities) with respect to such obligations.

(f) ***Remedies Under Agreement.*** The Trustee, as assignee of the Authority, may exercise the remedies provided under the Loan Agreement upon an Event of Default.

In the event written notice is given by the Registered Owners or the Trustee under Section 8.01(c) hereof, the Trustee shall immediately give written notice with respect to such default to the Borrower.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative with respect to the Trustee and the Registered Owners and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

If any Event of Default shall have occurred and if instructed and directed in writing by the Registered Owners of not less than a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding and indemnified as provided in Section 9.01 hereof, the Trustee shall exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Registered Owners or as may be set forth in such directions.

Section 8.03. Majority of Registered Owners May Control Proceedings. Anything in this Indenture to the contrary notwithstanding and subject to prior notice to the Authority, the Registered Owners of a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee shall not be required to act on any direction given to it pursuant to this Section unless indemnified as provided in Section 9.01 hereof.

Section 8.04. Rights and Remedies of Registered Owners. No owner of any Series 2026 Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has

been notified as provided in Section 9.01 hereof, or of which by said Section it is deemed to have notice, nor unless such default shall have become an Event of Default and the Registered Owners of not less than a majority in aggregate principal amount of Series 2026 Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless they have also furnished to the Trustee indemnity as provided in Section 9.01 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more owners of the Series 2026 Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Series 2026 Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Registered Owner of Series 2026 Bonds to enforce the payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of, premium, if any, or interest on any Series 2026 Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Series 2026 Bonds to the respective Registered Owners of the Series 2026 Bonds at the time and place, from the source and in the manner herein and in the Series 2026 Bonds expressed.

Section 8.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment first to the Trustee and then to the Authority of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys, including reasonable legal fees, costs and expenses of the Trustee or the Authority, and the fees, expenses, liabilities and advances incurred or made by the Trustee or the Authority, including any unpaid fees or attorney fees, costs and expenses, as well as the payment of fees, costs and expenses of the Authority and any other payments due to the Authority in respect of the Unassigned Rights (including, without limitation, indemnification payments), first, to the extent of any deficiency of required amounts in the Rebate Fund be deposited in the Rebate Fund, and thereafter shall be held in trust and all moneys so deposited in the Bond Principal Fund and the Bond Interest Fund and all moneys held or deposited in the Bond Principal Fund and the Bond Interest Fund during the continuance of an Event of Default shall be applied as follows:

(a) Unless the principal of all the Series 2026 Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due on the Series 2026 Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND, to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2026 Bonds which shall have become due (other than Series 2026 Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on the unpaid principal of and premium, if any, on such Series 2026 Bonds from the respective dates upon which they became due, at a rate which shall be 1% per annum above the highest rate of interest borne by any Series 2026 Bond during the 365 days prior to the date on which such Series 2026 Bonds became due or the maximum rate permitted by law if less than such rate aforesaid and, if the amount available shall not be sufficient to pay in full Series 2026 Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Series 2026 Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon all of the Series 2026 Bonds, together with interest on overdue installments of principal at a rate which shall be 1% per annum above the highest rate of interest borne by any Outstanding Series 2026 Bond during the 365 days prior to the date on which Series 2026 Bonds become due or the maximum rate permitted by law if less than such rate aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Series 2026 Bond over any other Series 2026 Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Series 2026 Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Series 2026 Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and, if any Series 2026 Bond is being paid in full, the Trustee shall not be required to make a final payment to the Registered Owner of any Series 2026 Bond until such Series 2026 Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Series 2026 Bonds and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Trustee and the Authority (including

Annual Fee) and all other amounts to be paid to the Authority hereunder or under the Loan Agreement have been paid, any balance remaining in the Funds shall be paid as provided in Section 3.11 hereof.

Section 8.06. Trustee May Enforce Rights Without Series 2026 Bonds. All rights of action and claims under this Indenture or any of the Series 2026 Bonds Outstanding hereunder may be enforced by the Trustee without the possession of any of the Series 2026 Bonds or the production thereof in any trial or proceedings relative thereto, and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Registered Owners of the Series 2026 Bonds, and any recovery of judgment shall be for the ratable benefit of the Registered Owners of the Series 2026 Bonds, subject to the provisions of this Indenture.

Section 8.07. Trustee To File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Trust Estate or the Borrower, the Authority or the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and the Authority, and of the Registered Owners allowed in such proceedings for the entire amount due and payable by the Authority under this Indenture, or by the Borrower, as the case may be, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Registered Owner to file a claim in his or her own behalf.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Trustee or of any Registered Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. No Waiver of One Default To Affect Another. No waiver of any default hereunder, whether by the Trustee or the Registered Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

Section 8.10. Discontinuance of Proceedings on Default, Position of Parties Restored. In case the Trustee shall have proceeded to enforce any rights under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Authority and the Trustee shall continue as if no such proceedings had been taken.

Section 8.11. Waivers of Events of Default. Subject to prior written notice to the Authority, the Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Series 2026 Bonds, and shall do so upon the written request of the Registered Owners of a majority in

aggregate principal amount of all the Series 2026 Bonds then Outstanding in respect of which default exists, provided, however, that there shall not be waived any Event of Default in the payment of the principal of or premium on any Outstanding Series 2026 Bonds at the date of maturity or redemption thereof, or any default in the payment when due of the interest on any such Series 2026 Bonds, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal and premium, if any (with interest upon such principal and premium, if any, at a rate which shall be 1% per annum above the highest rate of interest borne by any Series 2026 Bond during the 365 days prior to the date on which such principal and premium, if any, were due or the maximum rate permitted by law if less than such rate aforesaid) and all expenses of the Trustee, and all amounts to be paid to the Authority hereunder and under the Loan Agreement, in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon. No waiver of any Event of Default in respect of the Unassigned Rights may be made except upon the express written consent of the Authority.

Section 8.12. Trustee To Notify Parties of Default and Disclose Information Relating to Default. The Trustee shall immediately notify in writing the Authority and the Borrower of any default hereunder or the occurrence of any Event of Default. The Trustee shall immediately notify as soon as practicable in writing all Registered Owners of the Series 2026 Bonds of the occurrence of any Event of Default and shall make available to such Registered Owner information reasonably requested of the Trustee concerning the Event of Default, the Series 2026 Bonds, the Borrower and any other information relevant to the Event of Default, subject to the provisions of Section 9.01 hereof.

Section 8.13. Limitation on Rights and Remedies and Rights of Holders of Additional Parity Indebtedness. Notwithstanding any language herein that may be interpreted to the contrary, references to a “majority in aggregate principal amount of Series 2026 Bonds then Outstanding” for purposes of this Article shall be deemed references to a majority in aggregate principal amount of the Series 2026 Bonds and any other Additional Parity Indebtedness then Outstanding, and the right of owners of the Series 2026 Bonds shall be subject to the rights of any other Additional Parity Indebtedness then Outstanding. To the extent that any Additional Parity Indebtedness remains Outstanding, the Trustee shall apply any amounts received from the exercise of remedies pursuant to this Article and the Borrower’s obligations under the Loan Agreement with respect thereto, to the Series 2026 Bonds and any other Additional Parity Indebtedness, on an equal and ratable basis, except as otherwise set forth in Section 3.01 hereof.

ARTICLE IX

CONCERNING THE TRUSTEE

Section 9.01. Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following

specific and express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Indenture. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Agreement against the Trustee. In the case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs in exercising any right or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts hereof or powers hereunder and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, only if the Trustee has not exercised reasonable care in the selection thereof and shall be entitled to act upon an opinion of independent counsel, including counsel to the Borrower, concerning all matters of the trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an opinion of independent counsel, including counsel to the Borrower, and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such opinion of independent counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Series 2026 Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Series 2026 Bonds), or for the validity of the execution by the Authority of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Series 2026 Bonds issued hereunder or intended to be secured hereby, or for the value of or title to the assets of the Borrower and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority, except as hereinafter set forth; but the Trustee may require of the Authority or the Borrower full information and advice as to the performance of the covenants, conditions and agreements as to the condition of the assets of the Borrower contained herein or in the Loan Agreement. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.01 hereof.

(d) The Trustee shall not be accountable for the use of any Series 2026 Bonds authenticated or delivered hereunder. The Trustee may become the owner of the Series 2026 Bonds with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, judgment, decree, affidavit, letter, telegram or other paper or document

believed to be genuine and correct and to have been signed or sent by the proper person or persons, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Series 2026 Bonds (or beneficial owner of such Series 2026 Bond if such Bond is then held in the DTC system) shall be conclusive and binding upon all future Registered Owners of the same Series 2026 Bond and upon Series 2026 Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the Authority by an Authority Officer or by an authorized representative on behalf of the Borrower or such other person as may be designated for such purpose by the Authority or the Borrower as sufficient evidence of the facts therein contained, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer's certificates, and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct (subject to Section 9.01(a) hereof), as finally adjudicated on a non-appealable basis by a court of competent jurisdiction.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Borrower to cause to be made any of the payments to the Trustee required to be made pursuant to Sections 8.01(a) and (b) hereof unless a Responsible Officer of the Trustee shall have actual knowledge thereof or shall be specifically notified in writing of such default by the Authority or by the Registered Owners of at least a majority in aggregate principal amount of Series 2026 Bonds then Outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, reference the Series 2026 Bonds and this Indenture and be delivered to a Responsible Officer of the Trustee at the designated office of the Trustee or to a Responsible Officer of the Trustee by Electronic Means; in the absence of such notice so delivered, the Trustee may conclusively assume that there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(j) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the Trust Estate, including all books, papers and records of the Authority pertaining to the Series 2026 Bonds.

(k) The Trustee shall not be required to give any note or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Series 2026 Bonds, the withdrawal of any cash or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Authority to the authentication of any Series 2026 Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(m) Before taking any action under Section 8.02, 8.03 or 8.04 hereof, the Trustee may require that security or indemnity (satisfactory to it in its sole and absolute discretion) be furnished to it by the owners of the Series 2026 Bonds for the payment or reimbursement of all expenses, including reasonable attorneys' fees, costs and expenses, which it may incur and to protect it against all liability, except liability which may result from its gross negligence or willful misconduct, as finally adjudicated on a non-appealable basis by a court of competent jurisdiction.

(n) The Trustee shall file all UCC continuation statements, if any, necessary to preserve the security interest securing payment of the Series 2026 Bonds for which the Trustee is the secured party, and shall file any UCC termination statements necessary to terminate such security interest upon payment in full of the Series 2026 Bonds. The Authority shall have no responsibility for the filing, perfection or continuation of any security interest created under this Indenture or the Loan Agreement. In connection with the filing of any such continuation statements, the Trustee shall be fully protected in conclusively relying on the related initial financial statement filings and descriptions in filing any continuation statements or modifications thereto pursuant to this Section and in filing any continuation statements in the same filing offices as the initial filings were made.

(o) The Trustee shall furnish to the Registered Owners, upon request, the information it receives from the Borrower pursuant to Sections 7.03 and 7.04 of the Loan Agreement.

(p) The Trustee will maintain records relating to the investment and use of the proceeds of the Series 2026 Bonds and this Indenture for a period of four years after the later of (i) payment in full of the Series 2026 Bonds or (ii) payment in full of any bonds issued to refund the Series 2026 Bonds.

(q) The Trustee shall not be liable for any action taken or error in judgment exercised by it or any of its officers, employees or agents in good faith and believed by it

or any of its officers, employees or agents to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(r) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee acting in each of its capacities and its officers, directors, agents, attorneys and employees.

(s) The Trustee shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation, acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, pandemics, quarantine restrictions, governmental regulations, fire, floods, civil or military disturbances, sabotage, riots, communication line failures, computer viruses or failures, power failures, earthquakes or other disasters; provided, the Trustee shall use good faith efforts to resume performance as soon as practicable under the circumstances.

(t) In no event shall the Trustee be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action.

(u) The Trustee shall have no duty or obligation to monitor the Authority's compliance with the terms of this Indenture or to ascertain or inquire as to the observance, performance of any covenants, conditions or agreements of the Authority except as set forth in this Indenture. Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Authority or the Borrower, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(v) The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care. The Trustee shall be entitled to rely on and may act on advice or opinion of counsel and other professionals and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith and in reliance on such advice or opinion of counsel and other professionals.

(w) The Trustee shall be under no responsibility to approve, evaluate or determine the independence of any expert or other skilled person selected by the Authority or the Borrower for any of the purposes expressed in the Indenture or the Loan Agreement.

(x) The Trustee shall accept notices, instructions or directions given as provided in Section 11.07 hereof, and shall have no responsibility or liability for any losses

or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance therewith.

No provision of this Indenture shall require the Trustee or the Authority to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Series 2026 Bonds.

Upon compliance with all applicable laws, the Trustee and any of its affiliates may in good faith buy, sell, own, hold and deal in any Series 2026 Bond issued hereunder and secured by this Indenture, and may join in any action which any Registered Owner may be entitled to take with like effect as if it did not act in any capacity under this Indenture. The Trustee either as principal or agent, or in any commercial or banking capacity, may also engage in or be interested in any financial or other transaction with the Authority or Borrower, and may act as depository, trustee, or agent for any committee or body of owners of any Series 2026 Bond secured hereby or other obligations of the Authority as freely as if it did not act in any capacity under this Indenture.

Section 9.02. Fees and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement by the Borrower for its reasonable fees for its services rendered hereunder as and when the same become due and all costs and expenses reasonably and necessarily made or incurred by the Trustee in connection with such services as and when the same become due as provided in Section 5.02 of the Loan Agreement. As security for the performance of the obligations of the Borrower under this Section, the Loan Agreement and the other Borrower Documents, the Trustee shall have a lien prior to the lien securing the owners of any Series 2026 Bond secured hereby. The obligations of the Borrower to make the payments described in this Section 9.02 shall survive discharge of this Indenture, the resignation or removal of the Trustee and payment in full of the Bonds.

Notwithstanding any provision in this Indenture or the Loan Agreement to the contrary, any reference or covenant set forth in the Indenture or the Loan Agreement for the payment or remuneration of (a) the reasonable fees, compensation, charges or remuneration of the Trustee, or the like, shall be deemed to reference and include Trustee's fees and extraordinary Trustee's fees incurred as a result of the administration of the duties of the Trustee hereunder; and (b) reasonable expenses, out of pocket costs, or other reimbursable charges, or the like, shall be deemed to reference and include reasonable attorneys' fees, costs and expenses, fees, costs and expenses of independent contractors or agents incurred in the course of the administration of the duties of the Trustee hereunder, and other customary expenditures.

Section 9.03. Resignation or Replacement of Trustee. The Trustee may resign and be discharged from its duties and obligations hereunder by giving to the Authority and the Registered Owners 30 calendar days' notice of such resignation; provided, however, that no such resignation shall become effective until a successor has been appointed and has accepted the duties of Trustee. If no event of default shall have occurred under the Loan Agreement, the present or any future Trustee may be removed upon 30 calendar days' written notice by an instrument in writing,

executed by the Authority and the Borrower. If an event of default shall have occurred and be continuing under the Loan Agreement, the present or any future Trustee may be removed by the Authority or by Registered Owners of a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding. No such removal shall become effective until a successor has been appointed and has accepted the duties of Trustee hereunder.

In case the Trustee shall at any time resign or be removed or otherwise become incapable of acting, subject to the prior written approval of the Authority, a successor may be appointed by the Registered Owners of a majority in aggregate principal amount of the Series 2026 Bonds Outstanding by an instrument or concurrent instruments signed by such Registered Owners, or their attorneys in fact duly appointed; provided that the Authority may appoint a successor until a new successor shall be appointed by the Registered Owners as herein authorized. The Authority upon making such appointment shall forthwith give notice thereof to the Registered Owners and to the Borrower, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Authority shall immediately and without further act be superseded by a successor appointed in the manner above provided by the owners of a majority in aggregate principal amount of the Series 2026 Bonds Outstanding.

Every successor shall always be a bank or trust company (or a subsidiary thereof) in good standing, qualified to act hereunder, and having a combined capital, surplus and undivided profits of not less than \$25,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the Authority an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, and, upon payment of its costs, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, who shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Authority be reasonably required by any successor for such vesting and confirming, the Authority shall execute, acknowledge and deliver the said deeds, conveyances and instruments on the request of such successor.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the Borrower (if not in default under the Loan Agreement), the Registered Owner of any Series 2026 Bond Outstanding hereunder, or (at the sole cost and expense of the Borrower, including with respect to reasonable attorneys' fees, costs and expenses) any retiring Trustee, shall be entitled, at its sole discretion to apply to any court of competent jurisdiction to appoint a successor Trustee and for other appropriate relief. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee and grant such other relief.

The notices herein provided for, to be given to the Registered Owners, shall be given by mailing a copy of such notices by first class mail to the Registered Owners at their addresses as the same shall last appear upon the registration books. The notice herein provided for, to be given to the Authority, the Borrower and the retiring Trustee, shall be given in accordance with Section 11.07 hereof.

The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded.

Section 9.04. Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Series 2026 Bonds to be issued hereunder shall have been authenticated, but not delivered, any successor Trustee may adopt the certificate of any predecessor Trustee, and deliver the same as authenticated; and, in case any of such Series 2026 Bonds shall not have been authenticated, any successor Trustee may authenticate such Series 2026 Bonds in the name of such successor Trustee.

ARTICLE X

SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE LOAN AGREEMENT

Section 10.01. Supplemental Indentures Not Requiring Consent of Registered Owners. The Authority and the Trustee may, without the consent of, or notice to, the Registered Owners, enter into such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements in this Indenture contained other covenants and agreements thereafter to be observed for the protection or benefit of the Registered Owners;
- (b) to cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Registered Owners of the Series 2026 Bonds;
- (c) to subject to this Indenture additional revenues, properties or collateral;
- (d) to permit the Trustee to enter into agreements with depositories or other institutions in order that such institutions may perform the duties of paying agent and/or transfer agent for the Series 2026 Bonds; or
- (e) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner so as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state blue sky law.

Section 10.02. Supplemental Indentures Requiring Consent of Registered Owners.

The Registered Owners of not less than a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding shall have the right, from time to time, to consent (in writing) to and approve the execution by the Authority and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that without the written consent of the Registered Owners of all the Series 2026 Bonds at the time Outstanding, nothing herein contained shall permit, or be construed as permitting:

- (a) an extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Series 2026 Bond;
- (b) the deprivation of the owner of any Series 2026 Bond then Outstanding of the lien created by this Indenture (other than as permitted hereby when such Series 2026 Bond was initially issued);
- (c) a privilege or priority of any Series 2026 Bond or Series 2026 Bonds over any other Series 2026 Bond or Series 2026 Bonds except as specifically permitted by this Indenture; or
- (d) a reduction in the aggregate principal amount of the Series 2026 Bonds required for consent to such supplemental indenture.

If at any time the Authority shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being reasonably indemnified by the Borrower with respect to fees, costs and expenses (including counsel fees, costs and expenses), cause notice of the proposed execution of such supplemental indenture to be given to the Authority and the Borrower in accordance with Section 11.07 hereof and to the Registered Owners by mailing a copy of such notice to their addresses as the same shall last appear upon the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated office of the Trustee for inspection by all Registered Owners. If, within 60 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the Registered Owners of the requisite principal amount of the Series 2026 Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Registered Owner of any Series 2026 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03. Execution of Supplemental Indentures. The Trustee is authorized to join with the Authority in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects its rights, duties or immunities under this Indenture. Any supplemental indenture executed in accordance with the provisions of this

Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Series 2026 Bonds issued thereafter. Before the Trustee shall enter into a supplemental indenture, the Trustee shall receive, and shall be fully protected in relying upon, an officer's certificate and opinion of counsel stating that such supplemental indenture is authorized or permitted by this Indenture and will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 10.04. Amendments, etc., of the Loan Agreement Not Requiring Consent of Registered Owners. The Authority, the Borrower and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of the Loan Agreement as may be required (a) by the provisions of the Loan Agreement or this Indenture; (b) for the purpose of curing any ambiguity or formal defect or omission; or (c) in connection with any other change therein which is not to the material prejudice of the Trustee or the Registered Owners of the Series 2026 Bonds.

