

in any manner to cause or result in a prohibited payment under applicable regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable without penalty ~~at the option of the Trustee~~ at the times and in the amounts necessary to provide moneys to pay the principal of and premium, if any, and interest on the Bonds as they become due at stated maturity or by redemption. Each investment of moneys in the Project Fund, Tax and Insurance Escrow Fund, Cost of Issuance Fund, Expense Fund, the Debt Service Reserve Fund, the Repair and Replacement Fund and the Rebate Fund shall mature or be redeemable without penalty at such time as may be necessary to make payments from such Fund.

(b) Subject to any directions from the Authorized Representative of the Borrower with respect thereto, and any restrictions contained in Section 3.14 hereof relating to the Rebate Fund from time to time, the Trustee may sell those investments and reinvest the proceeds therefrom in Investment Obligations maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee or any bank, trust company or savings and loan association affiliated with the Trustee. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying the principal of and premium, if any, and interest on the Bonds when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. An investment made from moneys credited to any Fund shall constitute part of that respective Fund. Proceeds of the sale of and income on investments in the Funds shall be credited to such Funds. For purposes of this Indenture, the Investment Obligations shall be valued by the Trustee on each _____ 1 and _____ 1 at face amount or market value, whichever is less, except as otherwise provided in Article III.

The Issuer (and the Borrower by its execution of the Loan Agreement) acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer and the Borrower periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE VII

DISCHARGE OF INDENTURE

Section 7.01. Discharge of Indenture.

(a) If the Bonds secured hereby are paid in accordance with their terms (or payment of the Bonds is provided for in the manner set forth in the following paragraph), together with all other sums payable hereunder, all amounts payable to the Issuer and the Trustee under the Loan Agreement and all amounts payable to the United States Treasury pursuant to Section 148 of Code, or provision is made for the payment of the same, then this Indenture and the Trust Estate and all rights granted hereunder will thereupon cease, terminate and become void and be discharged and satisfied. Also if all Outstanding Bonds secured hereby are purchased by the Borrower and delivered to the Trustee for cancellation, and all other sums payable hereunder,

(other than principal of, interest on and redemption premium on, if any, the Bonds), all amounts payable to the Issuer and the Trustee under the Loan Agreement, and all amounts payable to the United States Treasury pursuant to Section 148 of the Code are paid, or provision is made for the payment of the same, then this Indenture and the Trust Estate and all rights granted hereunder will thereupon cease, terminate and become void and be discharged and satisfied. In such events, upon the request of the Borrower, the Trustee shall assign and transfer to the Borrower all property then held by the Trustee hereunder with respect to the Borrower 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 3.19 hereof.

(b) Payment of any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been provided for within the meaning and with the effect expressed in this Section if (i) in the case that said Bond is to be redeemed on any date prior to its maturity, the Borrower 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 5.08 hereof, notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 5.08 hereof; (ii) there shall have been deposited with the Trustee either moneys in an amount that shall be sufficient, or Government Obligations that shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys that, together with the 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 Bond on and prior to the redemption date or maturity date thereof, as the case may be; (iii) there shall have been delivered to the Trustee a certificate from a firm of certified public accountants certifying as to the sufficiency of the deposit made pursuant to the preceding clause (ii), provided, however, such certificate shall not be required if the deposit consists solely of moneys to be held by the Trustee without need for any investment thereof; (iv) there shall have been delivered to the Trustee an opinion of Bond Counsel satisfactory to the Issuer that such payment does not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds; and (v) in the event said Bond is not by its terms subject to redemption within the next 45 days, the Borrower 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 5.08 hereof, a notice to the Registered Owner of such Bond that the deposit required by (ii) above has been made with the Trustee and that payment of said Bond 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 Bond. Neither such securities nor moneys deposited with the Trustee pursuant to this Section or principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bond; provided any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in clause (ii) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and premium, if any, and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond 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.

(c) The release of the obligations of the Issuer and Borrower under this Section shall be without prejudice to the right of the Trustee or the Issuer 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.

(d) The provisions contained in this Section 7.01 apply equally to the discharge of the lien of this Indenture for all of the Bonds or any portion thereof.

Section 7.02. Survival. Notwithstanding the payment in full of the Bonds, the discharge of this Indenture as set forth in Section 7.01 above, and the termination or expiration of the Loan Agreement, ~~and the Mortgage and the Guaranty Agreement~~, all provisions in this Indenture concerning (a) the tax-exempt status of the Tax-Exempt Bonds (including, but not limited to provisions concerning the payment of the Rebate Amount), (b) the interpretation of this Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the Issuer's right to rely on facts or certificates, (f) the indemnity of the Issuer Indemnified Parties from liability, (g) the lack of pecuniary liability of the Issuer and the County; and (h) the indemnity of the Trustee and the rights, powers and duties of the Trustee as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds, shall survive and remain in full force and effect.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default.

(a) Each of the following is hereby defined as and shall be deemed an "Event of Default" with respect to Bonds issued under this Indenture:

(i) Failure in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, on a sinking fund payment date or upon proceedings for redemption.

(ii) Failure in the payment of any installment of interest on any Bond when the same shall become due and payable.

(iii) Failure to observe or perform any other covenant, agreement, contract or other provision of the Bonds or this Indenture (other than as referred to in (i) or (ii) above) and such failure shall continue for a period of ~~3045~~ days after written notice to the Issuer and the Borrower by the Trustee specifying such default and requiring the same to be remedied, provided, with respect to any such failure described by this subsection (iii), no Event of Default will be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such ~~3045~~-day period and shall thereafter be diligently prosecuted to completion and the failure shall be

remedied thereby within 90 days of such notification. The Borrower shall deliver a written report to the Trustee at least once every 30 days setting forth the status of all attempts to cure such default(s).

(iv) The occurrence of an “Event of Default” under the Loan Agreement or the Mortgage.

(b) Upon the occurrence of an Event of Default with respect to Bonds under this Indenture, the Trustee shall promptly notify the Borrower and the Issuer of such occurrence. Each notification of the occurrence of an Event of Default shall set forth the specific nature of the Event of Default or Events of Default.

