

## COVID-19 Informational Communication #2

Please note, effective March 16th ESJ decided to restrict access to its offices. This decision was made with the health and wellbeing of our employees in mind. As part of our Business Continuity Plan, all employees are working remotely utilizing technology to ensure that day to day operations remain relatively unchanged. We encourage the use of email to correspond with ESJ employees during this time.

This update will focus on Education, Commercial Real Estate, Jungle Island, and Year-End Accounting and Tax matters..

**Education** - The majority of primary and secondary education facilities throughout the country are currently closed. While physical schools remain closed, essential personnel within ESJ's school portfolio have set up virtual classrooms and are conducting e-learning via video conferencing and web-based curriculums. We fully support these efforts and will continue to do everything in our power to ensure that the educational needs of our students are met. We will continue to closely monitor all developments within our school portfolio and will communicate any important updates with investors as new information becomes available. Regarding rent payments, we are closely monitoring collections and as of today no tenant has requested a deferment due to the virus. Please note, our school portfolio consists of 15 charter schools and 3 private schools. While charter schools are privately managed, funding for charter schools comes from both federal and state governments and is anticipated to continue for the remainder of the school year.

**Commercial Real Estate** - We are staying in close contact with property managers and tenants for every asset in our commercial real estate portfolio. Our focus is on preserving asset values and maintaining safe environments for our tenants. With respect to rent payments, there are no significant receivables as of today. We will continue monitoring the impact of this crisis on our portfolio and will assess appropriate adjustments, if any, to our distributions to investors in the coming weeks.

**Jungle Island** - Following Centers for Disease Control and Prevention guidelines, ESJ has temporarily closed Jungle Island. Similar attractions throughout Miami including Miami Seaquarium, Miami Children's Museum, Frost Museum of Science, and Perez Art Museum all remain closed. Although the park is currently closed, we are pushing ahead to finalize construction of our Phase One attractions and even looking into an accelerated construction schedule subject to the ability of our contractors to promptly mobilize. These Phase One attractions include the Flying Squirrel Trampoline Park, Virtual Reality Barn, and Treetop Trekking Aerial Adventure. We aim to call for all final inspections while the park is closed so that when we reopen, all of the new attractions can be introduced.

**Year-End Accounting and Tax Matters** - ESJ is currently working with four separate accounting firms to conduct audit and tax preparation for 2019. Please note, these firms are all working remotely. We are assessing potential revisions to timelines for the completion of these audits and tax preparations and will communicate any changes in timing as they become more visible. Presently, we expect to have tax estimates for investors by March 31st, however this timetable may slip a week as a result of moving to a remote work-based environment. Also please be aware that the IRS has issued recent pronouncements concerning the timing of tax payments. We would encourage you to consult your tax advisor on how these pronouncements may be applicable to your situation regarding the ability to potentially defer payment, but taxpayers must still file their taxes (or request an extension) by the April 15th, filing deadline if they want to get a tax refund or defer their tax payment.

These past few weeks have been difficult for all of us, but we will get through this crisis. Please feel free to contact us if you have any questions.

Sincerely,

The ESJ Team