

Purpose

A special purpose limited liability company established to provide tuition assistance scholarships to low income families through the use of Pennsylvania's Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs. These programs allow members to receive up to a 90% tax credit against their personal PA state tax liability.

Essentially, you turn your PA tax liability into scholarships!

Mission

To provide families seeking a private or faith based education for their children access to these schools as an alternative to their neighborhood public school. Families are eligible for scholarships if they meet the income and geographic guidelines established by the state. If eligible, these families will receive tuition assistance through Business Leadership Organized for Catholic Schools ("BLOCS", the charity) to attend a qualifying private school.

How it Works

- 1) An individual or legal entity who wish to support this mission becomes a member in the *BLOCS Scholarship LLC* (the "LLC") by signing the attached operating agreement and making a 2 year commitment to fund the LLC. The LLC will solicit members until a total of \$833,333 is committed to the LLC or until the manager closes the offering, whichever happens first. Your first capital contribution of the 2 year commitment is due at signing. Your second year capital commitment is due the following year. There is a minimum capital contribution of \$7,000 per member and all members must be considered "Accredited Investors" according to federal and state securities laws.
- 2) The LLC will then receive tax credits equal to 90% of the donation amount. These credits will be distributed on a K-1 according to each member's % interest in the LLC. These credits can then be applied to your PA tax liability by your accountant. There may also be additional benefits to your Federal Tax liability as they relate to Alternative Minimum Tax (AMT). We suggests consulting with your tax advisor to maximize your overall potential tax savings.
- 3) This same procedure is followed for the second year of the member's commitment.

Designating

In addition to the tax credits you will receive, as a member of the BLOCS Scholarship LLC, you have the ability to direct a portion of your committed dollar amount to a specific school through BLOCS. You can choose to allow BLOCS to use it at schools that are in most need or designate it for use at the Independence Missions Schools, Faith in the Future or at any other archdiocesan or eligible private school (K-12 program) in the Commonwealth of Pennsylvania. This is accomplished on page A-6 of the accompanying "joinder".

Please consider becoming a member of the BLOCS Scholarship LLC and see your tax dollars put to use to benefit low income families who want a better life for their children. Help them break the cycle of poverty by giving families access to safe, high quality schools.