Section 10.05. Amendments, etc., of the Loan Agreement Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.04 hereof, neither the Authority, the Borrower nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without the giving of written notice and the written approval or consent of the Registered Owners of not less than a majority in aggregate principal amount of the Series 2026 Bonds at the time Outstanding. Such notice and consent shall be given and procured as provided in Section 10.02 hereof.

If at any time the Authority or the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Trustee shall, upon being reasonably indemnified by the Borrower with respect to fees, costs and expenses (including counsel fees, costs and expenses), cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Trustee for inspection by all Registered Owners. Before the Trustee shall enter into a supplement or modification to the Loan Agreement, the Trustee shall receive, and shall be fully protected in relying upon, an officer's certificate and opinion of counsel stating that such supplemental indenture is authorized or permitted by this Indenture and will, upon the execution and delivery thereof, be valid and binding in accordance with its terms.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Evidence of Signature of Registered Owners and Ownership of Series 2026 Bonds. Any request, consent or other instrument which this Indenture may require or permit

to be signed and executed by the Registered Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Registered Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the ownership of Series 2026 Bonds shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) the fact and date of the execution by any Registered Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(b) the ownership of any Series 2026 Bonds and the amount and numbers of such Series 2026 Bonds and the date of holding the same shall be proved by the registration books of the Authority kept by the Trustee.

Any request or consent of the Registered Owner of any Series 2026 Bond shall bind all future Registered Owners of such Series 2026 Bond in respect of anything done or suffered to be done by the Authority or the Trustee in accordance therewith.

Section 11.02. Parties Interested Herein. With the exception of rights herein expressly conferred on the Borrower, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Authority, the Trustee and the Registered Owners of the Series 2026 Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Registered Owners of the Series 2026 Bonds.

Section 11.03. Titles, Headings, Etc. The titles and headings of the articles, sections and subsections of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.04. Entire Agreement; Severability. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.05. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 11.06. Execution in Counterparts; Facsimile and PDF Signatures. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument

for all purposes, except for the certificate of authentication on the Series 2026 Bonds (which must be manually signed by an authorized representative of the Trustee) and instruments of transfer of the Series 2026 Bonds. Signature pages of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 11.07. Notices. All notices, certificates, directions or other communications hereunder shall be sufficiently given and shall be deemed given when (a) provided by Electronic Means; (b) mailed by certified mail, return receipt requested, postage prepaid; or (c) by first-class mail, if this Indenture so provides, addressed as follows: if to the Authority, at 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director; if to the Borrower, at Fountain Valley School of Colorado, 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911, Attention: Chief Financial Officer, and if to the Trustee, at UMB Bank, National Association, 3070 Bristol Street, Suite 300, Costa Mesa, California 92626, Attention: Corporate Trust Services. A duplicate copy of each notice, certificate or other communication given hereunder by or to the Authority or the Trustee shall also be given to the Borrower. Alternatively, all notices, certificates or other communications hereunder may be given by telecopy (if confirmed promptly telephonically and in writing by the sender of such notice and if receipt of such notice by telecopy is confirmed in writing by the intended recipient). The Authority, the Borrower and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. All notices shall be effective upon receipt.

The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture sent by Electronic Means; provided, however, that the Authority and the Borrower shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions (“Authorized Officers”), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority or the Borrower elects to give the Trustee instructions by Electronic Means and the Trustee in its discretion elects to act upon such instructions, the Trustee’s understanding of such instructions shall be deemed controlling. The Authority and the Borrower agree that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee, and the Authority, the Borrower and the Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means.

Section 11.08. Payments Due on Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercise of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.09. Provision of General Allocation. Any consent or approval of the Authority or Trustee required pursuant to this Indenture shall be in writing and shall not be unreasonably withheld. Any direction given to the Trustee shall be in writing.

Section 11.10. No Personal Liability of Officials of the Authority or the Trustee. No covenant or agreement contained in the Series 2026 Bonds or in this Indenture shall be deemed to be the covenant or agreement of any elected or appointed director, official, officer, agent, servant, attorney or employee of the Authority in his or her individual capacity or any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Series 2026 Bonds, including any officer or employee of the Trustee, shall be liable personally on the Series 2026 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.11. No Pecuniary Liability of the Authority. No provision, covenant or agreement contained in this Indenture or any obligations herein imposed upon the Authority, or the breach thereof, shall constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Authority has not obligated itself except with respect to the application of the Trust Estate for payment of the Series 2026 Bonds under this Indenture.

Section 11.12. Waiver of Jury Trial. EACH OF THE AUTHORITY, THE REGISTERED OWNERS, AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE BONDS CONTEMPLATED HEREBY.

Section 11.13. Retention Records. The Trustee will retain all of its records relating to the Series 2026 Bonds and this Indenture (including but not limited to any rebate calculations and payments) for a period of four years after the later of (i) payment in full of the Bonds or (ii) payment in full of any bonds issued to refund the Series 2026 Bonds.

Section 11.14. Electronic Storage; Electronic Signature. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

In the event that any individual or individuals who are authorized to execute this Indenture on behalf of the Authority or the Trustee are not able to be physically present to manually sign this Indenture, such individual or individuals are hereby authorized to execute this Indenture electronically via facsimile or email signature. The authority to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Indenture or the other Bond Documents shall carry the full legal force and effect of any original, handwritten signature, except for the certificate of authentication on the Bonds (which must be manually signed by an authorized representative of the Trustee) and instruments of transfer of the Series 2026 Bonds.

If the Authority or the Borrower chooses to use electronic signatures to sign documents delivered to the Trustee, the such party agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Indenture to be executed by their duly authorized officers and the Authority has caused its corporate seal to be hereto affixed, all as of the date first above written.

[SEAL]

COLORADO EDUCATIONAL AND
CULTURAL FACILITIES AUTHORITY

By _____
Mark Heller
Executive Director

UMB BANK, NATIONAL ASSOCIATION, as
Trustee

By _____
[Name]
[Title]

EXHIBIT A

FORM OF SERIES 2026 BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
INDEPENDENT SCHOOL REVENUE BOND
(FOUNTAIN VALLEY SCHOOL OF COLORADO PROJECT)
SERIES 2026**

No. R-[] \$[]

Maturity Date	Dated	Interest Rate	CUSIP
[June 1, 2037]	May [], 2026	[]%	[]

REGISTERED OWNER: CEDE & CO.

TAX IDENTIFICATION NUMBER: 13-2555119

PRINCIPAL AMOUNT: [] THOUSAND DOLLARS

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY, an independent public body politic and corporate, constituting a public instrumentality and organized and existing under the laws of the State of Colorado (the “Authority”), for value received, hereby promises to pay, from the sources hereinafter described, the Principal Amount stated above in lawful money of the United States of America to the Registered Owner stated above or the registered assigns, on the Maturity Date stated above (unless this bond shall have been called for prior redemption, in which case on such redemption date), upon the presentation and surrender hereof at the designated trust office of UMB Bank, National Association, Costa Mesa, California, or the designated office of its successor in trust (the “Trustee”), under an Indenture of Trust, dated as of May 1, 2026 (the “Indenture”), by and between the Authority and the Trustee, and to pay, from like sources, to the Registered Owner stated above on the fifteenth (15th) day of the calendar month preceding any interest payment date (the “Regular Record Date”), by wire or automatic clearinghouse transfer on the interest payment date to such Registered Owner per the instructions given to the Trustee and kept on the registration books of the Trustee for that purpose, interest on said sum in lawful money from the Dated Date stated above at the Interest Rate stated above,

payable semiannually on [June 1 and December 1] of each year, commencing [December 1, 2026] on the basis of a 360-day year composed of twelve 30-day months, until payment of the principal hereof has been made or provided for. Any interest not timely paid or duly provided for shall cease to be payable to the Registered Owner hereof at the close of business on the applicable Regular Record Date and shall be payable to the Registered Owner hereof at the close of business on a Special Record Date (as defined in the Indenture) for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of such Special Record Date shall be given to the Registered Owner hereof not less than ten days prior thereto. If the date for making any payment or the last day for performance of any act or the exercise of any right, as provided in this bond, shall not be a “Business Day” as defined in the Indenture, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this bond.

This bond is one of a duly authorized series of bonds of the Authority designated as “Colorado Educational and Cultural Facilities Authority Independent School Revenue Bonds (Fountain Valley School of Colorado Project), Series 2026” in the aggregate principal amount of \$16,500,000 (the “Series 2026 Bonds”) issued under and equally and ratably secured by the Indenture. The Series 2026 Bonds are pass-through obligations and have been issued under the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23, Colorado Revised Statutes, as amended (the “Act”) and the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the “Supplemental Act”) to (a) finance the acquisition, design, construction, improvement, renovation, expansion, furnishing and equipping of (i) a new 20,800 square-foot Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces, (ii) a new 34,000-square-foot Humanities building and (iii) various capital improvement projects, including but not limited to certain deferred maintenance projects (collectively, the “Project Facilities”), all located on the Borrower’s 1,100-acre core campus, located at 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911; (b) fund a debt service reserve fund for the hereinafter defined Series 2026 Bonds; and (c) pay costs of issuing the Series 2026 Bonds (collectively, the “Project”). The Borrower is a Colorado nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

This bond is a special, limited revenue obligation of the Authority payable solely from and secured by (a) a pledge of certain rights of the Authority under and pursuant to the Loan Agreement, dated as of May 1, 2026 (the “Loan Agreement”), by and between the Authority and the Borrower; (b) a pledge of certain rights of the Trustee under and pursuant to the Deed of Trust encumbering the Borrower’s fee interest in the Facilities (as defined in the Loan Agreement); and (c) a pledge of the Funds and Revenues as defined in the Indenture (other than the Rebate Fund) and (to the extent provided in the Indenture) all trust accounts created under the Indenture and the Loan Agreement. The Loan Payments required by the Borrower under the Loan Agreement are special, limited revenue obligations of the Borrower payable solely from Pledged Revenues (as defined in the Loan Agreement).

The financing of the Project has been authorized by the Resolution (as defined in the Indenture) duly adopted by the Authority on April 22, 2026 pursuant to the laws of the State of Colorado (the “State”). This Bond shall not constitute or become an indebtedness, a debt or a

liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district, or other subdivision of the State or of any other political subdivision or body corporate and politic within the State of Colorado other than the Authority (but only to the extent of the Revenues pledged in the Indenture), and none of the State, the General Assembly of the State, nor any county, city, city and county, town, school district, or other subdivision of the State of Colorado, except the Authority to the extent provided above, shall be liable hereon; nor shall this Bond constitute the giving, pledging, or loaning of the faith and credit of the State of Colorado, the General Assembly of the State, or any county, city, city and county, town, school district, or other subdivision of the State of Colorado or of any other political subdivision or body corporate and politic within the State of Colorado, but shall be payable solely from the funds pledged therefor. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Authority to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Authority to create a debt or multiple-fiscal year obligation of the State within the meaning of the Constitution or statutes of the State or authorize the Authority to levy or collect taxes or assessments. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on this Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Authority. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

By enactment of Section 23-15-124 of the Act, the State has pledged to and agreed with the owners of any bonds, notes, and other obligations issued under the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter, restrict or impair the rights vested in the Authority to acquire, construct, reconstruct, maintain and operate any facility as defined in the Act or to establish, revise, charge and collect rates, rents, fees and other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the owners of bonds, notes or other obligations authorized and issued by the Act, and with the parties who may enter into contracts with the Authority pursuant to the Act, and will not in any way impair the rights or remedies of the owners of such bonds, notes or other obligations of such parties until such bonds, notes and other obligations, together with interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners, are fully met and discharged and such contracts are fully performed on the part of the Authority. Nothing in the Act precludes such limitation or alteration if and when adequate provision is made by law for the protection of the owners of such bonds, notes or other obligations of the Authority or those entering into such contracts with the Authority.

Reference is hereby made to the Indenture and the Loan Agreement for a description of the revenues pledged, the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the Registered Owners of the Series 2026 Bonds and the terms and conditions upon which the Series 2026 Bonds are, and are to be, secured, and a statement of the rights, duties, immunities and obligations of the Authority and the Trustee.

The Series 2026 Bonds are subject to redemption prior to their scheduled maturity, at the option of the Borrower, from Campaign Receipts, in whole or in part, and if in part in Authorized Denominations, on any date on and after [_____], at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium. Such special optional redemption shall be conditioned upon the deposit by the Borrower of Campaign Receipts with the Trustee in the Special Optional Redemption Account at least thirty (30) days prior to the date fixed for redemption.

The Series 2026 Bonds are also redeemable at the option and upon the written direction of the Borrower in whole at any time or in part on any interest payment date from and to the extent of funds on deposit under the Indenture and available for this purpose at a redemption price equal to the principal amount of each Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(a) The Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee (A) the Facilities cannot reasonably be restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction, or (B) the Borrower or its lessee are thereby prevented from carrying on its normal operations for a period of six consecutive months, or (C) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.03 of the Loan Agreement.

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

(c) As a result of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, the Loan Agreement or Deed of Trust 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 Borrower in respect to the Facilities, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement. Redemption pursuant to this paragraph (iii) shall be in whole only.

In the event less than all Series 2026 Bonds are to be redeemed pursuant to the special redemption provisions of the Indenture, they shall be redeemed in such order of maturity as the Borrower Representative shall determine (less than all of the Series 2026 Bonds of a single maturity to be selected by lot in such manner as the Trustee may determine, or, if the Series 2026 Bonds are registered to participate in the DTC system, as determined by DTC pursuant to its policies and procedures in effect from time to time). Notice of the call for redemption shall be given by the Trustee by mailing by first class mail a copy of the redemption notice not more than

45 days nor less than 30 days prior to the redemption date to the Registered Owners of Series 2026 Bonds to be redeemed in whole or in part at the address of such Registered Owner last showing on the registration books. Failure to give such notice or any defect therein shall not affect the validity of any proceedings for the redemption of such Series 2026 Bonds for which no such failure or defect occurs. All Series 2026 Bonds called for redemption will cease to bear interest after the specified redemption date, provided collected funds for their payment are on deposit at the place of payment at the time of redemption.

The Series 2026 Bonds shall be issued only as fully registered bonds in Authorized Denominations of \$5,000, or any integral multiple in excess thereof.

This bond is fully transferable by the Registered Owner hereof, subject to the restrictions set forth herein and in the Indenture, in person or by his or her duly authorized attorney on the registration books kept by the Trustee, upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Trustee. Upon such transfer a new fully registered bond of Authorized Denomination or Denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor, all subject to the terms, limitations and conditions set forth in the Indenture. The Trustee and the Authority shall require the payment by any holder of this bond requesting exchange or transfer of the reasonable expenses of the Authority, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Authority and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof, whether or not this bond shall be overdue, for the purpose of receiving payment and for all other purposes, except to the extent otherwise provided herein and in the Indenture with respect to Regular Record Dates and Special Record Dates for the payment of interest, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

To the extent permitted by, and as provided in, the Indenture, modifications or amendments of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Authority and of the Registered Owners of the Series 2026 Bonds, may be made with the consent of the Authority and, in certain instances, with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding; provided, however, that no such modification or amendment shall be made which will affect the terms of payment of the principal of, premium, if any, or interest on any of the Series 2026 Bonds, which are unconditional, unless consented to by all Registered Owners of the Series 2026 Bonds. Any such consent by the Registered Owner of this bond shall be conclusive and binding upon such Registered Owner and upon all future registered owners of this bond and of any bond issued upon the transfer or exchange of this bond whether or not notation of such consent is made upon this bond.

The Registered Owner of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture. In case an event of default under the Indenture shall occur, the principal of all the Series 2026 Bonds at any such time Outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided

in the Indenture. The Indenture provides that such declaration may in certain events be rescinded and annulled by the Trustee under certain circumstances.

Neither the members of the Authority nor any person executing the Series 2026 Bonds shall be liable personally on the Series 2026 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability of the Authority and obligations of the Authority under the Loan Agreement and the Indenture with respect to all or any portion of the Series 2026 Bonds may be discharged at or prior to the maturity or redemption of the Series 2026 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Loan Agreement and the Indenture.

No covenant or agreement contained in the Bonds or in the Indenture shall be deemed to be the covenant or agreement of any appointed official, officer, director, agent, servant or employee of the Authority in his or her individual capacity or of any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Loan Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, director, agent, servant or employee of the Authority or the Borrower in his or her individual capacity, and the members of the governing bodies of the Authority and the Borrower shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2026 Bond exist, have happened and have been performed.

The Series 2026 Bonds are issued pursuant to the Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11 of the Colorado Revised Statutes, as amended. This recital shall conclusively impart full compliance with all of the provisions of the Indenture and shall be conclusive evidence of the validity and regularity of the issuance of the Series 2026 Bonds after their delivery for value and that all of the Series 2026 Bonds issued are incontestable for any cause whatsoever after their delivery for value. No legal or equitable action may be brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of this Bond shall be commenced more than thirty days after the authorization of this Bond.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Trustee shall have signed the certificate of authentication hereon.

NONE OF THE AUTHORITY, THE BORROWER OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A HOLDER WITH

RESPECT TO: (1) THE SERIES 2026 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE TIMELY OR ULTIMATE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2026 BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO REGISTERED OWNERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2026 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

IN WITNESS WHEREOF, THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of Chair, and a facsimile of its corporate seal to be affixed hereon and attested by the manual or facsimile signature of its Executive Director.

[SEAL]

COLORADO EDUCATIONAL AND
CULTURAL FACILITIES AUTHORITY

By _____
Morris Price, Chair

Attest:

Mark Heller, Executive Director

[FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION]

This is one of the Series 2026 Bonds described in the within mentioned Indenture of Trust.

Dated as of: [_____], 2026

UMB BANK, NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Address of transferee:

Social security or other tax
Identification number of
Transferee:

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever. Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a Member of a medallion program approved by The Securities Transfer Association, Inc.

[END OF FORM OF SERIES 2026 BOND]

LOAN AGREEMENT

by and between

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

and

FOUNTAIN VALLEY SCHOOL OF COLORADO

Executed as Part of the Proceedings Pertaining to the
Authorization and Issuance of:

\$[_____]

Colorado Educational and Cultural Facilities Authority
Independent School Revenue Bonds
(Fountain Valley School of Colorado Project)
Series 2026

Dated as of May 1, 2026

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Loan Agreement”) is made and entered into as of May 1, 2026, by and between the **COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY**, an independent public body politic and corporate constituting a public instrumentality of the State of Colorado (the “Authority”), and **FOUNTAIN VALLEY SCHOOL OF COLORADO**, a Colorado nonprofit corporation (the “Borrower”), and its successors and assigns, under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals being used herein are defined in or pursuant to Article I hereof);

WITNESSETH:

WHEREAS, the Authority is authorized by the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23 of the Colorado Revised Statutes, as amended (the “Act”) and the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the “Supplemental Act”), to make secured or unsecured loans to persons, educational institutions and cultural institutions operating in the State of Colorado (the “State”), for the purpose of financing or refinancing the costs of the acquisition, construction, reconstruction, repair, alteration, equipment, enlargement, improvement and extension of facilities required or useful for the operation of an educational institution or a cultural institution and the refunding or refinancing of any outstanding obligations incurred to finance such facilities; and

WHEREAS, the Borrower has requested the Authority issue its bonds and loan the proceeds therefrom to the Borrower in order to (a) finance the acquisition, design, construction, improvement, renovation, expansion, furnishing and equipping of (i) a new 20,800 square-foot Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces, (ii) a new 34,000-square-foot Humanities building and (iii) various capital improvement projects, including but not limited to certain deferred maintenance projects (collectively, the “Project Facilities”), all located on the Borrower’s 1,100-acre core campus, located at 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911; (b) fund a debt service reserve fund for the hereinafter defined Series 2026 Bonds; and (c) pay costs of issuing the Series 2026 Bonds (collectively, the “Project”); and

WHEREAS, pursuant to and in accordance with the Act and the Supplemental Act, the Authority proposes to make a loan to the Borrower pursuant to this Agreement for purposes of financing the Project; and

WHEREAS, the Authority proposes to issue pursuant to the Act, the Supplemental Act and the Resolution, its Colorado Educational and Cultural Facilities Authority Independent School Revenue Bonds (Fountain Valley School of Colorado Project), Series 2026 in the aggregate principal amount of \$[_____] (the “Series 2026 Bonds”) under an Indenture of Trust, dated as of May 1, 2026, between the Authority and UMB Bank, National Association, as trustee (the “Trustee”), to fund such loan; and

WHEREAS, the Authority proposes to loan to the Borrower and the Borrower desires to borrow from the Authority the proceeds of such revenue bonds for purposes of the above described financing upon the terms and conditions hereinafter in this Agreement set forth;

NOW, THEREFORE, the Authority and the Borrower, each in consideration of the representations, warranties, covenants and agreements of the other as set forth herein, mutually represent, warrant, covenant and agree as follows, to wit:

ARTICLE I

DEFINITIONS

All terms not defined herein shall have the meanings assigned to such terms in Article I of the Indenture (hereinafter defined). In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

“*Act*” means the Colorado Educational and Cultural Facilities Authority Act, constituting Article 15, Title 23, of the Colorado Revised Statutes, as amended.