(c) The time periods for cure set forth in (a)(iii) above shall not be applicable to any events or actions that cause or might cause a Determination of Taxability.

Section 8.02. Remedies for Events of Default Under Indenture.

(a) Upon the occurrence of an Event of Default with respect to Bonds issued hereunder, the Trustee shall have the following rights and remedies:

(i) Acceleration. In the event the Borrower is in default under the Loan Agreement such that acceleration of amounts due thereunder is an available remedy, the Trustee (A) may by notice in writing given to the Issuer and the Borrower or (B) shall, upon the written request of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, declare the principal amount of all 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 Issuer and the Trustee shall immediately declare all Loan Payments under the Loan Agreement to be immediately due and payable as provided in Section 10.02 of the Loan Agreement.

(ii) Receivership. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers, with respect to the Borrower of the rents, revenues, income, products and profits related to the Borrower Schools and the Facilities, 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.

(iii) Foreclosure. The Trustee shall have the right of foreclosure on all or any portion of the Facilities or any interest of the Issuer or Borrower therein including pursuant to the power of sale under the Mortgage and may realize upon the security interest in the Pledged Revenues including without limitation under the Deposit Account Control Agreement in order to affect exclusive control by the Trustee of 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.

(iv) **Suit for Judgment on the 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, but any such judgment against the Issuer 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, but such lien, rights, powers and remedies of the Trustee and of the Registered Owners shall continue unimpaired as before.

(b) 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 and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(c) If any Event of Default hereunder shall have occurred, the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall direct the Trustee as to the preferred remedy of such Registered Owners. The Trustee, after being indemnified or receiving other assurances as provided in Section 9.01 hereof, shall be obligated to exercise such one or more of the rights and powers conferred by this Section as directed by the Registered Owners of such Bonds.

Section 8.03. Direction of Remedies. Anything in this Indenture to the contrary notwithstanding, the Registered Owners of a majority in aggregate principal amount of the 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 or remedies permitted 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 or receiving other assurances as provided in Section 9.01 hereof.

Section 8.04. Rights and Remedies of Registered Owners. No Registered Owner 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 Section 9.01 hereof 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 the 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 offered to the Trustee indemnity or other assurances as provided in Section 9.01 hereof nor unless the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time (not to exceed 30 days) the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request, and offer of indemnity or other assurances 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 Registered Owners 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 the Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Registered Owner to enforce the payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of or premium, if any, or interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and premium, if any, and interest on each of the Bonds to the respective Registered Owners at the time and place, from the source and in the manner herein and in the Bonds expressed.

Section 8.05. Application of Moneys.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys, including the costs and expenses of the Registered Owners and the outstanding fees, expenses, liabilities and advances incurred or made by the Trustee, be held or deposited into the Bond Fund during the continuance of an Event of Default and shall be applied as follows:

(i) Unless the principal of all the Bonds in default 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 of interest then due on the Bonds, in the order of the maturity 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 Bonds that shall have become due (other than 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 and, if the amount available shall not be sufficient to pay in full 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.

(ii) If the principal of all the 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 Bonds, without preference or priority of principal over interest or of interest over principal, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(iii) If the principal of all the 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 (ii) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (i) of this Section.

(b) 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 shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Whenever all of the Bonds, the premium, if any, and interest thereon have been paid under the provisions of this Section and all Trustee's Fees, all Trustee's Expenses, the Annual Issuer's Fee and all other amounts to be paid to the Issuer or the Trustee or the United States Treasury hereunder or under the Loan Agreement have been paid, or provision is made for the payment thereof in accordance herewith, any balance remaining in the Funds shall be applied as provided in Section 3.19 hereof.

Section 8.06. Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding may be enforced by the Trustee without the possession of any of the 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.

Section 8.07. Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer, the Borrower or any other obligor upon the Bonds or the property of the Issuer, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, from prepayment on the Promissory Note, as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer and/or the Borrower for the payment of overdue principal or interest) shall be entitled and empowered, by intervention of such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses,

disbursements and advances of the Trustee, its agents and counsel) and of the Registered Owners allowed in such judicial proceeding; and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

(ii) and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Registered Owner to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Registered Owners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel.

(b) So long as Bonds are Outstanding the Trustee is hereby appointed, and the successive respective Registered Owners, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney in fact of the respective Registered Owners, with authority to make or file, in the respective names of the Registered Owners or on behalf of all Registered Owners, as a class, any proof of debt, amendment to proof of debt, petition or other documents and to execute any other papers and documents and to do and perform any and all acts and things for and on behalf of all Registered Owners as a class, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claim of the Registered Owners against the Issuer, the Borrower or any other obligor allowed in receivership, insolvency, liquidation, bankruptcy or other proceeding, to which the Issuer, the Borrower or any other obligor, as the case may be, shall be a party. The Trustee shall have full power of substitution and delegation in respect of any such powers.

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 or the Registered Owners 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 or the Registered Owners, then and in every such case the Issuer, the Trustee and the Registered Owners shall be restored to their former position and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Issuer, the Trustee and the Registered Owners shall continue as if no such proceedings had been taken.

Section 8.11. Waivers of Events of Default. The Trustee may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity of principal of and interest on the Bonds, and shall do so upon the written request of the Registered

Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding; provided, however, that there shall not be waived any default in the payment of amounts set forth in Section 5.01(e) of the Loan Agreement. 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 Issuer, 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.

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 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 that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In 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 their exercise, as a prudent corporate indenture trustee would exercise or use under similar circumstances.

(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 and shall not be answerable for the conduct of the same if appointed with due care, and shall be entitled to act upon an opinion of counsel 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 counsel 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 counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for insuring the Facilities or collecting any insurance moneys or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value of or title to the Facilities, 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 Issuer, or on the part of the Borrower, except as hereinafter set forth; but the Trustee may require of the Borrower full information and advice as to the performance of the covenants, conditions, and agreements as to the condition of the Facilities 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 Bonds authenticated or delivered hereunder. The Trustee may become the Beneficial Owner or the Registered Owner of any Bonds with the same rights that it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or the consent of the Issuer or any person who at the time of making such request or giving such consent is the Registered Owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon 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 rely upon a certificate signed on behalf of the Issuer by an Authorized Representative of the Issuer or on behalf of the Borrower by an Authorized Representative of the Borrower or such other person as may be designated for such purpose by the Issuer or the Borrower as sufficient evidence of the facts therein contained, 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 gross negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers that have been selected by the Trustee with due care, subject to Section 9.01(a) hereof.

