

Aspire Public Schools Secures \$90 Million Bond Financing for Permanent Facilities with Credit Enhancement from Gates and Charles and Helen Schwab Foundations

Foundations Collaborate to Apply Innovative Financing Model to Address the Unique Needs and Challenges of Charter School Expansion

SEATTLE and PALO ALTO and OAKLAND, Calif. (May 6, 2010) – The Bill & Melinda Gates Foundation and the Charles and Helen Schwab Foundation today announced their support to help secure \$93 million in a tax-exempt bond issuance that will help Aspire Public Schools, a leading California non-profit public charter school management organization, offer high-quality, permanent facilities to more students. Known as a Program Related Investment (PRI), each foundation has provided \$8 million in unfunded guarantees to back bond financing for facilities that will serve more than 4,000 new students in the high-performing Aspire Public Schools system.

NCB Capital Impact, one of the nation's leading non-profit lenders to charter schools, will serve as the financial intermediary and program facilitator for the PRI with the help of a three-year, \$959,000 Gates Foundation grant. NCB Capital Impact also contributed \$1 million in a funded guarantee that complements the foundations' commitments.

"Since most states and communities do not provide access to facilities for public charter schools, access to facilities financing is a critical barrier for even the highest-performing, most credit-worthy charter schools. The challenge is compounded by the recent turmoil in the U.S. economy, credit markets and bond insurance sector," said Allan Golston, President of the U.S. Program at the Bill & Melinda Gates Foundation. "This agreement will deepen the impact of the Gates Foundation's support of public education by lowering the cost of expansion for high-performing public charter systems that showcase innovative models to encourage system-wide improvements."

The foundations' credit support agreements enabled Aspire Public Schools to access the bond market at more favorable terms – with an investment grade rating of BBB. As a result of the enhancement, the total cost savings to Aspire Public Schools is estimated at \$11.8 million over the 35-year life of the bonds.

"The impact Aspire has on its students and the communities it serves is profound, as evidenced by student achievement, parent satisfaction and long waiting lists. Helping to expedite its expansion is critical to our goal that every child has access to an effective teacher and a robust learning environment," said Ana Thompson, Executive Director, Charles and Helen Schwab Foundation.

In recent months, Aspire Public Schools has seen a surge in requests from parents who want their children to have access to a quality public education in California. Affordable debt financing will be crucial to meet this demand.

"We are inspired by the work of high-performing public charter schools – and Aspire Public Schools in particular – and this effort helps ensure their long-term sustainability," said Vicki L. Phillips, Director of Education, College Ready at the Bill & Melinda Gates Foundation.

"Organizations such as Aspire are helping to lead the way in efforts to reward effective teaching;

create more meaningful learning experiences for students; and graduate more students ready for success in college, careers, and life.”

Aspire Public Schools is one of five California-based charter management organizations that formed The College-Ready Promise, a consortium that was the recipient of \$60 million in Gates Foundation support to execute groundbreaking effective teaching plans as part of the foundation’s Intensive Partnership for Effective Teaching initiative.

“We are incredibly excited about this credit enhancement program, which will enable us to effectively establish a firm and sustainable presence across California,” said James Willcox, Chief Executive Officer, Aspire Public Schools. “This support from the Charles and Helen Schwab and Gates foundations will help Aspire Public Schools to better serve thousands of students in our schools throughout the state.”

The financing also included \$4 million in funding contributed by Sequoia Union High School District, marking a significant, first-of-its-kind contribution from a school district to a charter management organization to meet district obligations under Proposition 39.

Gates’ Program-Related Investments

The Aspire credit support agreement marks the Gates Foundation’s third U.S. investment as part of an initiative announced earlier this year that commits a total of \$400 million in program-related investments (PRIs) over a two-year period to deepen the impact of the foundation’s work through non-traditional means. These include the use of financial tools like low-interest loans, loan guarantees and equity investments that leverage the foundation’s balance sheet to secure financing for the charitable activities of select organizations and programs that fall within its core focus areas: global development; global health; and the U.S. Program, which includes education.

About Aspire Public Schools

Aspire Public Schools is a non-profit charter management organization (CMO) that opens and operates small, high quality public charter schools across California. Founded in 1999, Aspire serves over 7,600 students from grades K-12 at 25 schools sites in Los Angeles, the Central Valley and the Bay Area. By inspiring and preparing students to succeed in college and life, Aspire seeks to transform communities in which few opportunities to pursue higher education currently exist. The cornerstone of the Aspire model is summed up by the organization's philosophy: College for Certain. To learn more about Aspire Public Schools please visit www.aspirepublicschools.org.

About the Charles and Helen Schwab Foundation

The Charles and Helen Schwab Foundation believes that every person has the potential and deserves the opportunity to lead a happy and productive life, and that a quality education holds the key to much of this. The foundation seeks out those organizations working to ensure that every child gets the education he or she needs and deserves. Established in 1987 by Charles and Helen Schwab, the foundation is separate from the Charles Schwab Corporation and from the Charles Schwab Corporate Foundation. Based in the California Bay Area, the foundation supports local organizations and those outside its immediate community whose work will transform lives in California. Learn more at www.chsf.org.

About NCB Capital Impact

NCB Capital Impact helps people and communities reach their highest potential at every stage of life. As a national, non-profit community development organization, NCB Capital Impact provides financial services and technical assistance to help make high-quality health care, housing, and education more accessible and attainable, and eldercare more dignified and respectful. To learn more, visit www.ncbcapitalimpact.org.

About the Bill & Melinda Gates Foundation

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people -- especially those with the fewest resources -- have access to the opportunities they need to succeed in school and life. Based in Seattle, Washington, the foundation is led by CEO Jeff Raikes and Co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett. Learn more at www.gatesfoundation.org