“*Additional Parity Indebtedness*” means any other Indebtedness incurred in accordance with this Loan Agreement (other than the Loan) secured by a Lien on the Facilities and a security interest in the Pledged Revenues on a parity with amounts secured by the Lien of the Deed of Trust on the Facilities and the security interest in the Pledged Revenues granted by this Loan Agreement (except that the owners of such Indebtedness shall have no interest in the Funds and other accounts created in the Indenture or in this Loan Agreement and shall have no interest in moneys provided by any credit enhancement device for the Series 2026 Bonds).

“*Annual Fee*” means the annual fee required to be paid by the Borrower to the Authority pursuant to Section 5.02(c) hereof.

“*Audited Financial Statements*” means, as to the Borrower, financial statements for a Fiscal Year or a 12-month period, or for such other period for which an audit has been performed, prepared in accordance with Generally Accepted Accounting Principles, which have been audited and reported upon by independent certified public accountants.

“*Authority*” means the Colorado Educational and Cultural Facilities Authority, an independent public body politic and corporate constituting a public instrumentality, duly organized and existing under the laws of the State, or any public corporation succeeding to its rights and obligations under this Agreement.

“*Bond Counsel*” means an attorney-at-law or firm of attorneys (other than an employee of the Borrower but including any law firm serving as counsel to the Borrower) satisfactory to the Authority and nationally recognized as experienced in matters relating to the tax exemption of interest on bonds of states and political subdivisions.

“*Bond Documents*” means, collectively, the Indenture, this Loan Agreement, the Tax Agreement and the Deed of Trust.

“Bond Interest Fund” means the Bond Interest Fund created in Section 3.02 of the Indenture.

“Bond Principal Fund” means the Bond Principal Fund created in Section 3.02 of the Indenture.

“Borrower” means Fountain Valley School of Colorado, a Colorado nonprofit corporation, and its successors and assigns.

“Borrower Documents” means this Loan Agreement, the Deed of Trust, and the Tax Agreement and any amendments thereto and certificates, documents, or agreements executed in conjunction therewith.

“Borrower Representative” means the Head of School or the Chief Financial Officer of the Borrower, or any other person designated as such by an instrument in writing delivered to the Authority and the Trustee by the Head of School or the Chief Financial Officer of the Borrower.

“Business Day” means any day other than (a) a Saturday or Sunday or a day on which banking institutions in the State of Colorado or New York are authorized or obligated by law or executive order to close, or (b) a day on which the New York Stock Exchange is closed.

“Certificate of Borrower Representative” means a certificate signed by the Borrower Representative. Each Certificate of Borrower Representative presented pursuant to this Agreement shall state that it is being delivered pursuant to (and shall identify the section or subsection of), and shall incorporate by reference and use in all appropriate instances the terms defined in, this Agreement.

“Change in Net Assets Without Donor Restriction” means the total change in net assets absent donor restriction of Borrower determined in accordance with Generally Accepted Accounting Principles.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations issued from time to time thereunder.

“Commitment Indebtedness” means the obligation of the Borrower to repay amounts disbursed pursuant to a commitment from a financial institution to refinance when due other Indebtedness (including accrued and unpaid interest thereon) of the Borrower or purchase when tendered for purchase by the holder thereof in accordance with the terms thereof, other Indebtedness (including accrued and unpaid interest thereon) of the Borrower, which other Indebtedness was incurred in accordance with the provisions of this Agreement, plus any fees payable to such financial institution for such commitment and any other expenses (including collection) and indemnification obligations thereunder, including, without limitation, amounts disbursed and fees and expenses payable in connection with any Credit Facility.

“Computation Date” has the meaning set forth in the Tax Agreement.

“Consultant” means an Independent, recognized consulting firm which is appointed by the Borrower for the purpose of passing on questions relating to the financial affairs, management or

operations of the Borrower, has a favorable reputation for skill and experience in performing similar services in respect of entities of a comparable size and nature and is not unsatisfactory to the Trustee. If any Consultant's report or opinion is required to be given with respect to matters partly within and partly without the expertise of any consultant, such Consultant may rely upon the report or opinion of another Consultant possessing the necessary expertise.

"Consulting Architect" means an individual or an independent engineering or architectural firm (which may be an individual or an engineering or architectural firm retained by the Borrower for other purposes) selected by the Borrower.

"Consulting Architect's Certificate" means a written opinion or report signed by the Consulting Architect.

"Costs of the Project" means all reasonable or necessary costs incidental to the Project that may be financed pursuant to the Act, including financing capitalized interest on the Series 2026 Bonds, if any.

"Credit Facility" means a line of credit, letter of credit, standby bond purchase agreement or similar credit enhancement or liquidity facility established in connection with the issuance of Indebtedness to provide credit or liquidity support for such Indebtedness.

"Debt Service" means, for each Fiscal Year, the sum of the then-current portion of Long-Term Indebtedness and, interest expense for the prior twelve months.

"Debt Service Coverage Ratio" means for each Fiscal Year, the Borrower's Change in Net Assets Without Donor Restriction, plus interest expense, depreciation, amortization, any other one-time, extraordinary, or non-cash expenses, the appropriation from the board-designated endowment or other funds legally available for Operating Expenses (only to the extent not already captured in the Change in Net Assets Without Donor Restriction), excluding unrealized and realized gains or losses on investments and change in fair value of interest rate swaps (if applicable); divided by Debt Service.

"Debt Service Requirements" means, for a specified period, all regularly scheduled payments of principal of and interest on Indebtedness (calculated in such a manner that no portion of Indebtedness is included more than once), less any funds held on deposit in the Bond Fund for the purpose of paying interest during such period.

"Debt Service Reserve Fund" means the debt service reserve fund created in Section 3.02 of the Indenture.

"Debt Service Reserve Fund Requirement" means (a) with respect to the Series 2026 Bonds, an amount equal to the maximum interest payable with respect to the Series 2026 Bonds during any Fiscal Year; and (b) with respect to any Additional Parity Indebtedness, an amount specified in the indenture, financing agreement or other document setting forth the terms for such Additional Parity Indebtedness.

"Deed of Trust" means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of May 1, 2026, from the Borrower to the Public Trustee of El Paso County,

Colorado, for the benefit of the Trustee, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Indenture.

“Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act of 1976, 42 U.S.C. §§ 9601 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by SARA, 42 U.S.C. §§ 1820 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1810 et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 9601 et seq., the Clean Water Act, 33 U.S.C. §§ 1251 et seq., the Clean Air Act, 42 U.S.C. §§ 7412 et seq., the Colorado Hazardous Waste Act, C.R.S. §§ 25-15-101 et seq.; the Colorado Radiation Control Act, C.R.S. §§ 25-11-101 et seq., the Colorado Underground Storage Tanks Act, C.R.S. §§ 25-18-101 et seq., the Colorado Air Pollution Prevention and Control Act, C.R.S. §§ 25-7-101 et seq., the Colorado Water Quality Control Act, C.R.S. §§ 25-8-101 et seq., as any such acts may be amended, modified or supplemented and any regulations promulgated pursuant to any of the foregoing statutes.

“Event of Default” means any of the events described as an Event of Default in Section 9.01 hereof.

“Facilities” means, collectively, the Site and the Improvements.

“Fiscal Year” means the fiscal year of the Borrower, currently July 1 through and including June 30 of each year.

“Force Majeure” means any of the causes, circumstances or events described as constituting Force Majeure in Section 9.01 hereof.

“Funds” means the Bond Principal Fund, the Bond Interest Fund, the Project Fund, the Issuance Expense Fund, Debt Service Reserve Fund and the Rebate Fund, all as established and created by Section 3.02 of the Indenture.

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

“Governing Body” means the board of directors or board of trustees of the Borrower.

“Hazardous Material” means: (a) any substances defined as “hazardous substances,” “pollutants,” “contaminants,” “hazardous materials,” “hazardous wastes,” or “hazardous or toxic substances” or related materials as now or hereafter defined in any Environmental Law; (b) those substances listed or otherwise identified as substances of the type referred to in the preceding subsection (a) in the regulations adopted and publications issued pursuant to any Environmental Law, as the same may be amended, modified or supplemented; (c) any friable asbestos, airborne asbestos in excess of that generally found in the atmosphere, respectively, where the Facilities are located, or any substance or material containing asbestos, excluding any such materials located on the Facilities prior to the date hereof so long as such materials are contained, maintained, abated or removed in compliance with all applicable Environmental Laws; and (d) any substance the

presence of which on the Facilities is prohibited by any applicable Environmental Law; provided that Hazardous Material shall not include any such substances used in or resulting from the ordinary operation of the Facilities or for the cleaning of the Facilities, provided that such substances are stored, handled and disposed of in compliance with all applicable Environmental Laws and other applicable laws and regulations.

“Improvements” means those educational facilities, whether now existing and owned by the Borrower or hereafter acquired and to be owned by the Borrower upon conclusion of the Project, including (a) all buildings, structures and other improvements situated, placed or constructed on the Site; and (b) all materials, supplies, equipment, apparatus and other items of personal property owned by Borrower and attached to, installed in or used in connection with the Site, including (without limitation) water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements.

“Indebtedness” means (a) all obligations of the Borrower for borrowed money including, but not limited to, the Series 2026 Bonds; (b) all installment sales, conditional sales and capital lease obligations incurred or assumed by the Borrower; and (c) all Guaranties. Indebtedness shall not include any obligation incurred by the Borrower in the ordinary course of business (other than those obligations required to be capitalized in accordance with Generally Accepted Accounting Principles), any obligation to contribute to self-insurance, pension or other risk management programs, indemnification obligations incurred with respect to Commitment Indebtedness, or any fees or expenses payable in connection with the incurrence of Indebtedness.

“Indenture” means the Indenture of Trust of even date herewith, by and between the Authority and the Trustee, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Series 2026 Bonds are authorized to be issued and secured.

“Independent” means, with respect to any Person, one which is not and does not have a partner, director, officer, member or substantial stockholder who is a member of the Board of the Borrower, or an officer or employee of the Borrower; provided that the fact that a Person is retained regularly by or transacts business with the Borrower will not, in and of itself, cause such Person to be deemed an employee of the Borrower for the purposes hereof.

“Insurance Consultant” means a firm or Person selected by the Borrower Representative which is not, and no member, stockholder, director, trustee, officer or employee of which is, an officer, director, trustee or employee of the Borrower which is qualified to survey risks and to recommend insurance coverage for educational facilities and services and organizations engaged in such operations and which may provide insurance coverage for the Borrower.

“Irrevocable Deposit” means the irrevocable deposit in trust of cash in an amount (or non-callable Government Obligations, the principal of and interest on which will be in an amount) and under terms sufficient to pay all or a specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Trustee or any other trustee authorized to act in such capacity.

“Issuance Expense Fund” means the Issuance Expense Fund created in Section 3.02 of the Indenture.

“Lien” means the liens of the Deed of Trust, and any mortgage or pledge of, security interest in, or lien or encumbrance on, any Property which secures any Indebtedness or other obligation of the Borrower or which secures any obligation of any Person other than an obligation to the Borrower.

“Loan” means the loan by the Authority to the Borrower of the proceeds received from the sale of the Series 2026 Bonds pursuant to the terms of this Agreement.

“Loan Agreement” or *“Agreement”* means this Loan Agreement, as amended or supplemented from time to time.

“Loan Payments” means those payments required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Promissory Note and Section 5.02(a) hereof.

“Long-Term Indebtedness” means (a) Indebtedness with respect to money borrowed for an original term, or renewable at the option of the Borrower for a period from the date originally incurred, longer than one year; and (b) Indebtedness with respect to financing leases which are capitalized, in accordance with Generally Accepted Accounting Principles, having an original term, or renewable at the option of the lessee for a period from the date originally incurred, longer than one year.

“Maximum Annual Debt Service” means, with respect to all Outstanding Indebtedness, the highest annual Debt Service Requirements in any Fiscal Year during the remaining term of such Indebtedness (net of any Debt Service Reserve Fund balance to be applied in the final year).

“Net Proceeds” means when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in the collection of such gross proceeds, as described in Article VI hereof.

“Operating Expenses” means all fees and expenses of the Borrower determined in accordance with Generally Accepted Accounting Principles, consistently applied, including, but not limited to, payments related to leases, interest payments, maintenance expenses, repair expenses, utility expenses, real estate taxes, if any, insurance premiums, administrative and legal expenses, miscellaneous operating expenses, the cost of materials and supplies used for current operations of the Borrower, the cost of vehicles, equipment leases and service contracts, taxes, if any, upon the operations of the Borrower and charges for the accumulation of appropriate reserves (excluding deposits to any reserve for replacement or maintenance of capital assets) for current expenses not annually recurrent; provided, however, that “Operating Expenses” shall not include: (a) capital expenditures under Generally Accepted Accounting Principles; (b) depreciation and amortization expenses; or (c) replenishments of the Debt Service Reserve Fund.

“Opinion of Bond Counsel” means an opinion in writing signed by an attorney or firm of attorneys acceptable to the Authority and experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“Permitted Encumbrance” means, as of any particular time, any of the following:

- (a) Liens for taxes and special assessments on the Facilities not then delinquent;
- (b) This Loan Agreement, the Tax Agreement and the Indenture;
- (c) Purchase money security interests with respect to any item of equipment related to the Facilities;
- (d) Utility, access, and other easements and rights-of-way, mineral rights and reservations, covenants, restrictions and exceptions which would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure on the Deed of Trust);
- (e) Mechanics’ and materialmen’s liens related to the Facilities when payment of the related bill is not overdue;
- (f) Mechanics’ and materialmen’s liens, security interests or other encumbrances related to the Facilities to the extent permitted in Section 6.01 hereof;
- (g) Liens arising by reason of good faith deposits with the Borrower in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Borrower to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;
- (h) Liens arising by reason of deposits with, or the giving of any form of security to, any governmental agency as required by law or governmental regulation as a condition to any transaction or any business or the exercise of any privilege or license, or to enable the Borrower to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen’s compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements;
- (i) Judgment Liens against the Borrower so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed;
- (j) Rights reserved to or vested in any municipality, school district or public authority by the terms of any right, power, franchise, grant, license or permit, or provision of law, affecting the Facilities, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Facilities or materially and adversely affect the value thereof; (B) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Facilities; (C) liens on the Facilities for taxes, assessments, levies, fees, water and sewer charges, and other

governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with the Facilities, which are not due and payable or which are not delinquent or which are being contested in good faith or with respect to liens of mechanics, materialmen and laborers, have been due for less than 60 days; (D) easements, rights of way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to the Facilities which do not materially impair the use of the Facilities or materially and adversely affect the value thereof; or (E) rights reserved to or vested in any municipality or public authority to control or regulate the Facilities or to use the Facilities in any manner, which rights do not materially impair the use of the Facilities or materially and adversely affect the value thereof;

(k) Liens and any other restrictions, exceptions, leases, easements or encumbrances which are existing on the date of initial issuance and delivery of the Series 2026 Bonds and as described in the Title Policy delivered in accordance with Section 4.06 hereof, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to apply to the Facilities not subject to such Lien on such date, unless such Lien as so extended, renewed or modified or otherwise qualified as a Permitted Encumbrance hereunder;

(l) Liens arising by reason of an Irrevocable Deposit;

(m) Liens in favor of the Trustee on the proceeds of the Series 2026 Bonds prior to the applications of such proceeds;

(n) Liens securing the Series 2026 Bonds or any additional Indebtedness permitted by Section 7.16 hereof;

(o) Such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Facilities and which would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure of the Lien granted by the Deed of Trust); and

(p) The Lien of the Deed of Trust.

“*Person*” means an individual, association, unincorporated organization, corporation, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

“*Pledged Revenues*” means all income, revenues, receipts and other moneys received by or on behalf of the Borrower from any source and all rights to receive the same, in all cases to the extent permitted by the terms thereof and by law to be pledged under this Loan Agreement, whether in the form of accounts, deposit accounts, contract rights, chattel paper, instruments, general intangibles, or other rights now owned or hereafter acquired by the Borrower, and all

proceeds therefrom whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code of the applicable state where the Borrower is located; but excluding gifts, grants, bequests, donations and contributions made to the Borrower that are specifically restricted by the donor, testator or grantor to a particular purpose that is inconsistent with their use for payments required under the Indenture or this Loan Agreement or for payment of operating expenses, and, if also so restricted, the income and gains derived therefrom.

“*Project*” has the meaning set forth in the WHEREAS clauses of this Loan Agreement.

“*Project Facilities*” means those educational facilities (as defined in the Act) described in the WHEREAS clauses hereof, the construction, improvement, renovation and/or equipping of which is to be financed with the proceeds of the Series 2026 Bonds, as more particularly described in Exhibit A.

“*Promissory Note*” means the promissory note of the Borrower, dated as of even date with the Series 2026 Bonds, in the form attached hereto as Exhibit B and in the principal amount of \$[_____], evidencing the obligation of the Borrower to make Loan Payments.

“*Property*” means any and all right, title and interest in and to any and all property of the Borrower whether real or personal, tangible or intangible and wherever situated and whether now owned or hereafter acquired.

“*Rebate Analyst*” has the meaning assigned to it in the Tax Agreement.

“*Rebate Fund*” means the Rebate Fund created in Section 3.02 of the Indenture.

“*Registered Owner*” of the Series 2026 Bonds means the registered owner of any Bond then Outstanding.

“*Reserve Fund Insurance Policy*” means any insurance policy, surety bond, letter of credit or similar instrument deposited in or credited to the Debt Service Reserve Fund as provided in Section 5.05 hereof in lieu of or in partial substitution for cash or Permitted Investments on deposit in the Debt Service Reserve Fund. Any such insurance policy, surety bond, letter of credit or similar instrument must be issued by an entity having a rating in one of the two highest rating categories assigned by Fitch, S&P or Moody’s at the time such policy, surety bond, letter of credit or similar instrument is deposited in or credited to the Debt Service Reserve Fund.

“*Resolution*” means the resolution of the Authority, approved April 22, 2026, providing for the issuance of the Series 2026 Bonds and approving this Loan Agreement, the Indenture, and related matters.

“*Series 2026 Bonds*” means the bonds designated as “Colorado Educational and Cultural Facilities Authority Independent School Revenue Bonds (Fountain Valley School of Colorado Project) Series 2026” authorized in the Indenture in the original principal amount of \$[_____].

“*Short-Term Indebtedness*” means (i) Indebtedness with respect to money borrowed payable on demand or for an original term, or renewable at the option of the Borrower for a period

from the date originally incurred, of one year or less; (ii) Indebtedness with respect to leases which are capitalized in accordance with Generally Accepted Accounting Principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and (iii) Indebtedness with respect to installment purchase contracts having an original term of one year or less (other than contracts entered into in the ordinary course of business).

“*Site*” means the real estate, interests in real estate, and other real property rights described in Exhibit A of Deed of Trust, which may be amended from time to time as additional rights or interests are acquired with proceeds of the Series 2026 Bonds.

“*State*” means the State of Colorado.

“*Supplemental Act*” means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended.

“*Tax Agreement*” means the Tax Regulatory Agreement, dated as of May [____], 2026, by and among the Authority, Borrower and Trustee, as amended or supplemented from time to time.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof that is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code or corresponding provisions of federal income tax laws from time to time in effect.

“*Title Company*” means Land Title Guarantee Company.

“*Title Policy*” means an ALTA Loan Policy of Title Insurance (2006 version) from the Title Company meeting the requirements of Section 4.06 hereof.