(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 hereunder unless an officer in the trust department of the Trustee has actual notice thereof or the Trustee shall be specifically notified in writing of such default by the Issuer or the Registered Owners of at least a majority in aggregate principal amount of 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, be delivered at the address of the Trustee provided for in Section 11.09 hereof, and, 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 Issuer or the Borrower pertaining to the Schools, the Facilities and the Bonds.

(k) The Trustee shall not be required to give any bond 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 Bonds, the withdrawal of any cash, the release of any property 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 Issuer or the Borrower to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(m) Before taking any action under Article VIII hereof, the Trustee may require that reasonable indemnity or other assurances satisfactory to the Trustee be furnished to it for the reimbursement of all expenses that it may incur and to protect it against all risk and liability by reason of any action so taken, including without limitation any and all environmental liability, and except only any liability that may result from its negligence or willful misconduct. The Trustee may take action without requiring such indemnification or other assurances and in such event, the Trustee shall be entitled to indemnification by the Borrower pursuant to Section 8.06 of the Loan Agreement and to reimbursement of its fees and expenses pursuant to Section 9.02 hereof.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or other disclosure document prepared or distributed in connection with the Bonds.

(o) The Trustee shall not be liable for any failure of the Borrower to pay any tax or taxes with respect to the Facilities, or any part thereof, nor shall the Trustee be under any duty with respect to any tax that may be assessed against it or the Registered Owners regarding the Facilities or the Pledged Revenues.

(p) To the extent that it is necessary for the Trustee to determine whether any Person is a Beneficial Owner under a book-entry system maintained by a securities depository, the Trustee shall make such determination on a certification of such Person (on which the Trustee may conclusively rely) setting forth in satisfactory detail the principal balance and bond certificate owned and any Participants through which such bond certificate is held. The Trustee shall be entitled to rely conclusively on information it receives from DTC or other applicable securities depository, its direct Participants and the indirect participating brokerage firms for such Participants with respect to the identity of a Beneficial Owner. The Trustee shall not be deemed to have actual or constructive knowledge of the books and records of DTC or its Participants.

(q) No provision of this Indenture, the Loan Agreement, or the Mortgage or the Guaranty Agreement shall require the Trustee to expend or risk its own funds or otherwise incur

any financial liability in the performance of its duties hereunder or thereunder, or in the exercise of any of its rights or powers.

Section 9.02. Fees and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for its reasonable fees for its services rendered hereunder as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, including legal fees and expenses, as and when the same become due as provided in Section 5.01 of the Loan Agreement. After an Event of Default, the Trustee shall have a first lien on the Trust Estate with right of payment prior to payment on account of interest, principal and premium, if any, on the Bonds for all administrative expenses, advances, disbursements and counsel fees incurred or made in and about execution of the trusts and performance of the duties of the Trustee and for the cost and expense incurred in defending against any liability (unless such liability is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee).

Section 9.03. Resignation or Replacement of Trustee.

(a) The present or any future Trustee may resign by giving to the Issuer, the Borrower and the Registered Owners 60 days' notice of such resignation. Such resignation shall take effect immediately on the appointment of a successor. The present or any future Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by the Issuer, by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding or, if the Borrower is not in default under the Loan Agreement, by the Borrower and such removal shall take effect immediately on the appointment of a successor. The Trustee may also be removed at any time for any breach of the trust set forth herein.

(b) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding by an instrument or concurrent instruments signed by such Registered Owners, or their attorneys-in-fact duly appointed; provided that the Issuer (with the consent of the Borrower if it is not then in default under the Loan Agreement) or the Borrower (if it is not then in default under the Loan Agreement) may appoint a successor until a new successor shall be appointed by the Registered Owners of a majority in aggregate principal amount of Bonds Outstanding as herein authorized. The Issuer or the Borrower, upon making such appointment, shall forthwith give notice thereof to the Registered Owners and the Borrower or the Issuer, as applicable, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Issuer or the Borrower shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding. In the event that the Issuer, the Borrower or the Registered Owners fail to appoint a successor, the Trustee may petition a court of competent jurisdiction for appointment of a successor trustee.

(c) Every successor trustee shall always be a bank or trust company in good standing, be qualified to act hereunder, be subject to examination by a federal or state authority and have capital and surplus of not less than \$75,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the Issuer 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, 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 (subject, however, to the terms and conditions herein set forth, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its fees and expenses pursuant to Section 9.02 hereof and to be indemnified pursuant to Section 8.06 of the Loan Agreement), and 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 Issuer be reasonably required by any successor for such vesting and confirming, the Issuer shall execute, acknowledge and deliver the said deeds, conveyances and instruments on the request of such successor.

(d) The notices provided for in this Section to be given to the Registered Owners shall be given by the Trustee by mailing to the Registered Owners at their addresses as the same shall last appear upon the registration records. The notices provided for in this Section to be given to the Issuer, the Borrower and the retiring Trustee shall be given in accordance with Section 11.09 hereof.

(e) 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, merged or with which it may be consolidated, or to which it may sell or transfer its 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 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 Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of such successor Trustee.

ARTICLE X

SUPPLEMENTAL INDENTURES AND AMENDMENTS OF LOAN AGREEMENT, OR MORTGAGE, ~~THE GROUND LEASE AND GUARANTY~~ AGREEMENT

Section 10.01. Supplemental Indentures Not Requiring Consent of Registered Owners. The Issuer may and, at the request of the Borrower, the Trustee may, without the consent of, or notice to, the Registered Owners or the Beneficial Owners, enter into

Supplemental Indentures (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 of the Issuer contained in this Indenture for the protection or benefit of the Registered Owners, other covenants and agreements thereafter to be observed for the protection or benefit of the Registered Owners, or to surrender or limit any right or power herein reserved or conferred upon the Issuer;

(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 Bonds;

(c) To subject to the lien of this Indenture additional revenues, properties or collateral;

(d) To modify, alter, amend or supplement this Indenture in such a manner as shall permit the qualification hereof under the Trust Indenture Act of 1939, as from time to time amended; or

(e) To provide for the issuance of Additional Bonds, unless consent is required pursuant to Section 2.11 hereof.

Section 10.02. Supplemental Indentures Requiring Consent of Registered Owners.

(a) Exclusive of Supplemental Indentures covered by Section 10.01 hereof, the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Issuer 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 consent of the Registered Owners of at least 66 2/3 percent of the aggregate principal amount of the Bonds at the time Outstanding and adversely affected thereby nothing herein contained (exclusive of Supplemental Indentures covered by Section 10.01 hereof) shall permit, or be construed as permitting:

(i) 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 Bond;

(ii) the deprivation of the Registered Owner of any Bond then Outstanding of the lien or the priority of the lien created by this Indenture (other than as permitted hereby when such Bond was initially issued);

(iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or

(iv) a reduction in the aggregate principal amount of the Bonds, if any, required for consent to such Supplemental Indenture or amendment to the Loan Agreement;

provided further, however, that any of the modifications referred to in subsections (i) through (iv) above shall be made in a manner which affects all Bonds Outstanding hereunder equally and ratably.

(b) If at any time the Issuer 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 (to the extent reasonably required by the Trustee) with respect to expenses, mail by first-class mail notice of the proposed execution of such Supplemental Indenture to the Registered Owners at their addresses as the same shall last appear upon the registration records. The Borrower shall be responsible for such expenses. 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 corporate trust office of the Trustee for inspection by all Beneficial Owners. If, within 60 days following the mailing of such notice, the Registered Owners of the requisite principal amount of the 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 Owners or Beneficial Owners 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 Issuer 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 Issuer in the execution of any such Supplemental Indenture and to make further agreements and stipulations that may be contained therein, but the Trustee shall not be obligated to enter into any such Supplemental Indenture that materially adversely affects its rights, duties, or immunities under this Indenture. The Trustee shall require delivery of an opinion of Bond Counsel to the effect that each such Supplemental Indenture (a) has been validly authorized and duly executed by the Issuer and is enforceable against the Issuer in accordance with its terms, (b) will not adversely affect the qualification of the Bonds as obligations that may be issued pursuant to the Act, (c) will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes and (d) is permitted pursuant to the terms of 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 Bonds issued thereafter, if any.

~~**Section 10.04. Issuer Consent Required to Less Restrictive Requirements of Indenture and Loan Agreement.** The Issuer has imposed certain requirements on the Trustee, the Borrower, the ownership or operation of the Facilities or the Bonds that are more restrictive than those required by the Act, the Regulations or the Code, and, for that reason, any proposed amendment, modification, or supplement to this Indenture or the Loan Agreement that provides~~

~~for less restrictive covenants than required by the Issuer, but permitted by law, shall require the Issuer's consent, which may be withheld for any reason. Reserved.~~

Section 10.05. Amendments of Loan Agreement Not Requiring Consent of Registered Owners. The Issuer and the Trustee may, without the consent of or notice to the Issuer, the Registered Owners or the Beneficial 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 that is not to the adverse prejudice of the Trustee or to the Unassigned Rights, nor materially adversely affects the interests of the Registered Owners or the Beneficial Owners.

Section 10.06. Amendments of Loan Agreement Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.05 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without the giving of notice to and receiving the written approval or consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Issuer and 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 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 Beneficial Owners. If, within 60 days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owners or Beneficial Owners 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, the Borrower or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.07. Execution of Amended Loan Agreement. The Trustee shall, prior to its consent to any supplemental amendment or change to the Loan Agreement, require delivery of (a) an opinion of the Issuer's legal counsel to the effect that such supplemental amendment or change to the Loan Agreement has been validly authorized and duly executed by the Issuer and is enforceable against the Issuer in accordance with its terms, (b) an opinion of legal counsel to the Borrower to the effect that such supplemental amendment or change to the Loan Agreement has been validly authorized and duly executed by the Borrower and is enforceable against the Borrower in accordance with its terms, and (c) an opinion of Bond Counsel to the effect that such supplemental amendment or change to the Loan Agreement will not adversely affect the qualification of the Bonds as obligations that may be issued pursuant to the Act, will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes, and is permitted pursuant to the terms of this Indenture. After

execution thereof, any supplemental amendment, modification or change to the Loan Agreement executed in accordance with the provisions of this Article shall thereafter form a part of the Loan Agreement and all the terms and conditions contained in any such amendment, modification or change to the Loan Agreement as to any provision authorized to be contained therein shall be deemed to be part of the Loan Agreement for any and all purposes.

Section 10.08. Amendments of Mortgage Not Requiring Consent of Registered Owners. The ~~Issuer and the Trustee~~ may, without the consent of or notice to the ~~Issuer, the Registered Owners or the Beneficial Owners~~, consent to any amendment, change or modification of the Mortgage as may be required (a) by the provisions of the Mortgage 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 that is not to the adverse prejudice of the Trustee or to the ~~Unassigned Rights~~, nor materially adversely affects the interests of the Registered Owners or the Beneficial Owners.

Section 10.09. Amendments of Mortgage Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.08 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Mortgage without the giving of notice and the written approval or consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Mortgage, the Trustee shall, upon being reasonably indemnified by the Borrower with respect to 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 Beneficial Owners. If, within 60 days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such amendment, change or modification, shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owners or Beneficial Owners 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, the Borrower or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.10. Execution of Amended Mortgage. The Trustee shall, prior to its consent to any supplemental amendment or change to the Mortgage, require delivery of (a) an opinion of legal counsel to the Borrower and the trustor thereunder (if the Borrower is not the trustor) to the effect that such supplemental amendment or change to the Mortgage has been validly authorized and duly executed by the Borrower, as applicable, and is enforceable against the Borrower, in accordance with its terms, and (b) an opinion of Bond Counsel to the effect that such supplemental amendment or change to the Mortgage will not adversely affect the qualification of the Bonds as obligations that may be issued pursuant to the Act, will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for

federal income tax purposes, and is permitted pursuant to the terms of this Indenture. After execution thereof, any supplemental amendment, modification or change to the Mortgage executed in accordance with the provisions of this Article shall thereafter form a part of the Mortgage, and all the terms and conditions contained in any such amendment, modification or change to the Mortgage as to any provision authorized to be contained therein shall be deemed to be part of the Mortgage for any and all purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Evidence of Signature of Registered Owners and Ownership of Bonds.