“*Trustee*” means the Trustee at the time acting as such under the Indenture, originally UMB Bank, National Association, as Trustee thereunder, and any successor Trustee as determined or designated under or pursuant to the Indenture.

“*Tuition Revenues*” means the tuition and fees collected by the Borrower, net of scholarships, as reflected in the Borrower’s audited financial statements.

“*Underwriter*” means Stifel, Nicolaus & Company, Inc.

“*Unrestricted Cash and Investments*” means the sum of (a) cash and cash equivalents and (b) investments that can be liquidated within 45 days, in *each* case that are not subject to perpetual donor restriction.

“*Unrestricted Revenues*” means the total revenues classified as “without donor restriction” reported in the statement of activities in the Borrower’s audited financial statements for any given Fiscal Year.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations, Warranties and Covenants by the Authority. The Authority represents, covenants, and warrants, as applicable, for the benefit of the Borrower, the Trustee and the Registered Owners that:

(a) The Authority is an independent public body politic and corporate constituting a public instrumentality duly organized and existing under the laws of the State. The Authority is authorized by the Act, the Supplemental Act, and the Resolution to enter into this Agreement, the Tax Agreement and the Indenture, and to carry out the transactions contemplated hereby and thereby and to carry out its obligations hereunder and thereunder and has duly authorized the execution and delivery of this Agreement, the Tax Agreement and the Indenture.

(b) The Authority has duly adopted the Resolution, and the Resolution has not been terminated, rescinded, canceled, revoked, vacated, amended, supplemented or otherwise modified since the date of its adoption and is and has been since the date of its adoption in full force and effect.

(c) Consistent with the understanding between the Authority and the Borrower, the Authority will loan the Borrower the proceeds of the Series 2026 Bonds to provide for the financing of the Project, all for the purpose of providing adequate educational facilities.

(d) On the basis of the representation made by the Borrower, the Authority hereby finds that the financing of the Project is in the public interest, will alleviate a financial hardship upon the Borrower, and that the Borrower's educational facilities enable or assist the Borrower to provide adequate educational facilities within the State.

(e) To finance the Project, the Authority has duly authorized the issuance of the Series 2026 Bonds, which shall be issued in the aggregate principal amount of \$[] and shall mature, bear interest, be subject to redemption prior to maturity, be secured and have such other terms and conditions as are set forth in the Indenture.

(f) Neither the execution and delivery of this Agreement, the Indenture or the Tax Agreement, the consummation of the transactions contemplated hereby or thereby nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Indenture or the Tax Agreement, to the Authority's knowledge, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority under the terms of any instrument or agreement.

(g) Based solely on the Borrower's representations herein, the Authority hereby finds that the amount of the Loan does not exceed the estimated cost of financing the Project.

(h) The Series 2026 Bonds are to be issued under and secured by the Indenture pursuant to which certain of the Authority's interest in this Agreement will be pledged and assigned, without recourse and subject to the Unassigned Rights, to the Trustee as security for payment of the principal of, premium, if any, and interest on the Series 2026 Bonds.

(i) The Authority has not pledged and will not pledge or grant (except as provided in the Indenture) any security interest in, or assign any of its rights under, this Agreement or the payments hereunder, or the revenues or income to be derived hereunder, for any purpose other than to secure the Series 2026 Bonds.

(j) The issuance of the Series 2026 Bonds has been approved by the Treasurer of the State, under the authority designated to it by the Governor of the State, after a public hearing, following reasonable public notice.

(k) To the extent within its reasonable control, the Authority will not knowingly engage in any activity which might result in the income of the Authority to be received hereunder becoming taxable to it or interest on the Series 2026 Bonds becoming taxable to the Registered Owners under federal income tax laws.

(l) To the knowledge of the Authority, no litigation at law or in equity or administrative action of any nature has been served on the Authority and is now pending materially adversely affecting, nor to the Authority's knowledge, is there any proposed amendment to any State law or any administrative interpretation of any State law or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect: (i) the creation, organization or existence of the Authority; (ii) the authority of the Authority to accept or perform the duties and obligations of the Authority under the Authority Documents or the Series 2026 Bonds; (iii) the Authority's ability to fulfill its duties and obligations under the Authority Documents or the Bonds; (iv) the validity or enforceability of the Authority Documents, the Series 2026 Bonds, or any other loan document to which the Authority is a party; or (v) the tax-exempt status of interest on the Series 2026 Bonds.

(m) The Authority shall have no responsibility for the filing, perfection or continuation of any security interest created under the Indenture or this Agreement.

Section 2.02. Representations, Warranties and Covenants of the Borrower. The Borrower represents, warrants and covenants for the benefit of the Authority, the Trustee and the Registered Owners that:

(a) The Borrower is a nonprofit corporation duly organized and in good standing under the laws of the State, is an "educational institution" within the meaning of the Act, is authorized by the laws of the State applicable as of the date hereof to provide or operate an "educational institution" within the meaning of the Act; is not a pervasively

sectarian or theological institution (provided however, any use of the Facilities primarily for sectarian purposes is subject to the requirements of Section 7.08 hereof); is not supported in whole or in part by state funds (as that term is used in the Act); has power to enter into and to perform and observe the covenants and agreements on its part contained in this Agreement, the Promissory Note, the Deed of Trust and the Tax Agreement; and by proper action has duly authorized the execution and delivery of this Agreement, the Promissory Note, the Deed of Trust and the Tax Agreement.

(b) The Borrower shall pay the initial fee to the Authority in connection with the Series 2026 Bonds.

(c) None of the execution and delivery of this Agreement, the Promissory Note, the Deed of Trust, the Tax Agreement, and the consummation of the transactions contemplated hereby or thereby or the fulfillment of or compliance with the terms and conditions of this Agreement, the Promissory Note, the Deed of Trust and the Tax Agreement violates any law or conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower under the terms of any instrument or agreement.

(d) The total estimated cost of financing the Project is hereby determined to be not less than \$[_____], and the financing of such cost by the Authority will assist the Borrower in providing more adequate educational facilities.

(e) The Borrower intends to operate or to cause its Facilities to be operated to the expiration of the term of this Agreement as an “educational institution” within the meaning of the Act.

(f) The Loan Payments due under this Loan Agreement are in an amount sufficient to pay the principal of and premium, if any, and interest on the Series 2026 Bonds; and this Loan Agreement requires the Borrower to pay or provide for the payment of all costs of maintenance, repair, taxes, payments in lieu of taxes, assessments, insurance premiums, trustee’s fees and all other expenses relating to the Facilities, so that the Authority will not incur any expenses on account of the Facilities, other than those that are covered by the payments by the Borrower provided for herein; provided however, that, all such payments, except as specifically provided herein, are limited special obligations of the Borrower payable, upon an Event of Default, solely from the Pledged Revenues or from amounts received from the foreclosure on the Deed of Trust;

(g) Except as specifically disclosed to the Authority, neither the Borrower nor, to the best knowledge of the Borrower, any other person has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Facilities or any part thereof. The Borrower hereby warrants and represents that it has complied and, in the future, will comply in all material respects with all applicable Environmental Laws with respect to the Facilities. The Facilities have not previously contained and do not

contain any underground storage tanks other than in compliance with all applicable Environmental Laws and have never been used by the Borrower or, to the best knowledge of the Borrower, by any other person, as a temporary or permanent storage or disposal site for any Hazardous Material. The Borrower has delivered to the Authority all environmental reports, studies, audits and other data and information, if any, in the possession or control of the Borrower relating to the Facilities.

(h) The acquisition of the Project Facilities and the intended operation of the Facilities will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto in any material respect. The Facilities will be operated in accordance with all material legal requirements relating to zoning, building, safety, and environmental quality. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery of this Agreement, the Promissory Note, the Deed of Trust or the Tax Agreement or the operation or improvement of the Facilities and the performance of the Borrower's obligations hereunder or thereunder have been obtained or will be obtained when required.

(i) As of the date of this Agreement, the Borrower is an organization described in Section 501(c)(3) of the Code and is not a "private foundation" as defined in Section 509(a) of the Code, has received a letter from the Internal Revenue Service to that effect, such letter has not been modified, limited or revoked, the Borrower is in compliance with all terms, conditions and limitations, if any, contained in such letter, the facts and circumstances which form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist, and the Borrower is exempt from federal income taxes under Section 501(a) and Section 501(c)(3) of the Code, and the Borrower agrees that it shall not perform any acts or enter into any agreements which shall adversely affect such federal income tax status nor shall it permit the Facilities to be used in or for any trade or business if such activity would adversely affect the exclusion of interest on any of the Series 2026 Bonds from federal income taxation or if such activity would adversely affect the federal income tax status under Section 501(c)(3) of the Code of the Borrower.

(j) As of the date of this Agreement, there are no actions, suits or proceedings or investigations pending or, to the best of the knowledge of the Borrower, threatened against the Borrower or the Property of the Borrower, or involving the enforceability of the Series 2026 Bonds, the Borrower Documents or the Indenture, or the priority of the lien on Pledged Revenues created hereby, at law or in equity, or before or by any governmental authority, except actions which, if adversely determined, would not materially impair the ability of the Borrower to perform its obligations under this Loan Agreement, and to cause to be paid any amounts which may become payable under this Loan Agreement. The Borrower is not in default in any material respect under any mortgage, deed of trust, lease, loan or credit agreement, partnership agreement or other instrument to which the Borrower is a party or by which it is bound, which has not been disclosed to the Authority.

(k) The Borrower has made or caused to be made all filings with and has obtained, or will obtain on or before the date required therefor, all approvals and consents from all applicable local, state and federal governmental agencies having jurisdiction to the

extent, if any, which it is currently required to have or obtain under applicable laws and regulations in connection with the Indenture and this Agreement.

(l) The Borrower is currently in compliance with and in the future will comply with all applicable federal and state nondiscrimination laws.

(m) The Borrower represents and warrants that it is, and has been, in compliance with all existing financial covenants and obligations.

(n) The obligations of the Borrower to make payments required hereunder shall be absolute and unconditional, and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstance whatsoever, including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Authority, the Trustee or any other person.

(o) The Borrower will comply with the provisions of Securities and Exchange Commission Rule 15c2 12 provided, however, failure to comply shall not constitute an Event of Default hereunder.

(p) The Borrower acknowledges and accepts the conditions and obligations applicable to the Borrower contained in the Indenture, and covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions applicable to the Borrower contained in the Indenture.

(q) The Borrower shall be responsible for any cost overruns associated with the Project, and none of the Authority, the Trustee, or the Registered Owners have any obligation to assist the Borrower with financing any cost overruns associated with the Project.

ARTICLE III

ASSIGNMENT OF LOAN AGREEMENT AND REVENUES; TERM OF THE LOAN AGREEMENT

Section 3.01. Assignment of Loan Agreement and Revenues. To secure the payment of the principal, premium, if any and interest on the Series 2026 Bonds, the Authority shall assign, without recourse and subject to the Unassigned Rights, to the Trustee, by the Indenture, all its right, title and interest in and to the revenues to be derived hereunder, this Agreement (other than the rights of the Authority under Sections 5.02(c), 7.05, 7.14 and 9.04 of this Agreement and other than the rights of the Authority to perform certain discretionary acts as reserved in this Agreement) and the Promissory Note. The Borrower hereby agrees and consents to that assignment.

Section 3.02. Term. This Loan Agreement shall remain in full force and effect from the date of delivery hereof until such time as all the Loan and any other amounts represented by the Indebtedness of the Bonds and/or any other amounts due under the Deed of Trust shall have been fully paid or provision is made for such payment pursuant to the Indenture and all reasonable fees, costs and expenses of the Trustee accrued and to accrue through final payment of the Series 2026 Bonds, all fees and expenses of the Authority accrued and to accrue through final payment of the

Series 2026 Bonds and all other liabilities of the Borrower accrued and to accrue through final payment of the Series 2026 Bonds under this Agreement and the Indenture have been paid or provision is made for such payments pursuant to the Indenture.

ARTICLE IV

ISSUANCE OF THE SERIES 2026 BONDS

Section 4.01. Issuance of the Series 2026 Bonds; Application of Proceeds. In order to provide funds to make the Loan for payment of Costs of the Project, the Authority will sell and cause to be delivered to the initial purchasers thereof the Series 2026 Bonds and will make such Loan and direct the Trustee to deposit the proceeds of the Series 2026 Bonds in the amount of \$[] (representing the par amount of the Series 2026 Bonds, less original issue discount of \$[] and less an underwriting discount of \$[]) as follows:

- (a) Series 2026 Bond proceeds in the amount of \$[] will be deposited to the Issuance Expense Fund to pay the costs of issuance of the Series 2026 Bonds; and
- (b) Series 2026 Bond proceeds in the amount of \$[] will be deposited to the Project Fund and used to fund Costs of the Project.
- (c) Series 2026 Bond proceeds in the amount of \$[] will be deposited to the Debt Service Reserve Fund.

Section 4.02. Disbursements From the Issuance Expense Fund. The Authority has, in the Indenture, authorized and directed the Trustee to make payments from the Issuance Expense Fund for the payment of issuance expenses as provided in this Section. Payments shall be made from the Issuance Expense Fund only for paying the costs of legal, accounting, organization, marketing or other special services and other fees and expenses, incurred or to be incurred by or on behalf of the Authority, the Trustee or the Borrower in connection with the issuance of the Series 2026 Bonds. The Authority does not make any warranty, either express or implied, that the moneys in the Issuance Expense Fund available for payment of the foregoing costs will be sufficient to pay such costs in full, and the Borrower agrees to pay that portion of such costs in excess of the amount in the Issuance Expense Fund from any moneys legally available for such purpose. The Borrower shall not be entitled as a result of paying a portion of the issuance expenses pursuant to this Section to any reimbursement therefor from the Authority, the Trustee or the Registered Owners of the Series 2026 Bonds, nor shall it be entitled to any diminution in or postponement of the Loan Payments or other amounts required to be paid under this Loan Agreement. The Trustee shall make payments from the Issuance Expense Fund in accordance with the closing memorandum provided by the Underwriter dated as of the Closing Date. Any moneys remaining in the Issuance Expense Fund following such payments and any other payments to be made from such fund shall be transferred to the Project Fund, as set forth in Section 3.07 of the Indenture.

Section 4.03. Investment of Moneys. Any moneys held as a part of the Funds shall be invested, reinvested and transferred to other Funds by the Trustee as provided in Article VI of the Indenture.

Section 4.04. Rebate Fund; Arbitrage and Tax Matters. The Borrower hereby covenants and represents for the benefit of each owner of the Series 2026 Bonds and the Authority that it will not make or permit any use of the proceeds of the Series 2026 Bonds or the moneys in the Funds or take any other action which will cause the Series 2026 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Borrower covenants that it will comply with the applicable requirements of Section 148 of the Code so long as any Series 2026 Bonds are Outstanding. The Borrower shall deliver to the Authority certificates in such reasonable form as the Authority shall specify upon which the Authority may rely in furnishing the certificates required by Section 6.02 of the Indenture. The Borrower covenants and agrees to comply with the provisions of the Tax Agreement.

Within 45 days after each Computation Date, the Borrower shall deliver to the Authority and the Trustee a report summarizing the results of its calculations with respect to the amount, if any, of rebatable arbitrage and the amount, if any, due and owing to the United States Treasury as of the date of the report, together with written directions to the Trustee to either transfer investment income available in any Fund to the Rebate Fund or to the United States Treasury, as appropriate and as provided in Section 3.13 of the Indenture, and the Trustee shall thereafter confirm any such transfers to the Authority. The Borrower acknowledges the provisions of Section 3.14 of the Indenture which limit the amount of money to be so transferred from the Funds at its direction.

The Borrower shall appoint, at its own expense, a Rebate Analyst reasonably acceptable to the Authority pursuant to Section 4.04 of the Tax Agreement to assist in the preparation of the report described in the preceding paragraph. If such report is not delivered to the Trustee within 15 days of its due date set forth in the preceding paragraph, the Trustee shall promptly give notice to the Authority and the Borrower of such failure, and the Borrower shall cause the Rebate Analyst to deliver such report as soon as possible. The Borrower will maintain records relating to rebatable arbitrage and the investment and use of the proceeds of the Series 2026 Bonds for a period of four years after the later of (i) payment in full of the Series 2026 Bonds or (ii) payment in full of any bonds issued to refund the Series 2026 Bonds.

Section 4.05. Disbursements From the Project Fund. The Authority has, in the Indenture, authorized and directed the Trustee to disburse the Loan moneys in the Project Fund to or on behalf of the Borrower for the Costs of the Project upon receipt by the Trustee of a completed requisition, in the form attached hereto as Exhibit C, signed by the Borrower Representative, which may be submitted to the Trustee by the Borrower no more frequently than twice per month to pay the Costs of the Project. The Trustee may conclusively rely on as to the completeness and accuracy of all statements in such requisition if such requisition is signed by a Borrower Representative, and the Trustee shall not be required to make an independent investigation in connection therewith.

The completion date of the Project shall be evidenced to the Trustee by the furnishing of a certificate signed by the Borrower Representative stating that the Project has been completed by the Borrower.

Any Loan moneys (including investment proceeds) remaining in the Project Fund on the date of the completion certificate may be used, at the direction of the Borrower Representative, to the extent indicated, for the payment, in accordance with the provisions of this Loan Agreement, of any Costs of the Project not theretofore paid, as specified in the completion certificate.

Any Loan moneys (including investment proceeds) remaining in the Project Fund on the date of receipt of the completion certificate and not set aside for the payment of the Costs of the Project related to the Facilities as specified above shall on such date be deposited by the Trustee in the Bond Interest Fund or the Bond Principal Fund upon the direction of the Borrower to be used to pay the principal of and interest on the Series 2026 Bonds.

In the event the Loan moneys in the Project Fund available for payment of the Costs of the Project should not be sufficient to pay the costs thereof in full, the Borrower will pay or deposit in the Project Fund moneys sufficient to pay the Cost of the Project as may be in excess of the moneys available therefor in the Project Fund, but solely from the Pledged Revenues. NEITHER THE AUTHORITY NOR THE TRUSTEE MAKES ANY WARRANTY, EITHER EXPRESS OR IMPLIED (1) THAT THE MONEYS WHICH WILL BE PAID INTO THE PROJECT FUND AND WHICH, UNDER THE PROVISIONS OF THIS AGREEMENT, WILL BE AVAILABLE FOR PAYMENT OF THE COSTS OF THE PROJECT, WILL BE SUFFICIENT TO PAY ALL THE COSTS WHICH WILL BE INCURRED IN THAT CONNECTION; OR (2) AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITIES OR THAT THE FACILITIES ARE OR WILL BE SUITABLE FOR THE BORROWER'S PURPOSES OR NEEDS. The Borrower agrees that, if after exhaustion of the moneys in the Project Fund or otherwise, the Borrower should pay or deposit moneys in the Project Fund for the payment of any portion of the Costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Authority or from the Trustee or from the Registered Owners of the Series 2026 Bonds, nor shall it be entitled to any diminution of the Loan Payments, or other amounts required to be paid under this Loan Agreement.

Section 4.06. Title Insurance. On or before the date of issuance of the Series 2026 Bonds and the making of the Loan, the Trustee shall be provided with the Title Policy consisting of (a) a copy of a standard owner's title insurance policy insuring the Borrower's ownership interest in the real property; and (b) a standard title insurance policy insuring the Trustee's interests under the Deed of Trust in the Site included in the Facilities, subject only to Permitted Encumbrances, in an amount not less than the lesser of either (i) the principal amount of the Outstanding Series 2026 Bonds; or (ii) the insurable value of the Facilities, as completed. Each such Title Policy shall be in the form of an ALTA extended policy of title insurance issued by the Title Company, or any other nationally recognized title insurance company, and may not permit the title insurer to purchase any Series 2026 Bonds in lieu of providing payment under the policy unless, upon purchase, all such Series 2026 Bonds are cancelled.