(a) Any request, consent or other instrument that 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. Subject to Section 9.01(p) hereof, proof of the execution of any such instrument, or of an instrument appointing any such attorney, by the Registered Owners 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:

(i) The fact and date of the execution by any Registered Owner or his or her 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.

(ii) The Registered Owner of any Bond and the amount and numbers of such Bonds and the date of owning the same shall be proved by the registration records of the Issuer kept by the Trustee.

(b) Any request or consent of the Registered Owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer 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 Issuer, the Issuer Indemnified Parties, the Borrower, the Trustee and the Registered Owners 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 Issuer shall be for the sole and exclusive benefit of the Issuer, the Issuer Indemnified Parties, the Borrower, the Trustee and the Registered Owners.

Section 11.03. Titles and Headings. 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. Severability. 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. Third Party Beneficiaries. Each of the Issuer Indemnified Parties (other than the Issuer) and the Borrower, to the extent of the rights expressly conferred on the Borrower herein, shall be considered to be intended third party beneficiaries of this Indenture. Nothing in this Indenture shall confer any right upon any person other than the parties hereto and the specifically designated third party beneficiaries of this Indenture.

Section 11.06. Governing Law. This Indenture shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to any choice of law principles, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Issuer. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Indenture against the Issuer shall be brought and maintained in the Circuit Court of the State of Florida, in and for the County of Brevard, the United States District Court in and for the Southern District of Florida, or any United States Bankruptcy Court in any case involving or having jurisdiction over the Borrower or the Facilities.

Section 11.07. Execution in Counterparts. 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.

Section 11.08. Limitation of Liability of Officials of Issuer.

(a) Anything in this Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(b) No recourse under or upon any obligation, covenant or agreement contained in the Issuer Documents or any other documents to which the Issuer is a party, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against any incorporator, member, director, officer, employee, agent or counsel as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Owner of any Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such incorporator, member, director, officer, employee, agent or counsel, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Owner of any Bond issued

hereunder or otherwise of any sum that may remain due and unpaid upon the Bond hereby secured or any of them is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

(c) Notwithstanding anything to the contrary contained herein or in any of the Bonds, the Issuer Documents or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, (i) the Issuer shall have no obligation to take action under the Loan Agreement, this Indenture, the Bonds or such other instruments or documents, unless the Issuer is reasonably requested in writing by an appropriate person to take such action and is provided with indemnity and assurances satisfactory to it of payment of or reimbursement for any indemnity to persons identified by the Issuer, and expenses (including attorneys' fees) in such action, (ii) neither the Issuer nor any member of the Issuer or any officer, employee, attorney or agent of the Issuer shall be personally liable to the Borrower, the Trustee, the holders of the Bonds or any other person for any action taken by the Issuer or by its officers, agents or employees or for any failure to take action under this Indenture, the Loan Agreement, the Bonds or such other instruments or documents, except that the Issuer agrees to take, or to refrain from taking, any action if so required by an injunction or if required to comply with any final judgment for specific performance, and (iii) any judgment rendered against the Issuer for breach of its obligations under this Indenture, the Loan Agreement, the Bonds or such other instruments or documents, shall be payable solely from the revenues derived by the Issuer under the Loan Agreement and this Indenture, and no personal liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

(d) No agreements or provisions contained in this Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except with respect to the application of revenues therefrom and the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement herein shall subject the Issuer, its incorporators, members, directors, officers, employees, agents and counsel to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or proceeds of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein; provided, that (i) prior to the official filing of any petition or complaint against the Issuer, provision shall have been made in a manner satisfactory to the Issuer, for payment of its costs and expenses relating to any such petition or complaint and (ii) no costs, expenses, damages or other monetary relief shall be recoverable from the Issuer or its officers, directors, employees, agent and counsel except as may be payable from the Loan Agreement or revenues therefrom that have been pledged to payment of the Bonds or the proceeds of the Bonds.

(~~d~~e) The Issuer shall be under no obligation to institute any suit or to take any remedial proceeding in the Event of a Default under this Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder,

including, without limitation, its acceptance or possession of a Project or any component thereof, until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability. The Issuer nevertheless may, in its sole discretion, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Issuer, without indemnity, and in such case the Issuer shall be entitled to reimbursement from any money under this Indenture and, subject to the prior rights of the Trustee, shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

~~(e)(f) The Issuer shall be under no obligation to institute any suit or to take any remedial proceeding in the Event of a Default under this Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including, without limitation, its acceptance or possession of a Project or any component thereof, until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability. The Issuer nevertheless may, in its sole discretion, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Issuer, without indemnity, and in such case the Issuer shall be entitled to reimbursement from any money under this Indenture and, subject to the prior rights of the Trustee, shall be entitled to a preference therefor over any Bonds Outstanding hereunder.~~(f) The Issuer shall be entitled to advice of counsel concerning all matters under this Indenture and its duties under this Indenture and the other Issuer Documents. The Issuer may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Borrower for all such compensation paid. The Issuer may act upon the opinion or advice of counsel, accountants, or such other professionals as the Issuer deems necessary and selected by it in the exercise of reasonable care. The Issuer shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(g) The permissive right of the Issuer to do things enumerated in this Indenture or in the other Issuer Documents shall not be construed as duties until specifically undertaken by the Issuer. The Issuer shall only be responsible for the performance of the duties expressly set forth in this Indenture and in the other Issuer Documents and shall not be answerable for other than its willful misconduct in the performance of those express duties.