ARTICLE V

DEED OF TRUST AND SECURITY PROVISIONS; PROVISIONS FOR PAYMENT

Section 5.01. Deed of Trust and Security Agreement Provisions; Evidence of Loan Indebtedness.. In order to secure the payment of the Loan and the payment of all other amounts payable hereunder and under the Deed of Trust and to secure the performance by the Borrower of all the covenants expressed or implied by this Loan Agreement and the documents and instruments executed in connection herewith:

(a) the Borrower shall execute and deliver the Deed of Trust concurrently with this Loan Agreement, which Deed of Trust shall secure the Loan and all obligations hereunder in a first lien security position for the benefit of the Trustee and its successors and assigns, subject only to Permitted Encumbrances;

(b) the Borrower does hereby pledge to and grant to the Authority a present security interest, within the meaning of the Colorado Uniform Commercial Code and to the extent permitted by law, in all personal property, materials, equipment, fixtures or other property whatsoever now or hereafter attached or affixed to, or installed in, or used in connection with the buildings and other improvements now erected or hereafter to be erected on the Site or otherwise in connection with the Facilities, all accounts, escrows, documents, instruments, chattel paper, claims, deposits and general intangibles, as the foregoing terms are defined in the Uniform Commercial Code, and all contract rights, franchises, books, contracts, certificates, records, plans, specifications, permits, licenses (to the extent assignable), approvals, actions, and causes of action which now or hereafter relate to, are derived from or are used in connection with the Facilities, or the use, operation, construction, management, maintenance, occupancy, operation, or enjoyment thereof or the conduct of any business or activities thereon (hereinafter collectively called the “Intangibles”), insurance proceeds and all renewals or replacements of or substitutions for any of the foregoing comprising the Facilities and together with and including all Pledged Revenues and all the proceeds thereof, subject to Permitted Encumbrances, and all of the Borrower’s right, title and interest, if any, in the Funds and in any trust accounts referred to in this Loan Agreement or the Indenture. Nothing contained in this subsection shall create a pledge or grant of personal property owned by CEC or the Obligated Charter Group; and

(c) the Liens of this Loan Agreement and the Deed of Trust shall apply to all property related to the Site or the Facilities acquired by the Borrower after the date of this Loan Agreement which by the terms of this Loan Agreement shall be subject to the Lien and/or the security interests created hereby, shall immediately upon the acquisition thereof by the Borrower and without further mortgage, encumbrance, conveyance, or assignment become subject to the Lien and security interests created by this Loan Agreement, the Deed of Trust and any and all other documents and instruments delivered in connection therewith, including, without limitation, any Uniform Commercial Code Financing Statements. Nevertheless, the Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, deeds of trust, security agreements, financing statements and assurances as may be required for accomplishing the purposes of this Loan Agreement. Failure of the Borrower to execute and deliver such requested documents shall be deemed a default hereunder and the Authority or the Trustee and their successors and assigns, as the beneficiary hereunder and under the Deed of Trust are hereby given the express authority to file, but without any duty to file, any and all such financing statements, amendments and documents necessary to confirm the agreements set forth herein, which grant is coupled with an interest and is non-revocable.

Notwithstanding subsections (a), (b) and (c) above, the Trustee shall terminate and release the Deed of Trust and the security interests granted, sold, bargained or conveyed unto the Trustee when the Loan has been paid in full and the Series 2026 Bonds secured hereby and thereby are no

longer Outstanding and all obligations under the Indenture and this Loan Agreement have been satisfied.

For purposes of the Deed of Trust, this Loan Agreement evidencing the Loan and the Series 2026 Bonds shall be deemed an “evidence of debt” as defined in Section 38-38-100.3(8), Colorado Revised Statutes, as amended.

This Loan Agreement and the pledge hereunder shall be valid and binding from the date hereof and the issuance of the Series 2026 Bonds evidencing the funding of the Loan under this Loan Agreement. To the extent any property covered by this Loan Agreement consists of personal property, intangible interests or any right or interest, the perfection of which is governed by the Colorado Uniform Commercial Code, this Loan Agreement constitutes a security agreement and financing statement and is intended when filed or when the Deed of Trust are recorded and/or any Uniform Commercial Code Financing Statements are filed, as and where required, to create a perfected security interest (to the extent that such security interest can be perfected by filing) in such property in favor of the Trustee and the Authority. The Authority shall have no responsibility for the filing, perfection or continuation of any security interest created under the Indenture or this Loan Agreement.

Section 5.02. Loan Payments and Other Amounts Payable.

(a) The Borrower shall deposit moneys directly with or to the account of the Trustee as repayment of the Loan until the principal of, premium, if any, and interest on the Series 2026 Bonds shall have been paid or provision for the payment thereof shall have been made in accordance with the Indenture, (i) into the Bond Interest Fund on or before the fifth Business Day prior to each interest payment date, an amount equal to the interest coming due on the Series 2026 Bonds on such interest payment date; and (ii) into the Bond Principal Fund on or before the fifth Business Day prior to each principal payment date, an amount equal to the principal due on the Series 2026 Bonds on such principal payment date (taking into account, with respect to the final Loan Payment, any amount in the Debt Service Reserve Fund which will be used for such final Loan Payment); provided, however, that any amount in the Bond Interest Fund or the Bond Principal Fund on a Loan Payment date in excess of the aggregate amount required to be held or deposited pursuant to this Section 5.02(a) as of the last Loan Payment date shall be credited against the Loan Payment due on such date and the amount of such Loan Payment may be reduced by the Borrower in a corresponding amount.

Upon any acceleration of amounts due under this Agreement, the Borrower shall immediately pay as repayment of the Loan, for deposit in the Bond Principal Fund and the Bond Interest Fund, an amount which, together with other moneys available hereunder, is sufficient to pay the entire principal of and interest on the Series 2026 Bonds. If on any principal or interest payment date for the Series 2026 Bonds or the date any other amounts are payable on the Series 2026 Bonds the amount held by the Trustee in the Bond Principal Fund, the Bond Interest Fund and the Debt Service Reserve Fund is insufficient to make the required payments of principal of, premium, if any, and interest on the Series 2026 Bonds, the Borrower shall forthwith pay such deficiency as repayment of the Loan for deposit in the Bond Principal Fund or the Bond Interest Fund, as the case may be.

In the event any moneys in the Debt Service Reserve Fund are transferred to the Bond Principal Fund or the Bond Interest Fund pursuant to Section 3.07 of the Indenture or to the Rebate Fund pursuant to Section 3.14 of the Indenture, or in the event the Trustee has notified the Borrower of a deficiency in the Debt Service Reserve Fund pursuant to Section 3.07 of the Indenture, the Borrower will in 12 equal monthly installments promptly deposit or cause to be deposited moneys and/or, subject to the provisions of Section 5.05 hereof, a Reserve Fund Insurance Policy, into the Debt Service Reserve Fund in an amount equal to the amount required to cause the total amount in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement. Subject to Section 5.05 hereof, the Borrower may utilize a Reserve Fund Insurance Policy and shall reimburse the provider of any such Reserve Fund Insurance Policy pursuant to its terms.

(b) The Borrower agrees to pay to the Trustee the reasonable fees, costs and expenses of the Trustee to the extent provided in Section 9.02 of the Indenture, including the reasonable fees and other costs and expenses incurred for the services of any paying agent or engineers, architects, attorneys, management consultants, accountants and other consultants employed by the Trustee or the Authority to make examinations and reports, provide services and render opinions required under this Agreement or the Indenture, as well as paying to the appropriate party the fees and expenses of any rebate analyst selected by the Borrower as provided in Section 3.14 of the Indenture, as and when the same become due, upon submission of a statement therefor.

(c) The Borrower has heretofore paid the Authority an initial fee. The Borrower agrees to pay or cause to be paid to the Authority an Annual Fee in accordance with the agreement between the Borrower and the Authority, as the same may be amended from time to time, plus any amounts required to reimburse the Authority for any expenses incurred by the Authority, whether out-of-pocket or internal, in connection with this Loan Agreement, the Indenture, the Series 2026 Bonds, the Tax Agreement, the Bond Purchase Agreement, the Facilities, or any other instrument or action relating to the foregoing, including fees and disbursements of attorneys, incurred by the Authority as a result of its performance of any act required or contemplated by the provisions of this Agreement, the Series 2026 Bonds, or the Indenture, including, without limitation, reasonable counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all counsel fees and expenses relating to the enforcement of the Bond Documents or any other documents relating to the Project or the Loan or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit or post issuance examination of the Bonds. The sum of payments pursuant to this paragraph (c) and initial fee shall at all times be in an amount which does not cause the Borrower to violate the provisions of Section 4.04 hereof.

(d) The Borrower agrees to pay to the Trustee all amounts to be deposited to the Rebate Fund, as and when the same become due as determined pursuant to Sections 3.12 and 3.13 of the Indenture, to the extent there are no other amounts available in the Funds to make such deposits, and to cause the Trustee to apply such funds in compliance with the terms of Section 3.14 of the Indenture.

(e) The Borrower agrees to pay all fees, costs and expenses which may be incurred in connection with any removal or substitution of the Trustee and the appointment of any successor trustee.

In the event the Borrower should fail to make any of the payments required by this Section, the item or installment in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same and, with respect to the payments required by Section 5.02(a), (b) and (c) hereof, to pay interest at: (i) a rate of 1% per annum above the highest rate of interest borne by any Series 2026 Bond during the 365 days prior to the date on which the Borrower failed to make such payment; or (ii) or the maximum rate permitted by law if less than such rate. Except as provided in Section 9.06 hereof, all payments required to be made by the Borrower pursuant to this Loan Agreement are a special limited obligation of the Borrower derived solely from the Pledged Revenues.

Notwithstanding any other provision of this Loan Agreement, all payments required to be made by the Borrower pursuant to this Loan Agreement, other than paragraphs (b) and (c) of this Section and the indemnification provisions of Sections 7.05 hereof, which are general obligations of the Borrower, are limited, special obligations of the Borrower payable, including upon an Event of Default, solely from the Pledged Revenues or from amounts received from the foreclosure of the lien of the Deed of Trust and the exercise of any rights herein by the holder hereof as against any other Property in which a security interest is granted by this Loan Agreement as provided in Section 9.06 hereof and which grant is perfected and secured by a UCC Financing Statement.

Section 5.03. Payees of Payments. The Loan Payments provided for in Section 5.02(a) hereof, and the rebate payments provided for in Section 5.02(d) hereof shall be paid in funds immediately available in the city in which the office so designated for receipt of such payments by the Trustee is located directly to the Trustee for the account of the Authority and shall be deposited in the Bond Principal Fund, the Bond Interest Fund, or the Rebate Fund, as appropriate. The payments to be made to the Trustee under Section 5.02(b) hereof shall be paid directly to the Trustee for its own use. The payments to be made to the Authority under Section 5.02(c) hereof shall be paid directly to the Authority for its own use. The payments to be made pursuant to Section 5.02(e) hereof shall be made to the party or parties (including the Authority) to whom such payments are due and owing.

Section 5.04. Obligations of Borrower Hereunder Unconditional. The obligations of the Borrower to make the payments required in Section 5.02 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional but, except as otherwise provided in Section 9.06 hereof, are special limited obligations of the Borrower to be derived solely from the Pledged Revenues. The Borrower (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 5.02 hereof; (b) will perform and observe all of its other agreements contained in this Agreement; and (c) except as provided in Article X hereof, will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure to complete the Project, failure of consideration, eviction or constructive eviction, destruction of or damage to the Facilities, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Colorado or any political subdivision of either, any failure of the Authority to perform and observe

any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied. The Borrower may at its own cost and expense and in its own name or in the name of the Authority (without expense to the Authority and with the Authority's prior written consent), prosecute or defend any action or proceeding or take any other action involving third persons which the Borrower deems reasonably necessary in order to secure or protect its or its lessees' rights of possession, occupancy and use of the Facilities; provided, however, that any such prosecution, defense or action taken by the Borrower in the name of the Authority shall not preclude or prohibit in any way the Authority from prosecuting, defending, joining or intervening in such action or proceedings, or taking any other action it deems necessary, in its own name and of its own accord.

Section 5.05. Reserve Fund Insurance Policy. The Borrower may at any time substitute (a) cash or Permitted Investments for a Reserve Fund Insurance Policy; or (b) a Reserve Fund Insurance Policy for cash or Permitted Investments, so long as the amount on deposit in the Debt Service Reserve Fund after such substitution is at least equal to the Debt Service Reserve Fund Requirement. In the event the Borrower shall substitute a Reserve Fund Insurance Policy for cash or Permitted Investments, the amount on deposit in the Debt Service Reserve Fund shall be that amount available to be drawn or otherwise paid pursuant to such policy at the time of calculation. Notwithstanding the foregoing, no Reserve Fund Insurance Policy shall be accepted by the Trustee for such substitution unless the Trustee and the Authority have received an opinion acceptable to the Authority of nationally recognized municipal bond counsel acceptable to the Authority to the effect that such substitution and the intended use by the Borrower of the cash or Permitted Investments to be released from the Debt Service Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2026 Bonds.

ARTICLE VI

MAINTENANCE AND INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.01. Maintenance and Modifications of Facilities by Borrower. The Borrower agrees that during the term of this Agreement the Facilities shall be operated and maintained in substantial compliance with all governmental laws, building codes, ordinances, and regulations and zoning laws as shall be applicable to such Facilities. The Borrower agrees that during the term of this Agreement it will at its own expense (a) keep the Facilities in as reasonably safe condition as the operations at the Facilities permit; and (b) except to the extent the Borrower has determined that any portion of the Facilities is obsolete or not useful in its operations, keep the Facilities in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof. The Borrower may dispose of portions of the Facilities that the Borrower determines to be obsolete or not useful to operations of the Facilities; provided, however, that there is not currently an Event of Default, and such disposition will not materially impact the ability of the Borrower to make payments under this Loan Agreement. The Borrower may, also at its own expense, make from time to time any additions, modifications or improvements to the Facilities it may deem desirable for its purposes that do not substantially reduce their value; provided that all such additions,

modifications and improvements made by the Borrower which are affixed to the Facilities shall become a part of the Facilities; provided, however, that nothing in this subsection shall prevent the Borrower from ceasing to operate any immaterial portion of the Facilities. The Borrower shall promptly complete any improvements that may be commenced, in good and workmanlike manner and in conformance with plans and specifications. The Borrower will not permit any Liens, security interests or other encumbrances other than Permitted Encumbrances to be established or to remain against the Facilities for labor or materials furnished in connection with the Project or any additions, modifications, improvements, repairs, renewals or replacements made by it to the Facilities; provided that if the Borrower first notifies the Trustee of its intention to do so, and, if the Borrower posts a bond with the Trustee adequate to satisfy the same, the Borrower may in good faith contest any mechanics' or other liens filed or established against the Facilities and in such event may permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Facilities or any part thereof will be subject to loss or forfeiture, in which event the Borrower shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will, at the expense of the Borrower cooperate fully with the Borrower in any such contest.

Section 6.02. Taxes, Other Governmental Charges and Utility Charges. The Borrower will pay promptly, as the same become due, (a) all taxes and governmental charges of any kind whatsoever or payments in lieu of taxes that may at any time be lawfully assessed or levied against or with respect to the Facilities or any interest therein, or any machinery, equipment, or other property installed or brought by the Borrower therein or thereon which, if not paid, will become a lien on the Facilities or a charge on the Pledged Revenues prior to or on a parity with the charge thereon under this Loan Agreement; (b) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities; and (c) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facilities provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as may have become due during the term of this Loan Agreement. The Borrower may, at its expense, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges contested to remain unpaid during the period of such contest and any appeal therefrom unless, in the opinion of the Trustee, upon the advice of counsel, the Facilities shall be subject to loss or forfeiture, in which case such taxes, assessments or charges shall be paid promptly or secured by posting a bond with the Trustee adequate to satisfy the same. The Authority at the expense of the Borrower shall cooperate fully with the Borrower in any such contest.

Section 6.03. Insurance. Throughout the term of this Agreement, the Borrower shall keep the Facilities continuously insured (including by one or more self-insurance programs, if deemed standard, customary and prudent under the circumstances) against such risks and in such amounts as are customarily insured for by similar institutions, including without limitation the following risks, paying as the same become due and payable all premiums with respect thereto:

- (a) an ALTA mortgagee title insurance policy naming the Trustee as an insured in an amount equal to the lesser of (i) the principal amount of the Loan represented by the Series 2026 Bonds (if available in that amount) plus any other amounts specified to be due

hereunder; or (ii) the insurable value of the Facilities upon completion of the Project Facilities;

(b) Insurance against loss or damage to the Facilities and all Improvements therein, naming the Trustee as an additional insured thereunder, all subject to standard form exclusions, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State, in an amount equal to the full replacement value of the Facilities once the Project Facilities are constructed or the aggregate principal amount of the Bonds then Outstanding.

(c) Commercial general liability and automobile liability insurance against claims arising in, on or about the Facilities, including in, on or about the sidewalks or premises adjacent to the Facilities, providing coverage limits not less than the coverage limits customarily carried by owners or operators of facilities of similar size and character within the State and listing the Authority and the Trustee as additional insured thereunder.

(d) Fidelity insurance or bonds on those of its officers and employees who handle funds of the Borrower, both in such amounts and to such extent as are customarily carried by organizations similar to the Borrower and operating properties similar in size and character to the facilities of the Borrower.

(e) Such other forms of insurance as the Borrower is required by law to provide with respect to the Facilities, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

All the insurance coverage required by this Section may be subject to deductible clauses in such amounts as are customary for educational facilities of similar size and character within the State. The Authority and the Trustee shall be named as insureds under any self-insurance program of the Borrower. At least every three years from the Closing Date, the Borrower shall employ (or cause to be employed), at its expense, an Insurance Consultant to review the insurance coverage required by this Section and to render to the Authority, the Borrower and the Trustee a report as to the adequacy of such coverage and as to its recommendations, if any, for adjustments thereto. The Borrower agrees to act on any recommendations regarding insurance coverage provided by the Insurance Consultant. The insurance coverage provided by this Section may be reduced or otherwise adjusted by the Borrower provided that all coverages after such reduction or other adjustment are certified by the Insurance Consultant to be adequate and customary for educational facilities of like size and type, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance and the effect of such terms and such cost upon the Borrower's fees, rentals and charges for the use of the Facilities.

The Borrower shall deliver to the Trustee (a) upon the commencement of the term of this Agreement, the originals or certified copies thereof of all insurance policies (or certificates thereof) which the Borrower is then required to maintain pursuant to this Section, together with evidence as to the payment of all premiums then due thereon; (b) at least 30 days prior to the expiration of any such policies evidence as to the renewal thereof, if then required by this Section, and the payment of all premiums then due with respect thereto; and (c) promptly upon request by the Authority or the Trustee, but in any case within 170 days after the end of each fiscal year (at the

same time that the Borrower delivers its audited financial statements pursuant to Section 7.03 hereof), a certificate of an authorized representative of the Borrower setting forth the particulars as to all insurance policies maintained by the Borrower pursuant to this Section and certifying that such insurance policies are in full force and effect, that such policies comply with the provisions of this Section and that all premiums then due thereon have been paid.

The Trustee and the Authority make no representation as to and shall have no responsibility to review or assess any of the documents described in this Section, or for the sufficiency of the insurance.

Section 6.04. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to Section 6.03(a) hereof shall be applied as provided in Section 6.05 hereof and Section 3.17 of the Indenture. The Net Proceeds of the insurance carried pursuant to Section 6.03(b) hereof shall be applied as provided in Section 6.04 hereof. The Net Proceeds of insurance carried pursuant to Sections 6.03(c) and (e) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid. The Net Proceeds of the fidelity insurance carried pursuant to Section 6.03(d) hereof shall be held by the Borrower to replace the funds lost.

Section 6.05. Damage and Destruction. Unless the Borrower shall have exercised its option to prepay the Loan in full pursuant to Article X hereof, if the Facilities are destroyed or damaged by fire or other casualty to such extent that the claim for loss under any insurance policies resulting from such event of destruction or damage is less than \$250,000, the Net Proceeds of insurance resulting from such claims for losses shall be paid to the Borrower and shall be held or used by the Borrower for such purposes as the Borrower, in its discretion, may deem appropriate. The Borrower shall not by reason of the payment of Net Proceeds for such destruction or damage be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Loan Agreement.

Unless the Borrower shall have exercised its option to prepay the Loan in full pursuant to Article X hereof, if the Facilities are destroyed or damaged (in whole or in part) by fire or other casualty to such extent that the claim for loss under any insurance policies resulting from such event of destruction or damage is \$250,000 or more, the Borrower shall promptly give written notice thereof to the Trustee and the Authority. All Net Proceeds of insurance resulting from such claims for losses of \$250,000 or more shall, in the event the value of the Project Facilities is less than the unpaid principal amount of the Series 2026 Bonds, and for a period of 10 years following the Closing Date, be held by the Trustee in a separate trust account, whereupon (a) the Borrower will promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it existed prior to such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the Borrower's ability to operate the Facilities in an efficient manner; and (b) the Trustee, upon receipt of a Consulting Architect's Certificate that such payment is required for such purpose, will disburse so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration as the work progresses; and for the period after 10 years from the Closing Date shall at the option of the Borrower, either be used to redeem the Series 2026 Bonds (but not in the event the value of the

Project Facilities is less than the unpaid principal amount of the Series 2026 Bonds) or be used to repair, rebuild or restore the property as described above. Any balance of such Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be transferred to the Bond Principal Fund and applied to the payment of principal of the Series 2026 Bonds on the next payment date or dates thereof. In the event such Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, the Borrower will nonetheless complete the work thereof and will pay any costs thereof in excess of the amount of said Net Proceeds. The Borrower shall not by reason of the payment of such excess costs be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Loan Agreement.

All Net Proceeds of insurance resulting from claims for losses specified in the first sentences of the two preceding paragraphs may be used to redeem the Series 2026 Bonds (except as limited thereby); provided (i) all of the unpaid principal of the Series 2026 Bonds are to be redeemed in full in accordance with the Indenture upon exercise of the option to prepay the Loan in full provided for in Article X hereof or (ii) in the event that less than all of the unpaid principal of the Series 2026 Bonds are to be redeemed, the Borrower shall furnish to the Trustee a Consulting Architect's Certificate stating (A) that the property forming a part of the Facilities damaged or destroyed is not essential to the Borrower's use or occupancy of the Facilities, or (B) that the Facilities have been restored to a condition substantially equivalent to its condition prior to the damage or destruction or (C) that improvements have been acquired which are suitable for operation as an educational facility on the Site.

Section 6.06. Condemnation and Title Defects. Unless the Borrower shall have exercised its option to prepay the Loan in full pursuant to Article X hereof, in the event that title to, or the temporary use of, the Facilities or any part thereof shall be taken under the exercise of the power of eminent domain or because of a title defect, the Borrower shall be obligated to continue to make the Loan Payments and other payments required to be made under this Loan Agreement. In the event that the Net Proceeds from any award made in such eminent domain proceedings or from any insurance policies purchased pursuant to Section 6.03(a) hereof is less than \$250,000, all of such Net Proceeds shall be paid to the Borrower and shall be held or used by the Borrower for such purposes as the Borrower, in its discretion, may deem appropriate. In the event that the Net Proceeds from any award made in such eminent domain proceedings or from any insurance policies purchased pursuant to Section 6.03(a) hereof is \$250,000 or more, all of such Net Proceeds shall be paid to and held by the Trustee in a separate trust account for the equal benefit of the Registered Owners, to be applied to one or more of the following purposes as shall be directed in writing by the Borrower:

- (a) the restoration of the Facilities to substantially the same condition as they existed prior to such condemnation or without such title defect;
- (b) the acquisition, by construction or otherwise, of other improvements suitable for operation as an educational or cultural facility on the Site; and
- (c) the redemption of the Series 2026 Bonds; provided that such condemnation award or title insurance proceeds may be applied for such redemption only if (i) all of the

unpaid principal of the Series 2026 Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to prepay the Loan in full provided for in Article X hereof; or (ii) in the event that all of the unpaid principal of the Series 2026 Bonds are not to be redeemed, the Borrower shall furnish to the Authority and the Trustee a Consulting Architect's Certificate stating (A) that the property forming a part of the Facilities taken by such condemnation proceedings or lost due to a defect in title is not essential to the Borrower's use or occupancy of the Facilities; or (B) that the Facilities have been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings or without such title defect; or (C) that improvements have been acquired which are suitable for the Borrower's operations at the Facilities as contemplated by the foregoing subsection (b) of the first paragraph of this Section.

In the event the Borrower elects either of the options set forth in subsection (a) or (b) of the first paragraph of this Section, the Trustee, upon receipt of a Consulting Architect's Certificate supervising such repair, rebuilding or restoration that payment is required for such purpose, will disburse so much as may be necessary of the Net Proceeds of such condemnation award or title insurance proceeds to payment of the costs of such restoration, acquisition or construction, as the work progresses.

In the event the Borrower elects either of the options set forth in subsection (a) or (b) of the first paragraph of this Section, and the Net Proceeds received from eminent domain or title insurance proceeds are insufficient to pay in full the cost of restoring, acquiring or constructing improvements of substantially the same condition as the Facilities prior to the taking or without such title defect, the Borrower will nonetheless complete the work thereof and will pay any costs thereof in excess of such Net Proceeds. The Borrower shall not by reason of the payment of such excess costs be entitled to any reimbursement from the Authority, the Trustee or the Registered Owners or any postponement, abatement or diminution of the Loan Payments and other payments required to be made under this Loan Agreement.

Unless the Borrower has exercised its option to prepay the Loan in full pursuant to Article X hereof, within 90 days from the date of a final order in any eminent domain proceeding granting condemnation or from the date of a taking pursuant to a title defect, the Borrower shall direct the Authority and the Trustee in writing which of the ways specified in this Section the Borrower elects to have the Net Proceeds of the condemnation award or insurance proceeds applied. Any balance of the Net Proceeds of the award in such eminent domain proceedings or insurance proceeds remaining after payment of all the costs of such restoration, acquisition or construction shall be applied to pay or redeem the Bonds. The balance to be used to pay or redeem the Bonds shall be transferred to the Bond Principal Fund and applied to the payment of the principal of the Bonds on the next payment date or dates thereof.

The Authority shall cooperate fully with the Borrower in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facilities or any part thereof. In no event will the Borrower voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Facilities or any part thereof without the written consent of the Authority.

Section 6.07. Borrower Entitled to Certain Net Proceeds. The Borrower shall be entitled to the Net Proceeds of any insurance payment or condemnation award or portion thereof attributable to damage or destruction or takings of its Property not included in the Facilities, as certified in writing by the Borrower Representative to the Trustee.

Section 6.08. No Change in Loan Payments; No Liens. All buildings, improvements and equipment acquired in the repair, rebuilding or restoration of the Facilities shall be deemed a part of the Facilities and shall be available for use and occupancy by the Borrower without the payment of any payments hereunder other than the Loan Payments and other payments required to be made under this Loan Agreement, to the same extent as if they were specifically described herein; provided that no buildings, improvements or equipment shall be acquired subject to any lien or encumbrance other than Permitted Encumbrances.

Section 6.09. Investment of Net Proceeds. Any Net Proceeds of insurance payments or condemnation awards held by the Trustee pending restoration, repair or rebuilding shall be invested in Permitted Investments in the same manner as provided in Section 6.01 of the Indenture. Any earnings or profits on such investments shall be considered part of the Net Proceeds.

ARTICLE VII

SPECIAL COVENANTS

Section 7.01. No Warranty of Condition or Suitability by the Authority. The Authority makes no warranty, either express or implied, as to the condition of the Facilities, or that they will be suitable for the purposes or needs of the Borrower.

Section 7.02. Further Assurances. The Authority and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Agreement.

Section 7.03. Annual Audit; Reporting Requirements. The Borrower will have the books and records of the Borrower audited annually, and shall furnish within 170 days after the end of each Fiscal Year to the Authority, the Underwriter and the Trustee, for distribution, upon request, to the Registered Owners, a copy of the audit report certified by the Borrower's accountant or another independent certified public accountant. Neither the Authority nor the Trustee shall have any duty or obligation to review or verify the Borrower's financial statements submitted to it pursuant to the requirements herein.

Section 7.04. Financial Statements. The Borrower agrees that it will maintain proper books of records and accounts with full, true and correct entries of all of its dealings substantially in accordance with Generally Accepted Accounting Principles. Upon request by the Authority, the Borrower shall promptly supply to the Authority information relating to the Borrower's operations, financial condition, tax status, and any proposed or completed material transaction. In addition, prior to the commencement of each Fiscal Year, the Borrower shall provide to the Underwriter and, upon request, the Authority and the Trustee, the annual operating and capital budgets of the Borrower in summary form as approved by the Governing Body. Neither the

Authority nor the Trustee shall have any duty or obligation to review or verify the Borrower's financial statements or other information submitted to it pursuant to the requirements herein. Delivery to the Trustee of such financial statements is for safekeeping purposes only. The Trustee's receipt of such information shall not constitute constructive or actual notice of any information contained therein or determinable from information contained therein. The Trustee may provide copies thereof to bondholders that request such information.

Section 7.05. Release and Indemnification Covenants. The Borrower agrees to protect and defend the Authority, the State, agencies of the State, former, present and future directors, members, servants, officers, employees, attorneys and other agents of said State or the Authority and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management or policies, now or hereafter, of the State or the Authority and to protect and defend the Trustee, its officers, directors, employees, attorneys and agents (collectively, the "Indemnified Parties" and individually, an "Indemnified Party") and further agrees to release from, pay for and hold harmless the Indemnified Parties from and against any and all liabilities, losses, damages, costs, expenses, including reasonable attorneys' fees, costs and expenses, including court costs, including those for post judgment and appellate proceedings, judgments, claims, demands, suits, actions or other proceedings of whatsoever kind or nature (including, without limitation, those in any manner directly or indirectly arising or resulting from, out of or in connection with any injury to, or death of, any person or any damage to property but excluding as to an Indemnified Party or Indemnified Parties those directly resulting from any willful misconduct of such Indemnified Party or Indemnified Parties, as finally adjudicated on a non-appealable basis by a court of competent jurisdiction) in any manner directly or indirectly (in any case, whether or not by the Borrower, or its successors and assigns, or directly or indirectly through the agents, contractors, employees, licensees or otherwise of the Borrower, or its successors and assigns) by any person or entity whatsoever except the Authority, as to its actions, or the Trustee, as to its actions, arising or purportedly arising from this Agreement, the Indenture, the Series 2026 Bonds, the initial and any subsequent offers and sales of the Series 2026 Bonds, the Tax Agreement or the transactions contemplated hereby and thereby, the breach or violation of or any material inaccuracy or material omission in any agreement, covenant, representation or warranty of the Borrower set forth herein or in any document delivered pursuant hereto, or any protected action or failure to act by an Indemnified Party or Indemnified Parties with respect to any of the foregoing. Any Indemnified Party has the right to retain, at the Borrower's expense, separate counsel in any lawsuit if the Indemnified Party reasonably concludes that a potential conflict of interest exists between the Indemnified Party and any other named party.

The Borrower releases the Authority and all former, present and future directors, members, servants, officers, employees and other agents of the Authority, the Trustee and the Registered Owners from, agrees that the Authority and the Trustee and all former, present and future directors, members, servants, officers, employees, attorneys and other agents of the Authority and the Trustee shall not be liable for, and agrees to hold the Authority and all former, present and future directors, members, servants, officers, employees and other agents of the Authority and the Trustee harmless against, any expense or damages incurred because of any lawsuit commenced as a result of action taken by the Authority and the Trustee or their former, present and future directors, members, servants, officers, employees or other agents and the Registered Owners (except as to any Indemnified Party for any willful misconduct of such party, as finally adjudicated on a non-appealable basis by a court of competent jurisdiction) with respect this Agreement, the Indenture,

the Series 2026 Bonds, or the Tax Agreement and the Authority and the Trustee shall promptly give written notice to the Borrower with respect thereto. All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any former, present or future director, member, servant, officer, employee or other agent of the Authority in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds or for any claim based thereon or hereunder against any former, present or future director, member, servant, officer, employee or other agent of the Authority or any natural person executing the Series 2026 Bonds.

The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of this Agreement for any reason.

Section 7.06. Authority of Borrower Representative. Whenever, under the provisions of this Agreement, the Tax Agreement or the Indenture, the approval or direction of the Borrower is required, or the Authority or the Trustee is required to take some action at the request of the Borrower, such approval or such request shall be made by the Borrower Representative unless otherwise specified in this Agreement, the Tax Agreement or the Indenture. The Authority or the Trustee shall be authorized to act on any such approval or request, and the Borrower shall have no complaint against the Authority or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Agreement, the Tax Agreement or the Indenture by the Borrower Representative shall be on behalf of the Borrower and shall not result in any personal liability of such Borrower Representative or any trustee, officer, employee or other agent of the Borrower.

Section 7.07. Compliance With Nondiscrimination Laws. The Borrower will admit and educate individuals in the facilities refinanced with the proceeds of the Series 2026 Bond without regard to race, creed, color, age, sex, national origin or religious belief and will respect, permit and not interfere with the religious beliefs of persons admitted and educated. The Borrower hereby represents that it is currently in compliance with all applicable federal and state nondiscrimination laws and that it will comply in the future with all applicable federal and state nondiscrimination laws.

Section 7.08. Nonsectarian Use. The Borrower agrees that, in the absence of the receipt by the Authority and the Trustee of a written opinion of nationally recognized municipal bond counsel acceptable to the Authority to the effect that such use will not affect adversely the exclusion from gross income of interest for federal income tax purposes on the Series 2026 Bonds then Outstanding, and that such restriction is no longer required under the provisions of the Act, no proceeds of the Series 2026 Bonds shall be used to acquire, construct, install, or refinance any facilities which are intended to be used primarily for sectarian purposes.

Section 7.09. No Default Certificate. Within 170 days after the end of each Fiscal Year, the Borrower shall furnish to the Authority and the Trustee a certificate of the Borrower Representative certifying that no event of default under Section 9.01 hereof has occurred and is continuing and that he has no knowledge of an event, which with the passage of time or the giving of notice, or both, would constitute an event of default under Section 9.01 hereof, respectively, or

describing any such event of default or event known to him. The Trustee shall be entitled to conclusively rely upon such certificate of the Borrower unless the Trustee has been notified, or is deemed to have notice, of the occurrence of an event of default as provided in the Indenture.

Section 7.10. Consolidation, Merger, Sale or Conveyance. The Borrower agrees that during the term of this Loan Agreement it will maintain its corporate existence, will continue to be a nonprofit corporation duly qualified to do business in the State of Colorado, will not merge or consolidate with any Person, or sell or convey its interest in any Property except as otherwise permitted in Section 7.20 hereof.

Section 7.11. Licensing; Accreditation. The Borrower covenants and agrees to use its best efforts to maintain all permits, licenses, accreditations and other governmental approvals necessary for the operation of its business; provided, however, that nothing contained in this Agreement shall be construed to obligate the Borrower to retain or preserve any permits, licenses, accreditations or other governmental approvals no longer used or, in the judgment of the governing body of the Borrower, no longer useful in the conduct of its business.

Section 7.12. Borrower Not To Adversely Affect Exclusion From Gross Income of Interest on Series 2026 Bonds. The Borrower hereby represents that the Borrower has taken and caused to be taken, and covenants that the Borrower will take and cause to be taken, all actions that may be required of the Borrower, alone or in conjunction with the Authority, for the interest on the Series 2026 Bonds to be and remain excluded from gross income for federal income tax purposes, and represents that the Borrower has not taken or permitted to be taken on the Borrower's behalf, and covenants that the Borrower will not take or permit to be taken on the Borrower's behalf, any actions that would adversely affect such exclusion under the provisions of the Code.

Section 7.13. No Violations of the Law. Any other term or provision in this Agreement to the contrary notwithstanding, (a) in no event shall this Agreement be construed as (i) depriving the Authority of any right or privilege; or (ii) requiring the Authority or any member, official, officer, director, agent, employee, representative, attorney, or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else, which deprivation or requirement would violate, or result in the Authority's being in violation of the Act or any other applicable state or federal law; and (b) at no time and in no event will the Borrower permit, suffer or allow any of the proceeds of the Series 2026 Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

Section 7.14. No Pecuniary Liability of Authority. No provision, covenant or agreement contained in this Agreement, or any obligations herein imposed upon the Authority, or the breach thereof, shall constitute an indebtedness or liability of the Authority within the meaning of any Colorado constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Authority or any director, official, officer, attorney, or agent of the Authority from time to time or a charge against the Authority's general credit. In making the agreements, provisions and covenants set forth in this Agreement, the Authority has not obligated itself except with respect to the Trust Estate.

Section 7.15. No Personal Liability of Officials of the Authority, the Borrower or the Trustee. None of the covenants, stipulations, promises, agreements and obligations of the Authority or the Borrower contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any director, employee, member, officer, attorney or agent of the Authority or the Borrower in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Series 2026 Bonds or for any claim based thereon or any claim hereunder against any official, director, employee, member, officer, attorney or agent of the Authority or the Borrower, or any natural person executing any Series 2026 Bond, including any officer or employee of the Trustee.

Section 7.16. Compliance With Rule 15c2-12. The Borrower shall, if applicable, comply with Rule 15c2-12 of the Regulations under the Securities Exchange Act of 1934, as amended.

Section 7.17. Limitations on Incurrence of Additional Indebtedness. The Borrower covenants that it will not incur, assume or guarantee (“incur”) any Indebtedness secured in whole or in part by the Facilities or the Pledged Revenues, except as provided below:

(a) Additional Parity Indebtedness may be incurred if the Borrower provides to the Trustee and the Authority prior to such incurrence:

(i) written confirmation that the outstanding Indebtedness and the proposed Indebtedness will receive a rating of at least “Baa3” from Moody’s or “BBB-” from S&P but in no case a rating less than the then rating of the Series 2026 Bonds; or

(ii) (A) a certificate of an independent certified public accountant demonstrating that, had the Additional Parity Indebtedness been incurred at the beginning of the most recent Fiscal Year for which audited financial statements of the Borrower are available, the Debt Service Coverage Ratio would have been at least 1.25:1.00 (in calculating such Debt Service Coverage Ratio, any reduction in expenses which would have occurred in connection with the project being financed by the Additional Parity Indebtedness shall be taken into account, as will additional revenues directly resulting from the asset financed); and (B) a Certificate of Borrower Representative projecting that the Debt Service Coverage Ratio, which includes any new revenues associated with the project being financed, for the first Fiscal Year following issuance of the Additional Parity Indebtedness will be at least 1.25:1.00. In performing the calculations referred to in subsections (A) and (B) above, “Maximum Annual Debt Service” shall be used in lieu of “Debt Service”.

(b) Long-Term Indebtedness may be incurred for the purpose of refunding any Outstanding Indebtedness without meeting the requirements of paragraph (a) provided that prior to such incurrence, the Borrower shall provide a Certificate of Borrower Representative to the Trustee and the Authority, in satisfactory form, demonstrating that the Maximum Annual Debt Service immediately following the incurrence of such refunding Indebtedness is not more than 110% of the Maximum Annual Debt Service immediately prior to the incurrence of such refunding Indebtedness.

(c) Short-Term Indebtedness may be incurred in the ordinary course of business in any amount up to the greater of \$5,000,000 or 20% of Unrestricted Revenues for the preceding Fiscal Year, less any Short-Term Indebtedness then outstanding.

(d) [Indebtedness secured solely by a lien on cash and/or investment assets of the Borrower may be incurred without limitation.]

(e) Notwithstanding anything herein to the contrary, the Borrower may not incur or assume Additional Indebtedness described in paragraphs (a), (b) or (c) unless there is no default or Event of Default that has occurred and is continuing hereunder.

(f) The Borrower is precluded from incurring additional Indebtedness secured by liens on the Facilities or the Pledged Revenues that are senior to the lien of the Deed of Trust on the Facilities and the security interest in the Pledged Revenues granted by this Loan Agreement and the Deed of Trust.