(h) The Issuer shall be protected in acting upon any Opinion of Counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of this Indenture or the other Issuer Documents. Any action taken by the Issuer pursuant thereto 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 owner of any Bond as shown on the Bond Register will be conclusive and binding upon all future owners or holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

Section 11.09. Notices. Except as otherwise provided in Section 8.01, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed

given when mailed by certified mail, facsimile (confirmed by certified mail), return receipt requested, postage prepaid, or overnight courier or electronically mailed as an attached scanned PDF document, addressed as follows:

If to the Issuer:

Capital Trust Agency
315 Fairpoint Drive
Gulf Breeze, Florida 32561
Attention: Executive Director
Telephone: (850) 934-4046
E-mail: edgray3@muniad.com

With a copy to:

Foley & Lardner LLP
1 Independent Drive, Suite 1300
Jacksonville, FL 32202
Attention: Emily Magee, Esq.
Telephone: (904) 359-2000
E-mail: emagee@foley.com

If to the Borrower:

Odyssey Charter School, Inc.
1755 Eldron Boulevard
Palm Bay, Florida 32909
Attention: _____Chair
Telephone: (321) 733-0442
E-mail:

With a copy to:

Edwards Cohen, Dawson Mangu and Noble P.A.
200 West Forsyth Street, Suite 1300
Jacksonville, Florida 32202
Attention: David Cohen, Esq.
Telephone: (904) 633-8010
E-mail: dcohen@edcolaw.com

If to the Trustee:

U.S. Bank National Association
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Services – Janice Entsminger
Telephone: (407) 835-3810
E-mail: ~~Janice~~janice.entsminger@usbank.com

Section 11.10. Payments Due on Days Other Than 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, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day unless otherwise provided herein with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.11. No Personal Liability of Officials of Issuer or Trustee. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any elected or appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity or any officer, agent, servant, employee or member of the board of directors of the Trustee in his or her individual capacity, and none of the members of the governing body of the Issuer, any official executing the Bonds or the Trustee, 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. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

Section 11.12. Bonds Owned by Issuer or Borrower. In determining whether Registered Owners in the requisite aggregate principal amount have concurred in any direction, consent or waiver under this Indenture, Bonds that are owned by the Issuer or the Borrower or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Borrower (unless the Issuer, the Borrower or such person owns all the Bonds that are then Outstanding), shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only the Bonds that the Trustee knows are so owned shall be so disregarded. The Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer, the Borrower or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Borrower. In case of a dispute as to such right, any decision by the Trustee taken in good faith upon the advice of counsel shall be full protection to the Trustee.

Section 11.13. Undertaking to Provide Ongoing Disclosure. Pursuant to Section ~~2.052.04~~ of the Loan Agreement, the Borrower has undertaken all responsibility for compliance with continuing disclosure requirements, and the Issuer and the Trustee shall have no liability to the Registered Owners, the Beneficial Owners or any other person with respect to Securities Exchange Commission Rule 15c2-12, as amended. Notwithstanding any other provision of this Indenture, failure of the Borrower to comply with the Continuing Disclosure Undertaking shall not be considered an Event of Default hereunder or under the Loan Agreement; however, a Registered Owner or a Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the noncompliant Borrower to comply with its obligations under Section ~~2.052.04~~ of the Loan Agreement.

Section 11.14. Right to Inspect.

(a) Following notice to the Borrower and subject to compliance with applicable laws and the reasonable regulations and procedures of the Borrower thereunder, at any and all times, the Trustee and the Issuer and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right during regular business hours fully to inspect the Schools and the Facilities, including all books and records of the Borrower (excluding records the confidentiality of which may be protected by law), and to make such copies and memoranda from and with regard thereto as may be desired; provided however, that any

disclosure to any third party of the results of any such inspection shall be made only if required by law and then only with proper respect and due regard for the confidentiality requests of the Borrower and of donors to the Borrower.

(b) Additionally, at the direction of the Borrower, the Issuer hereby appoints the Trustee to keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts and disbursements received or disbursed according to this Indenture, and such books shall be available for inspections by the Registered Owner of any of the Bonds and the Borrower during normal business hours of the Trustee and under reasonable conditions.

Section 11.15. Incorporation of Terms of Loan Agreement. The parties hereto acknowledge and agree that to the extent applicable, the terms and provisions of the Loan Agreement are incorporated herein as if they were contained in this Indenture.

Section 11.17. Remedies of the Issuer. Notwithstanding any contrary provision in this Indenture, the Issuer shall have the right to take any action or make any decision with respect to proceedings for indemnity against the liability of the Issuer, ~~the County and the respective personnel and for collection reimbursements.~~ The Issuer may enforce its rights under the Loan Agreement which have not been assigned to the Trustee by legal proceedings for the specific performance of any obligation contained therein and herein or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under the Loan Agreement, including court costs, reasonable attorneys' fees and other costs and expenses incurred in enforcing such obligations.

Section 11.18. Limitation on Actions. The Issuer shall not be required to monitor, or provide information or disclosure concerning the financial condition of the Borrower or other matters relating to the Bonds and shall not have any responsibility with respect to notices, certificates or other documents filed with it hereunder or under the Loan Agreement. The Issuer shall not be required to take notice of any breach or default except when given notice thereof by the Trustee or the Registered Owners, as the case may be. The Issuer shall not be required to take any action unless indemnity reasonably satisfactory to it is furnished for expenses or liability to be incurred therein (other than the giving of notice). The Issuer, upon written request of the Registered Owners or the Trustee, shall cooperate to the extent reasonably necessary to enable the Trustee to exercise any power granted to the Trustee by this Indenture.

Section 11.19. Responsibility. The Issuer shall be entitled to the advice of counsel (who may be counsel for any party or for any Registered Owner unless an opinion of independent counsel or opinion of Bond Counsel is required hereunder) and shall be wholly protected as to any actions taken or omitted to be taken in good faith in reliance on such advice. The Issuer may rely conclusively on any notice, certificate or other document furnished to it hereunder or pursuant to the Loan Agreement or the Bond Purchase Agreement and reasonably believed by it to be genuine. The Issuer shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or in good faith omitted to be taken by it because it was reasonably believed to be beyond the discretion or power conferred upon it or taken by it pursuant to any direction or instruction by which it is governed hereunder or omitted to be taken by it by reason of the lack of direction or instruction required

for such action hereunder, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment, consent or other action by the Issuer is called for by this Indenture or the Loan Agreement, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. A permissive right or power to act in the Issuer shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any Person. No recourse shall be had by the Borrower, the Trustee or any Registered Owner for any claim based on this Indenture or the Bonds against any of the Issuer's directors, officers, employees, counsel, financial advisors or agents unless such claim is based upon the willful dishonesty or intentional violation of law of such person.

Section 11.20 Patriot Act Notice. The Trustee hereby notifies the Issuer that to help the government fight the funding of terrorism and money laundering activities pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the ~~District~~ Issuer, which information includes the name and address of the Issuer and other information that will allow the Trustee to identify the Issuer in accordance with the Patriot Act. The Issuer hereby agrees that it shall promptly provide such information upon request by the Trustee.

[Signature page follows.]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

CAPITAL TRUST AGENCY

By
Name:
Title:

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By
Name: Janice Entsminger
Title: Vice President

[SIGNATURE PAGE FOR INDENTURE OF TRUST]

EXHIBIT A
FORM OF SERIES 2017 BONDS

EACH BENEFICIAL OWNER OF THIS BOND SHALL BE AN ~~INSTITUTIONAL~~ "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A) OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR A "QUALIFIED INSTITUTIONAL BUYER" UNDER RULE 144A UNDER THE SECURITIES ACT. BY ACCEPTANCE OF A BOND, EACH BENEFICIAL OWNER SHALL BE DEEMED TO HAVE CERTIFIED THAT IT IS AN ~~INSTITUTIONAL~~ ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER AND ACKNOWLEDGED THAT THE BOND MAY ONLY BE TRANSFERRED TO A BENEFICIAL OWNER THAT IS AN ~~INSTITUTIONAL~~ ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER. THE ISSUER, IN ITS SOLE DISCRETION, MAY REMOVE SUCH LIMITATIONS WITHOUT NOTICE TO OR CONSENT OF ANY HOLDER.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND 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.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

CAPITAL TRUST AGENCY
EDUCATIONAL FACILITIES REVENUE BOND
(ODYSSEY CHARTER SCHOOL PROJECTS)
[SERIES 2017A] [TAXABLE SERIES 2017B]

NO. R - _____ \$ _____

Maturity Date	Dated Date	Interest Rate	CUSIP No.
_____ 1, 20____	_____, 2017	_____ % per annum	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

CAPITAL TRUST AGENCY (the "Issuer"), a legal entity duly created and a public agency organized under the laws of the State of Florida (the "State"), for value received, hereby promises to pay, from the sources hereinafter described, the principal amount stated above and

the premium on such amount, if any, in lawful money of the United States of America to the Registered Owner named above, or 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 corporate trust office of U.S. Bank National Association, as trustee (the "Trustee") under an Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), by and between the Issuer and the Trustee, and to pay, from like sources, to the person who is the Registered Owner hereof on the 15th day of the month next preceding any Interest Payment Date (the "Regular Record Date") by check or draft mailed to such Registered Owner (except that registered owners of at least \$500,000 in aggregate principal amount of the Bonds (as defined below) Outstanding (as defined in the Indenture) may, by written request received by the Trustee at least ten Business Days (as defined in the Indenture) prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States of America) at his or her address as it last appears on the registration books kept for that purpose at the offices of the Trustee, interest on said sum in like coin or currency from the date hereof at the interest rate set forth above, payable semiannually on _____ 1 and _____ 1 of each year, commencing _____ 1, 2017, until payment of the principal hereof has been made or provided for. Any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner hereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner hereof at the close of business on a Special Record Date 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 the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior thereto.

This bond is one of Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), [Series 2017A] [Taxable Series 2017B] (the "Series 2017 Bonds") duly authorized by the Issuer in the aggregate principal amount of \$[PAR], issued under and equally and ratably secured by the Indenture. In accordance with the Act, the Issuer issued the Series 2017 Bonds to make a loan to (1) finance the acquisition of an existing educational facility and the site therefor, located on approximately ~~—24~~ acres at 1350 Wyoming Drive SE, Palm Bay, Florida ~~32909, 32909~~ (the "Wyoming Site"), which is currently being leased to the Borrower and operated by the Borrower as ~~a junior and senior high charter school~~ two public charter schools known as Odyssey Charter School and Odyssey Preparatory Academy, (2) refinance an existing loan of the Borrower, which financed the acquisition, construction and installation of an educational facility and the site therefor, located on approximately ~~—9~~ acres at 1755 Eldron Boulevard, Palm Bay, Florida ~~32909, 32909~~ (the "Eldron Site"), which is currently owned and operated by the Borrower as ~~an elementary charter school~~, (3) ~~fund a debt service reserve fund and (4a public charter school known as Odyssey Charter School, (3) finance certain improvements, fixtures, furnishings and equipment for such facilities located at the Wyoming Site and the Eldron Site, (4) fund certain reserves and (5) pay costs of issuance relating to the Series 2017 Bonds (collectively, the "Series 2017 Project").~~

On the date hereof, the Issuer is also issuing its Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), [Taxable Series 2017B] [Series 2017A] duly authorized by the Issuer in the aggregate principal amount of \$[PAR], issued under and equally and ratably secured by the Indenture. Additional bonds of the Issuer may be issued pursuant to the Indenture and may be secured on a parity basis with the Series 2017 Bonds (the

“Additional Bonds” and, together with the Series 2017 Bonds, the “Bonds”). Additional Bonds may be issued from time to time in one or more series, in various principal amounts and for the benefit of the Borrower, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of the Bonds issued and to be issued under the Indenture is not limited.