Section 7.18. Liquidity Requirement. The Borrower hereby covenants and agrees to calculate its Unrestricted Cash and Investments after the end of each Fiscal Year and have Unrestricted Cash and Investments greater than 15% of the aggregate principal amount of the Indebtedness Outstanding as of the end of such Fiscal Year. If as of the end of any Fiscal Year Unrestricted Cash and Investments is less than 15% of the aggregate principal amount of the Indebtedness Outstanding as of the end of such Fiscal Year, the Borrower shall, within 30 days of the date of such calculation, retain a Consultant to make recommendations with respect thereto. The Borrower agrees that within 10 days following receipt of such recommendations, a copy thereof will be transmitted to the Trustee. The Borrower agrees that it will, unless otherwise prohibited by law, follow the recommendations of the Consultant. An event of default for failure to comply with this covenant shall occur only if the Borrower fails to maintain Unrestricted Cash and Investments equal to at least 15% of the aggregate principal amount of the Outstanding Indebtedness for two consecutive Fiscal Years. Nothing herein limits the ability of the Borrower to spend any of its Unrestricted Cash and Investments described in this Section at any time prior to an event of default hereunder or prior to a breach of this Section so long as the amount required by this Section to be available as of the end of the Fiscal Year is available at that time. The Trustee shall not be responsible for monitoring the compliance by the Borrower with this Section. The Borrower shall certify to compliance with this Section as part of the certificate provided pursuant to Section 7.09 hereof.

Section 7.19. Debt Service Coverage Ratio.

(a) For the Fiscal Year ending June 30, 2026 and each Fiscal Year thereafter, the Borrower shall maintain a Debt Service Coverage Ratio of at least 1.10 to 1.00 (the “Debt Service Coverage Ratio Requirement”).

(b) If the Borrower does not comply with clause (a) above, then the Borrower will promptly employ a Consultant to review and analyze the operations and administration of the Borrower, inspect the Facilities and other Property of the Borrower, submit to the Borrower and Trustee written reports and make recommendations concerning the Borrower’s operations, marketing practices, pricing strategy, financing practices and

activities, including indebtedness, lease financing, investment activities, management practices, including the use of consultants, budgeting practices and ongoing financial systems and monitoring of the Borrower's financial condition, governance and administration practice and other factors relevant to maintaining such compliance. The Borrower agrees to adopt and carry out the recommendations of the Consultant. This Section shall not be construed to prohibit the Borrower from serving indigent students to the extent required for the Borrower to continue its qualification as a Tax-Exempt Organization or from serving any other class or classes of students without charge or at reduced rates so long as such service does not prevent the Borrower from satisfying the other requirements of this Section. The Borrower shall not be required to cause the Consultant's report referred to in the Loan Agreement to be prepared more frequently than once every two fiscal years.

(c) So long as the Borrower is otherwise in full compliance with its obligations under this Agreement, including engaging and following the recommendations of the Consultant, it shall not in and of itself constitute an Event of Default under this Agreement if the Debt Service Coverage Ratio is less than 1.10 to 1.00 (as evidenced by the Borrower's audited financial statements for such Fiscal Year and set forth in the calculation, if any, required by subsection (a) above).

Section 7.20. Maintenance of Pledged Revenues. So long as any Series 2026 Bonds are Outstanding, remain unpaid, the Borrower covenants and agrees to manage the Facilities on a revenue-producing basis. The Borrower also covenants during such period to use its best efforts to fix, revise (subject to the terms and provisions of the Lease and any other leases and other contractual commitments permitted hereunder), charge and collect such reasonable charges for the use and occupancy of the Facilities, in amounts so that the Borrower shall receive Pledged Revenues in each Fiscal Year that are sufficient to pay (a) currently all of the Borrower's expenses during such Fiscal Year for the operation, maintenance and repair of the Facilities, (b) all payments under this Loan Agreement, and (c) all other obligations imposed by this Loan Agreement upon the Borrower payable during such Fiscal Year.

Section 7.21. Sale, Lease or other Disposition of Property. The Borrower agrees that it will not sell, lease, donate, transfer or otherwise dispose (including, without limitation, any involuntary disposition) of Property (either real or personal property, including cash and investments) unless the Borrower determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

(a) with respect to any transfer of Property to any Person in the ordinary course of the Borrower's business and for fair market value as determined by an appraiser or other qualified professional selected by the Borrower;

(b) dispositions of Property that have been replaced or determined to be obsolete, inadequate, or not useful in the ordinary course of business, without receiving cash or other property substantially equivalent in value; or

(c) transfers of Property with a Book Value aggregating in any Fiscal Year to not more than 3% of the Book Value of the net property, plant and equipment of the Borrower, as reported in the prior Fiscal Year's audit.

Upon request of the Borrower accompanied by an officer's certificate and an opinion of counsel to the effect that the conditions precedent for the disposition of such Property set forth in this Section have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such Property only and the lien of this Loan Agreement and the corresponding lien under the Indenture shall be released without recourse, representation or warranty by the Trustee as to such property in due form at the expense of the Borrower.

Section 7.22. Foreign Tax Compliance Act. The Borrower acknowledges that, under the provisions of the Foreign Account Tax Compliance Act, the Trustee is obligated to withhold a percentage of the proceeds from any disbursement to a payee that has not delivered to the Trustee a tax identification number on a correctly completed IRS Form W-9. If requested by the Trustee, the Borrower shall provide the Trustee with a copy of any such completed Form W-9 form for the initial disbursement to any payee pursuant to any provision hereof.

ARTICLE VIII

ASSIGNMENT AND PLEDGING

Section 8.01. Assignment by Borrower. This Agreement may be assigned by the Borrower with the prior written consent of the Registered Owners of at least a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding and the Authority (which consent shall not be unreasonably withheld) and with prior notice to the Trustee, subject to each of the following conditions:

(a) no assignment shall relieve the Borrower from primary liability for any of its obligations hereunder, and in the event of any such assignment, the Borrower shall continue to remain primarily liable for payment of the Loan Payments and other payments required to be made under Section 5.01 hereof and for performance and observance of the other covenants and agreements on their respective parts herein provided;

(b) no assignment shall impair the exclusion of interest on the Series 2026 Bonds from gross income for federal income tax purposes;

(c) the assignee shall assume in writing, in form satisfactory to the Authority, the obligations of the Borrower, as the case may be, hereunder to the extent of the interest assigned; and

(d) the Borrower shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of each such assumption of obligations and assignment.

Section 8.02. Assignment and Pledge by Authority. The Authority shall assign, without recourse or liability and subject to the Unassigned Rights and payments in respect thereof, certain

of its interests in and pledge certain of the moneys receivable under this Loan Agreement, including the Pledged Revenues, to the Trustee pursuant to the Indenture as security for payment of the principal of, premium, if any, and interest on the Series 2026 Bonds. The Borrower hereby consents to such assignment and pledge.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default Defined. The following shall be “events of default” under this Agreement and the term “event of default” shall mean any one or more of the following events:

(a) failure by the Borrower to pay the Loan Payments required to be paid under Section 5.02(a) hereof at such time as such Loan Payments are required to be paid under Section 5.02(a) hereof;

(b) failure by the Borrower to make payments into the Debt Service Reserve Fund required to be paid under Section 5.02(a) hereof when the same shall become due and payable;

(c) failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed, pursuant to the terms hereof, other than as referred to above in subsection (a) of this Section, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Authority or the Trustee; provided, with respect to any such failure covered by this subsection (b), no event of default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby; provided, however, that failure to correct such default within 180 days after receipt of such notice shall constitute an Event of Default;

(d) any representation or warranty made by the Borrower hereunder or otherwise in connection with the sale and delivery of the Series 2026 Bonds shall prove to have been incorrect in any material respect on or as of the date of issuance of the Series 2026 Bonds or the date of making such representation or warranty and cannot be cured within 30 days after written notice to the Borrower by the Authority or the Trustee, specifying such incorrect representation or warranty and requesting that it be cured; provided, however, that no event of default shall be deemed to have occurred under this subsection (c) so long as a course of action adequate to cure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and remedied thereby;

(e) an event of default by the Borrower shall have occurred under the Indenture, the Tax Agreement, or under any instrument creating Indebtedness in an amount in excess of \$1,000,000 and such Indebtedness shall have been accelerated;

(f) the Borrower shall:

(i) fail to maintain the Liquidity Requirement for any two consecutive June 30 testing dates, beginning with June 30, 2027; or

(ii) fail to maintain a Debt Service Coverage Ratio of at least 1.10:1.0 for any two consecutive Fiscal Years beginning with the Fiscal Year ending June 30, 2027;

(g) an event of default occurs under any material Indebtedness with respect to which the Borrower is obligated resulting in acceleration or the declaration of acceleration of any such material Indebtedness; or

(h) if the Borrower shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or state law, or shall be adjudicated a bankrupt or insolvent, or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the adjudication of the Borrower as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 90 days after the filing thereof, or if a receiver, trustee or liquidator of the Borrower or of all or substantially all of the assets of the Borrower shall be appointed in any proceeding brought against the Borrower and shall not be discharged within 90 days after such appointment or if the Borrower shall consent to or acquiesce in such appointment, or if the Borrower shall be dissolved or liquidated (other than as a result of a merger or consolidation of the Borrower into or with another entity under the conditions permitting such actions contained in this Agreement).

The foregoing provisions of subsection (b) of this Section are subject to the following limitations: If by reason of force majeure the Borrower is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Borrower contained in Article V and in Sections 4.04 and 7.05 hereof, the Borrower shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; war; explosions; or partial or entire failure of utilities. The Borrower agrees, however, if possible, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the reasonable discretion of the Borrower, and the Borrower shall not be required to make settlement of strikes, lockouts or other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the reasonable judgment of the Borrower unfavorable to the Borrower, as the case may be.

Section 9.02. Remedies on Default. Whenever any event of default referred to in Section 9.01 hereof shall have occurred and is continuing, the Authority, or the Trustee, where so

provided herein, shall be entitled (but not obligated) to take any one or more of the following remedial steps:

(a) the Trustee (acting as assignee of the Authority), as and to the extent provided in the Indenture, or the Authority (in the event of a failure of the Trustee to act under this subsection), shall be entitled (but not obligated) to, and, at the direction of the Registered Owners of at least a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding, the Trustee shall, declare the Loan Payments payable hereunder for the remainder of the term of this Agreement to be immediately due and payable, whereupon the same shall become due and payable;

(b) the Trustee shall be entitled (but not obligated) to, subject to indemnification as provided in the Indenture, and, at the direction of the Registered Owners of at least a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding, shall, take any action permitted under the Indenture with respect to an Event of Default thereunder;

(c) The Trustee (acting as assignee of the Authority) or the Registered Owners, as and to the extent provided in the Indenture shall be entitled (but not obligated) to exercise its rights under the Deed of Trust, including, without limitation, the right to foreclose on the Facilities under the Deed of Trust, and shall be entitled (but not obligated) to realize upon the security interest in the Pledged Revenues and shall be entitled (but not obligated) to exercise all the rights and remedies of a secured party under the Colorado Uniform Commercial Code with respect thereto; and

(d) the Trustee (acting as assignee of the Authority), as and to the extent provided in the Indenture, or the Authority (in the event of a failure of the Trustee to act under this subsection) shall be entitled (but not obligated) to take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Borrower under this Agreement or the Promissory Note.

At any time after such a declaration of acceleration has been made, but before the entry of a judgment or decree to enforce remedies under the Indenture or this Agreement, such declaration and its consequences shall be rescinded and annulled if:

(a) there has been paid to or deposited with the Trustee, or provision satisfactory to the Trustee has been made for the payment of, a sum sufficient to pay:

(i) all sums reasonably paid or advanced by the Trustee (including reasonable counsel fees and disbursements) under the Indenture or this Agreement and the reasonable compensation, expenses, disbursements and advances of the Authority (including reasonable counsel fees and disbursements);

(ii) all overdue installments of interest on the Series 2026 Bonds payable by the Borrower under the Indenture;

(iii) the principal of any Series 2026 Bonds which have become due otherwise than by such declaration of acceleration and accrued interest thereon to the date of payment of such Series 2026 Bonds payable by the Borrower at the rate or rates borne by such Series 2026 Bonds; and

(iv) the amounts required to be on deposit in a reserve fund in accordance with the Indenture, if any.

(b) All events of default of the Borrower, other than the nonpayment of the principal of the Series 2026 Bonds, which have become due solely by such declaration of acceleration, have been cured or waived as provided in the Indenture and this Agreement.

In the event that the Borrower fails to make any payment required hereby, the payment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid.

Any proceeds received by the Authority or the Trustee from the exercise of any of the above remedies, after reimbursement of any costs incurred by the Authority or the Trustee in connection therewith, shall be applied by the Trustee in accordance with the provisions of the Indenture.

If the Trustee is not enforcing the Authority's rights in a manner to protect the Authority or is otherwise taking action that brings adverse consequences to the Authority, then the Authority may, without the consent of the Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Unassigned Rights and to collect all sums then due and thereafter to become due to the Authority under this Loan Agreement.

Any amounts collected pursuant to action taken under Section 9.02 hereof (other than sums collected for the Authority on account of the Unassigned Rights, which sums shall be paid directly to the Authority) shall be applied in accordance with the provisions of the Indenture.

Section 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein or by applicable law. Such rights and remedies given the Authority hereunder shall also extend to the Trustee and the owners of the Series 2026 Bonds, subject to the Indenture.

Section 9.04. Agreement To Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Agreement or the Tax Agreement, and the Authority or the Trustee should employ attorneys or incur other expenses for the collection of Loan Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein or in the Tax Agreement, the Borrower agrees that it will within

30 days of a request therefor pay to the Authority or the Trustee, as the case may be, the reasonable fees, costs and expenses of such attorneys and such other reasonable fees, costs and expenses incurred by the Authority and the Trustee. This Section shall continue in full force and effect, notwithstanding the full payment of all obligations under this Agreement or the termination of this Agreement for any reason.

Section 9.05. Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Authority's rights in and under this Agreement to the Trustee under the Indenture, the Authority shall have no power to waive any event of default hereunder without the written consent of the Trustee. Notwithstanding the foregoing, a waiver of an Event of Default under the Indenture or a rescission of a declaration of acceleration of the Series 2026 Bonds and a rescission and annulment of its consequences shall constitute a waiver of the corresponding event of default under this Agreement and a rescission and annulment of its consequences; provided that no such waiver or rescission shall extend to or affect any subsequent or other default hereunder or impair any right consequent thereon.

Section 9.06. Recovery Limited to Pledged Revenues and Facilities. Notwithstanding anything to the contrary in this Loan Agreement, recovery against the Borrower for any Event of Default under this Loan Agreement, other than amounts to be paid pursuant to Section 5.02(b) and (c) hereof and amounts payable pursuant to the indemnification provisions of Section 7.05 hereof, which are general obligations of the Borrower, is limited to the Pledged Revenues and amounts received from the foreclosure of the Deed of Trust against the Facilities and exercise as against any personal property granted by this Loan Agreement and secured by any Uniform Commercial Code Financing Statement. The obligations of the Borrower hereunder, other than amounts to be paid pursuant to Section 5.02(b) and (c) hereof and amounts payable pursuant to the indemnification provisions of Sections 7.05 hereof, are not general obligations of the Borrower, and none of the Trustee, the Authority or the Registered Owners shall have any recourse to any Property, funds or assets of the Borrower (other than the Pledged Revenues and the Facilities) with respect to such obligations.

Section 9.07. No Duty To Mitigate Damages. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if any Event of Default shall occur hereunder.

ARTICLE X

PREPAYMENT OF THE LOAN

Section 10.01. General Option To Prepay the Loan. The Borrower shall have and is hereby granted the option exercisable at any time to prepay all or any portion of the Loan by depositing with the Trustee an amount of money or securities to the extent permitted by Section 7.01 of the Indenture, the principal and interest on which, when due, will be equal to (giving effect to the credit, if any, provided by Section 9.02 hereof) an amount sufficient to pay the principal of (in denominations of \$5,000), premium, if any, and interest on any portion of the Series 2026 Bonds then Outstanding under the Indenture. The exercise of the option granted by

this Section shall not be cause for redemption of Bonds unless, subject to Section 10.02 hereof, such redemption is permitted at that time under the provisions of Section 5.01 of the Indenture, the Borrower Representative specifies the date for such redemption in compliance with the notice provisions of Section 5.03 of the Indenture, and with respect to a redemption pursuant to Section 5.01 of the Indenture, the Borrower shall have deposited sufficient Campaign Receipts with the Trustee in the Special Optional Redemption Account at least 30 days prior to the date fixed for redemption. In the event the Borrower prepays all of the Loan pursuant to this Section and pays all reasonable fees, costs and expenses of the Trustee accrued and to accrue through final payment of the Series 2026 Bonds called for redemption as a result of such prepayment and all of its liabilities accrued and to accrue hereunder to the Authority through final payment of the Series 2026 Bonds called for redemption as a result of such prepayment, this Agreement shall terminate except for Sections 4.04, 5.02(d) and 7.05 hereof. The Authority and the Trustee may certify to the Borrower prior to payment, all expenses, fees and liabilities due for payment hereunder.

Section 10.02. Prepayment Credits. In the event of prepayment by the Borrower of the Loan in whole, the amounts then contained in the Issuance Expense Fund, the Project Fund, Bond Principal Fund, Bond Interest Fund and Debt Service Reserve Fund shall be credited first to the Rebate Fund so that it shall be fully funded for any required payment to the federal government therefrom, and then against the Borrower's prepayment obligation.

Section 10.03. Notice of Prepayment. In order to exercise the option granted by this Article, the Borrower shall give written notice to the Authority and the Trustee which shall specify therein the date of making the prepayment, which date shall be not less than 60 days nor more than 90 days from the date the notice is mailed (unless such notice period is waived by the Trustee and the Authority). In the case of any prepayment pursuant to this Article, the Borrower Representative shall make arrangements with the Trustee for giving the required notice of redemption of any Series 2026 Bonds to be redeemed in compliance with the notice provisions of Section 5.03 of the Indenture.

Section 10.04. Use of Prepayment Moneys. By virtue of the assignment of the rights of the Authority under this Agreement (without recourse and subject to the Unassigned Rights) to the Trustee, the Borrower agrees to and shall pay any amount required to be paid by it under this Article directly to the Trustee (other than amounts to be paid to the Authority for its own account in respect of the Unassigned Rights or as otherwise provided in Section 5.02 hereof). The Trustee shall use the moneys so paid to it by the Borrower to pay the principal of and interest on the Series 2026 Bonds on regularly scheduled payment dates.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) provided by Electronic Means; (b) mailed by certified mail, return receipt requested, postage prepaid, or dispatched by telegram or facsimile (if confirmed promptly telephonically and in writing by the sender of such facsimile and if receipt of such facsimile is confirmed in writing by the intended recipient), addressed as follows:

to the Authority: Colorado Educational and Cultural Facilities Authority
Suite 1201
1800 Glenarm Place
Denver, CO 80202
Attention: Executive Director

to the Borrower: Fountain Valley School of Colorado
6155 Fountain Valley School Road
Colorado Springs, CO 80911
Attention: Chief Financial Officer

The Authority, the Borrower, and the Trustee may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. All notices shall be effective upon their receipt.

Section 11.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Authority and the Borrower and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.13, 7.14, 8.01 and 8.02 hereof.

Section 11.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds upon expiration of the term of this Agreement shall be paid by the Trustee as directed in writing by the Borrower Representative as provided in the Indenture.

Section 11.05. Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or in the Indenture and subject to Sections 10.04 and 10.05 of the Indenture, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee and Registered Owners of at least a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding.

The Borrower shall cause the Trustee, at the expense of the Borrower, to cause all continuation statements under the Colorado Uniform Commercial Code, security instruments, financing statements and all supplements thereto and other instruments as may be required, at all times to be recorded, registered and filed by the Trustee and to be kept, recorded, registered and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Registered Owners and all rights of the Trustee under the Indenture.

Promptly after any filing, registration or recording (other than the filing of this Agreement, the Indenture and any financing statements in connection with the issuance of the Series 2026 Bonds) or any refiling, reregistration or rerecording of the Indenture or this Agreement or any filing, registration, recording, refiling, reregistration or rerecording of any supplement to either of said instruments, any financing statement or instrument of similar character relating to any of said instruments or any instrument of further assurance which is required pursuant to the preceding paragraph or the Indenture, the Borrower Representative shall deliver to the Trustee an opinion of

independent counsel to the effect that such filing, registration, recording, re-filing, re-registration or re-recording has been duly accomplished and setting forth the particulars thereof.

Section 11.06. Execution in Counterparts; Facsimile and PDF Signatures. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Loan Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signature pages of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes

Section 11.07. Governing Law. This Agreement shall be governed and construed in accordance with the law of the State.

THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION OR PROCEEDING BASED ON, OR IN ANY WAY RELATED TO, ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED DOCUMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE BORROWER, THE TRUSTEE, THE AUTHORITY, OR THE REGISTERED OWNERS.

Section 11.08. Filing. The Borrower shall cause the Deed of Trust on the Facilities to be recorded with the county clerk of the County of El Paso, Colorado as specified in the Deed of Trust. In addition, the Borrower shall cause the security interest in the rights to receive the Pledged Revenues, the Funds and trust accounts referred to in Section 5.01 hereof granted to the Authority, the assignment of such security interest to the Trustee and the security interests otherwise described in this Loan Agreement granted to the Trustee to be perfected by the filing of financing statements which fully comply with the Colorado Uniform Commercial Code in the office of the Secretary of State, the office of the Clerk and Recorder of the County of El Paso, Colorado, and in such other office as is at the time provided by law as the proper place for the filing thereof. The parties further agree that all necessary continuation statements shall be filed by the Trustee, at the expense of and with the cooperation of the Borrower within the time prescribed by the Colorado Uniform Commercial Code in order to continue such security interests.

Section 11.09. Cancellation at Expiration of Term of Agreement. Upon the expiration of the term of this Agreement, the Authority shall deliver to the Borrower any documents and take or cause the Trustee to take such actions as may be necessary to evidence the termination of this Agreement and the discharge of the lien hereof.

Section 11.10. Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 11.11. Payments Due on Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this

Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the nominal date provided in this Agreement, except as otherwise expressly provided herein.

Section 11.12. Provision of General Application. Any consent or approval of the Authority required pursuant to this Agreement shall be in writing and shall not be unreasonably withheld.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Authority and the Borrower have caused this Agreement to be executed in their respective corporate names all as of the date first above written.

COLORADO EDUCATIONAL AND
CULTURAL FACILITIES AUTHORITY

By _____
Mark Heller
Executive Director

FOUNTAIN VALLEY SCHOOL OF
COLORADO

By _____
David Mesko
Chief Financial Officer

EXHIBIT A

THE PROJECT FACILITIES

The Project Facilities financed in part with proceeds of the Series 2026 Bonds consist of the acquisition, design, construction, improvement, renovation, expansion, furnishing and equipping of (i) a new 20,800 square-foot Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces, (ii) a new 34,000-square-foot Humanities building and (iii) various capital improvement projects, including but not limited to certain deferred maintenance projects, all located on the Borrower's 1,100-acre core campus, located at 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911.

EXHIBIT B

PROMISSORY NOTE

**THIS NOTE HAS NOT BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933, AS AMENDED**

\$[_____]

June [___], 2026

No. 1

Fountain Valley School of Colorado, a Colorado nonprofit corporation (the “Borrower”), for value received, promises to pay to UMB Bank, National Association, as trustee (the “Trustee”) under the Indenture of Trust hereinafter referred to the principal sum of

[_____] THOUSAND DOLLARS AND NO CENTS
(\$[_____])

and to pay (a) interest on the unpaid balance of such principal sum from and after the date of this Note at the interest rate or interest rates borne by the Series 2026 Bonds (as hereinafter defined) and (b) interest on overdue principal, and to the extent permitted by law, on overdue interest, at the interest rate provided under the terms of the Series 2026 Bonds.

This Note has been executed and delivered by the Borrower pursuant to a certain Loan Agreement, dated as of May 1, 2026 (the “Loan Agreement”), by and between the Colorado Educational and Cultural Facilities Authority (the “Authority”) and the Borrower. Terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement and the Indenture, as defined below.

Under the Loan Agreement, the Authority has loaned to the Borrower the proceeds received from the sale of \$[_____] aggregate principal amount of Colorado Educational and Cultural Facilities Independent School Revenue Bonds (Fountain Valley School of Colorado Project), Series 2026, dated May [___], 2026 (the “Series 2026 Bonds”), to be applied to assist the Borrower in the financing of the Project. The Borrower has agreed to repay such Loan by making Loan Payments at the times and in the amounts set forth in this Note. The Series 2026 Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Indenture of Trust, dated as of May 1, 2026 (the “Indenture”), by and between the Authority and the Trustee.

To provide funds to pay the principal, premium, if any and interest on the Series 2026 Bonds as and when due, the Borrower hereby agrees to and shall make Loan Payments as follows: on each [June 1 and December 1, commencing December 1, 2026] (each an “Interest Payment Date”) the amount equal to interest due on the Series 2026 Bonds on such Interest Payment Date, and on each date on which principal of the Series 2026 Bonds shall be due and payable pursuant to the redemption provisions of the Indenture or upon maturity of the Series 2026 Bonds, an amount equal to such principal due and payable on such date (each such day being a “Loan Payment Date”). In addition, to provide funds to pay the principal, premium, if any and interest

payments on the Series 2026 Bonds as and when due at any other time, the Borrower hereby agrees to and shall make Loan Payments on any other date on which any principal of, premium, if any and interest payments on the Series 2026 Bonds shall be due and payable, whether upon acceleration, call for redemption or otherwise.

If payment or provision for payment in accordance with the Indenture is made in respect of the principal of, premium, if any and interest on the Series 2026 Bonds from moneys other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of principal of, premium, if any and interest on the Series 2026 Bonds has been made. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be payable in lawful money of the United States of America, in immediately available funds, and shall be made to the Trustee at its designated trust in Kansas City, Missouri, for the account of the Authority, deposited in the Bond Principal Fund and Bond Interest Fund and used as provided in the Indenture. The Borrower shall make its payments to the Trustee at least five Business Days prior to any Interest Payment Date as set forth in the Loan Agreement.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Authority or the Trustee or any other person.

This Note is subject to optional prepayment, in whole or in part, upon the terms and conditions set forth in the Loan Agreement and the Indenture. Any prepayment is also subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Loan Agreement or the Indenture.

Whenever an Event of Default under Section 9.01 of the Loan Agreement shall have occurred, the unpaid principal amount of and any premium and accrued interest on this Note may be declared or may become due and payable as provided in Section 9.02 of the Loan Agreement; provided that any annulment of a declaration of acceleration with respect to the Series 2026 Bonds under the Indenture shall also constitute an annulment of any corresponding declaration with respect to this Note.

The Borrower hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Trustee.

The Borrower hereby certifies that all conditions, acts and things required to exist, happen and be performed precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance of this Note have been duly authorized by the Borrower.

IN WITNESS WHEREOF, the Borrower has executed this Note as of May [____], 2026.

FOUNTAIN VALLEY SCHOOL OF
COLORADO

By _____
David Mesko
Chief Financial Officer

ENDORSEMENT AND ASSIGNMENT

FOR VALUE RECEIVED, the Colorado Educational and Cultural Facilities Authority (the “Authority”), hereby endorses and sells, assigns and transfers unto UMB Bank, National Association, as trustee under the Indenture of Trust, dated as of May 1, 2026, by and between said trustee and the Authority, the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints said trustee to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

IN WITNESS WHEREOF, the undersigned has set his hand as of the [____] day of May, 2026.

[SEAL]

COLORADO EDUCATIONAL AND
CULTURAL FACILITIES AUTHORITY

By _____
Mark Heller
Executive Director

EXHIBIT C

FORM OF PROJECT FUND REQUISITION CERTIFICATE

Request No. _____

Date: _____

PROJECT FUND REQUISITION CERTIFICATE

TO: UMB BANK, NATIONAL ASSOCIATION (THE "TRUSTEE"), AS TRUSTEE UNDER AND PURSUANT TO THE INDENTURE OF TRUST, DATED AS OF MAY 1, 2026, BY AND BETWEEN THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY (THE "AUTHORITY") AND THE TRUSTEE, AND THE LOAN AGREEMENT, DATED AS OF MAY 1, 2026 (THE "LOAN AGREEMENT"), BY AND BETWEEN THE AUTHORITY AND FOUNTAIN VALLEY SCHOOL OF COLORADO (THE "BORROWER").

The undersigned Borrower Representative hereby requests that the following amounts be paid to the following payees for the following "Costs of the Project" (as defined in the Loan Agreement):

Payee and Address	Amount	Description

The undersigned Borrower Representative hereby states and certifies that: (i) none of the items for which the payment or reimbursement is proposed to be made has been the subject of any payment or reimbursement theretofore made from the Project Fund; (ii) each item for which payment or reimbursement is sought is or was reasonable and necessary in connection with the Costs of the Project, and in all cases is a proper charge against the Project Fund; (iii) upon payment

or reimbursement of the amount requested in this Requisition Certificate, the amount remaining in the Project Fund, together with other legally available moneys of the Borrower, if any, will be sufficient to pay the portion of the Costs of the Project then unpaid; (iv) all previously disbursed amounts from the Project Fund have been spent, or used for reimbursement of amounts spent, in accordance with the related requisition thereto; and (v) no Event of Default under the Loan Agreement has occurred or is continuing or will occur as a result of payment on this Requisition Certificate.

With respect to this requested disbursement, the undersigned Borrower Representative hereby further states and certifies that it (i) has reviewed any wire instructions set forth in this written disbursement direction to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including, but not limited to, attorneys' fees, costs and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with the disbursement direction.

FOUNTAIN VALLEY SCHOOL OF
COLORADO

By _____
Name:
Title: Borrower Representative

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APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the Authority and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2026 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2026 Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 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 2026 Bonds

are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book entry-system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of the Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 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 2026 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or Authority, subject to any statutory or regulatory requirements as may be in effect from

time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2026 Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Series 2026 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2026 Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2026 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2026 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Series 2026 Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”), dated as of [CLOSING DATE], 2026, by and between the **FOUNTAIN VALLEY SCHOOL OF COLORADO** (the “Borrower”) and **UMB BANK, NATIONAL ASSOCIATION** (in such capacity, the “Dissemination Agent”), is executed in connection with the issuance of the Colorado Educational and Cultural Facilities Authority Independent School Revenue Bonds (Fountain Valley School of Colorado Project), Series 2026 (the “Series 2026 Bonds”). The Series 2026 Bonds are being issued pursuant to an Indenture of Trust dated as of May 1, 2026 (the “Indenture”) by and between the Colorado Educational and Cultural Facilities Authority (the “Authority”) and UMB Bank, National Association, in its capacity as trustee thereunder (the “Trustee”). The proceeds of the Series 2026 Bonds are being loaned to the Borrower pursuant to the terms of a Loan Agreement dated as of May 1, 2026 by and between the Authority and the Borrower. The parties hereto hereby acknowledge that the Authority has not undertaken any responsibility, and has no liability to any person, including the registered or beneficial owners of the Series 2026 Bonds, with respect to the reports, notices or disclosures required hereunder. The parties hereto covenant and agree as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Agreement is being executed and delivered for the benefit of the registered and beneficial owners of the Series 2026 Bonds and in order to comply with Rule 15c2-12(b)(5), as amended, of the Securities and Exchange Commission.

Section 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Dissemination Agent*” shall mean, initially, UMB Bank, National Association, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Borrower a written acceptance of such designation.

“*EMMA*” means the Electronic Municipal Market Access System, maintained by the Municipal Securities Rulemaking Board, found at www.emma.msrb.org.

“*Listed Events*” shall mean any of the events listed in Section 5 of this Disclosure Agreement.

“*Participating Underwriter*” shall mean the original underwriter of the Series 2026 Bonds required to comply with the Rule in connection with an offering of the Series 2026 Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Borrower shall provide to the Dissemination Agent, not later than six months following the end of each fiscal year of the Borrower, commencing six months following the end of the Borrower’s fiscal year ending June 30, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement, and the Dissemination Agent shall, subject to subsection (b) hereof, provide such report to EMMA within 10 days of its receipt thereof. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If the Borrower is unable to provide an Annual Report by the date required in paragraph (a), the Borrower shall send a written notice to the Dissemination Agent of such fact, which notice shall be sent by the Dissemination Agent to the Municipal Securities Rulemaking Board (“MSRB”) promptly upon its receipt.

(c) The Dissemination Agent shall notify the Borrower in writing that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower’s Annual Report shall contain or incorporate by reference the following:

(a) a copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available; and

(b) an update of the information of the type contained in tables in the Sections entitled “STUDENT ENROLLMENT,” “TUITION & FINANCIAL AID – FVS Historic Tuition Levels,” “- Financial Aid Assistance,” “FINANCIAL MATTERS – Investments and Endowment,” and “ADVANCEMENT” found in Appendix A to the Official Statement.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Borrower or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such document incorporated by reference.

Section 5. Reporting of Listed Events. The Borrower shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days, to the Dissemination Agent, written notice of any of the following Listed Events with respect to the Series 2026 Bonds, and the Dissemination Agent shall thereafter promptly provide such notice to EMMA:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Series 2026 Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Borrower;¹
13. The consummation of a merger, consolidation or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

Financial Obligation of the obligated person, any of which affect security holders, if material;¹ and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

Section 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 7. Termination Provisions. Either the Dissemination Agent or the Borrower may terminate this Agreement upon 60 calendar days' notice to the other party and the Authority; provided, however, upon such termination the Borrower shall either (a) enter into a new Continuing Disclosure Agreement (with substantially similar terms to this Disclosure Agreement unless the amendment provisions hereof would permit changes which are made) with a different dissemination agent (which may be, but is not required to be, a successor trustee under the Indenture); or (b) agree to provide continuing disclosure in accordance with the Rule itself without the assistance of a dissemination agent. Any such agreement that the Borrower shall provide continuing disclosure itself shall be evidenced by a Continuing Disclosure Certificate which shall replace this Disclosure Agreement and shall comply with the Rule.

Section 8. Dissemination Agent. The Borrower may discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent. As compensation for its services under this Disclosure Agreement, the Dissemination Agent shall be compensated or reimbursed by the Borrower for its reasonable fees, costs and expenses in performing the services specified under this Disclosure Agreement, including reasonable counsel fees, costs and expenses.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, but subject to Section 13 hereof, the parties hereto may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, without the consent of the holders of the Series 2026 Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule.

¹ The Borrower intends to comply with Listed Events numbered 15 and 16, and the definition of "Financial Obligation", with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Borrower or Dissemination Agent to comply with any provision of this Disclosure Agreement, any holder or beneficial owner of the Series 2026 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause such party to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower to comply with this Disclosure Agreement shall be an action to compel performance. The Dissemination Agent shall not be required to take any action whatsoever to cause the Borrower to comply with its obligations under this Dissemination Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Section 13. Duties, Immunities and Liabilities of Bond Trustee and Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants or obligations of the Dissemination Agent shall arise in this Disclosure Agreement. The Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, fees, expenses and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Agreement or arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees, costs and expenses) of defending against any claim of liability, but excluding liabilities directly resulting from the Dissemination Agent's gross negligence or willful misconduct, as finally adjudicated on a non-appealable basis by a court of competent jurisdiction. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent, termination of this Disclosure Agreement and payment of the Bonds. The Dissemination Agent shall have no liability for the Borrower's failure to report any event or any financial information or operating data as to which the Borrower has not provided an information report in format suitable for filing with the MSRB. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in a fiduciary capacity. The obligations of the Borrower under this Section shall survive resignation of the Dissemination Agent or the termination of this Dissemination Agreement. The Dissemination Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Dissemination

Agent by the Borrower and conforming to the requirements of this Disclosure Agreement. The Dissemination Agent shall be under no duty to verify independently or investigate the accuracy or completeness of any information, certificates or opinion furnished hereunder. No provision of this Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Dissemination Agent may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, judgment, decree or other paper or document believed by it to be genuine and to have been signed or presented by the and to have been signed or presented by the proper party or parties, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. The Dissemination Agent may consult with counsel of its choice and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to the Borrower. To the extent not otherwise provided in this Disclosure Agreement, the Dissemination Agent shall be entitled to discharge its obligation hereunder in like manner as specified in the Indenture for the discharge of the obligations of the Trustee thereunder.

[Signatures appear on following page]

Dated as of the date first written above.

FOUNTAIN VALLEY SCHOOL OF
COLORADO

By _____
Dave Mesko, Chief Financial Officer

UMB BANK, NATIONAL ASSOCIATION, as
Dissemination Agent

By _____
Authorized Officer

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APPENDIX F

FORM OF BOND COUNSEL OPINION

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May __, 2026

Colorado Educational
and Cultural Facilities Authority
Suite 1201
1800 Glenarm Place
Denver, CO 80202

\$[_____]
Colorado Educational and Cultural Facilities Authority
Independent School Revenue Bonds
(Fountain Valley School of Colorado Project)
Series 2026

Ladies and Gentlemen:

We have acted as bond counsel to the Colorado Educational and Cultural Facilities Authority (the “Authority”) in connection with the issuance of its “Colorado Educational and Cultural Facilities Authority Independent School Revenue Bonds (Fountain Valley School of Colorado Project) Series 2026” in the aggregate principal amount of \$_____ (the “Bonds”) pursuant to an Indenture of Trust, dated as of May 1, 2026 (the “Indenture”), by and between the Authority and UMB Bank, n.a., as trustee thereunder (the “Trustee”). In such capacity, we have examined the Authority’s certified proceedings and such other documents and such law of the State of Colorado (the “State”) and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The proceeds of the Bonds will be used by the Authority to make a loan pursuant to a Loan Agreement, dated as of May 1, 2026 (the “Agreement”), by and between the Authority and the Fountain Valley School of Colorado (the “Borrower”), a nonprofit corporation duly incorporated and validly existing under the laws of the State, in order to (a) finance the acquisition, design, construction, improvement, renovation, expansion, furnishing and equipping of (i) a new 20,800 square-foot Science, Technology, Engineering, and Mathematics (STEM) building and renovated science spaces, (ii) a new 34,000-square-foot Humanities building and (iii) various capital improvement projects, including but not limited to certain deferred maintenance projects, all located on the Borrower’s 1,100-acre core campus, located at 6155 Fountain Valley School Road, Colorado Springs, Colorado 80911; (b) fund a debt service reserve fund for the Bonds; and (c) pay costs of issuing the Bonds (collectively, the “Project”).

Regarding questions of fact material to our opinions, we have relied upon the Authority’s certified proceedings and other representations and certifications of officials of the Authority,

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officials of the Borrower, public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Authority is an independent public body politic and corporate constituting a public instrumentality of the State duly created and validly existing by virtue of Article 15, Title 23 of the Colorado Revised Statutes, as amended and has the authority to enter into the Agreement and the Indenture, to issue and sell the Bonds, and to loan the proceeds of the Bonds to the Borrower to finance the Project.

2. The Bonds have been duly authorized by the Authority, duly executed and delivered by authorized officials of the Authority, and (assuming due authentication by the Trustee) are valid and binding, special, limited revenue obligations of the Authority payable solely out of the loan payments to be made by the Borrower to the Authority under the Agreement, except to the extent otherwise provided in the Indenture and the Agreement.

3. The Agreement and the Indenture have been duly authorized by the Authority, duly executed and delivered by authorized officials of the Authority and (assuming valid authorization, execution and delivery by the other parties thereto) are valid and binding special, limited revenue obligations of the Authority enforceable against the Authority in accordance with their respective terms.

4. Under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income of the recipients thereof for federal income taxation purposes and is not a specific preference item for purposes of the alternative minimum tax provisions imposed on individuals contained in the Internal Revenue Code of 1986, as amended (the "Code"). The opinion described in the preceding sentence assumes the accuracy of certain representations and continuing compliance by the Borrower, the Authority and others with certain covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest on the Bonds to be included in gross income for federal income tax purposes or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing laws of the State, interest on the Bonds is exempt from all taxation and assessments in the State.

The obligations of the Authority pursuant to the Bonds, the Indenture and the Agreement are subject to the application of equitable principles, to the reasonable exercise in the future by the

State and its governmental bodies of the police power inherent in the sovereignty of the State, and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America, including without limitation, bankruptcy powers.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in current laws, by legislative or regulatory action, by judicial decision or for any other reason. Our engagement with respect to the transaction referred to herein terminates upon the date of this letter.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. This opinion is based solely upon existing federal laws, regulations, rulings and judicial decisions, and, therefore, should not be relied upon for any resale or other transfer of any of the Bonds in the future. We specifically express no opinion herein as of any subsequent date or with respect to any pending legislation. In addition, we specifically express no opinion as to any future resale or transfer of the Bonds. No one other than the addressees hereof shall be entitled to rely upon this opinion without our prior written approval.

Very truly yours,

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