This bond is a special, limited obligation of the Issuer payable solely from and secured by a first priority lien on the Trust Estate, which includes an assignment and pledge of (i) the rights and interests of the Issuer in the Loan Agreement, dated as of _____ 1, 2017 (the “Loan Agreement”), between the Issuer and the Borrower (except the Issuer’s Unassigned Rights as defined in the Loan Agreement) and the promissory note executed by the Borrower (the “Promissory Note”), including amounts payable thereunder; (ii) the rights, title and interests of the Issuer in the Facilities, subject to Permitted Encumbrances (each as defined in the Indenture); (iii) certain moneys and securities held under and pursuant to the Indenture and the Loan Agreement; and (iv) the rights and interests under the Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, given by the Borrower (the “Mortgage”) in connection with the issuance of the Bonds.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE BONDS HAVE BEEN ISSUED PURSUANT TO THE ACT, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE ISSUER, THE CITY OF PALM BAY, FLORIDA (“PALM BAY”) THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE. THE BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE, AND NONE OF SUCH ENTITIES IS OBLIGATED TO MAKE ANY PAYMENTS WITH RESPECT TO THE BONDS EXCEPT FROM THE TRUST ESTATE DESCRIBED IN THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

Redemption Provisions

Optional Redemption. [The Series 2017A Bonds are subject to redemption at the option of the Issuer (which option shall be exercised upon the written direction of the Borrower from prepayment of the Series 2017 Promissory Note (as defined in the Indenture) made by the Borrower pursuant to the Loan Agreement) in whole or in part on any date commencing on _____ 1, 2026, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium. [The Series 2017B Bonds are not subject to redemption at the option of the Issuer.]

Redemption of Bonds Upon Occurrence of Certain Events. The Bonds, including the Series 2017 Bonds, are also subject to extraordinary redemption at the expense of the Borrower

from the Net Proceeds of any insurance policy or condemnation award and in the event the Facilities or any portion thereof is damaged or destroyed or taken in condemnation proceedings to the extent and as provided in the Loan Agreement, provided, such Net Proceeds are in excess of 10% of the Book Value of the Facilities as set forth in the Loan Agreement. If called pursuant to the Indenture, the Bonds, including the Series 2017 Bonds, are callable on the earliest date practicable selected by the Trustee, in whole or in part, 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, without premium.

Mandatory Sinking Fund Redemption. The Series 2017A Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Date (_____ 1)	Principal Amount	Date (_____ 1)	Principal Amount
-------------------	---------------------	-------------------	---------------------

*Maturity Date

The Series 2017B Bonds maturing _____ 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount so to be redeemed plus accrued interest to the redemption date, in accordance with the following schedule:

Date (_____ 1)	Principal Amount	Date (_____ 1)	Principal Amount
-------------------	---------------------	-------------------	---------------------

*Maturity Date

[Series 2017A Bonds: Mandatory Redemption Upon Determination of Taxability. The Series 2017 Bonds are subject to mandatory redemption as a whole at the principal amount thereof, plus accrued interest thereon to the date of redemption, plus a premium equal to 3 percent of the principal amount of the Series 2017 Bonds so redeemed, upon the occurrence of a Determination of Taxability related to the Series 2017 Bonds as provided in the Indenture.]

Method of Selecting Bond; Notices. Unless otherwise specifically stated in the Indenture, if less than all of the Series 2017 Bonds shall be redeemed, the Series 2017 Bonds shall be redeemed in inverse order of maturity. If less than all of the Series 2017 Bonds in a single

maturity shall be redeemed, the Series 2017 Bonds to be redeemed shall be selected randomly by lot within such maturity.

In the case of every redemption, the Trustee shall cause notice of such redemption by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 60 nor less than 30 days prior to the redemption date, 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 Bonds. The Trustee may state that the redemption is conditioned upon receiving from the Borrower, prior to the redemption date, sufficient moneys to redeem such Bonds and that if such money is not so received, no Bonds shall be redeemed.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, 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 Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof to be redeemed.

Bonds that are delivered upon transfer, exchange or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. The Bonds shall initially be issued as a single fully registered bond for each Series and maturity thereof.

This bond is fully transferable by the Registered Owner hereof 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; subject, however, to the terms of the Indenture that limit the transfer and exchange of Bonds during certain periods. Upon such transfer a new fully registered Bond or Bonds of the same series and Authorized Denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor, all subject to the terms, limitations and conditions set forth in the Indenture. The Trustee and the Issuer shall require the payment by any Registered Owner of this bond requesting exchange or transfer of the reasonable expenses of the Issuer, 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 Issuer 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 Issuer nor the Trustee shall be affected by any notice to the contrary.

Notwithstanding the foregoing, so long as the ownership of the Bonds is maintained in book-entry form by The Depository Trust Company (the "Securities Depository") or a nominee thereof, this bond may be transferred in whole but not in part only to the Securities Depository or a nominee thereof or to a successor Securities Depository or its nominee.

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 Issuer and of the Registered Owners of the Bonds may be made by the Issuer and the Trustee but without the consent of the Registered Owners of the Bonds in certain cases described in the Indenture, including any change that does not materially adversely affect the interests of the Registered Owners of the Bonds. Certain other amendments may be made by the Issuer and the Trustee with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that, without the consent of the Registered Owners of at least 66 2/3 percent of the aggregate principal amount of the Bonds at the time Outstanding and adversely affected thereby, no such modification or amendment shall be made that will constitute an extension of the maturity of, or a reduction in the principal amount of, or a reduction of the rate of interest on or an extension of the time of payment of interest on, or a reduction of any premium payable upon redemption of, any Bond; the deprivation of the Registered Owner or Registered Owner of any Bond of the lien or the priority of the lien created by the Indenture; a privilege or priority of any Bond over any other Bond; or a reduction in the aggregate principal amount of the Bonds required for consent to an amendment to the Indenture or the Loan Agreement. 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 of the Bonds at any such time Outstanding 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 by the Trustee, with the consent of the Registered Owners of a requisite principal amount of the Bonds then Outstanding.

None of the members of the board of directors of the Borrower, the board of directors of the Issuer or any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability and obligations of the Issuer under the Loan Agreement and the Indenture with respect to all or any portion of the Bonds may be discharged at or prior to the maturity or redemption of the 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 elected or appointed official, officer, agent, servant or employee of the Issuer 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 Issuer 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, agent, servant or employee of the Borrower in his or her individual capacity, and the members of the governing body of 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 the issuance of this bond exist, have happened and have been performed.

Copies of the Indenture, the Loan Agreement, the Promissory Note, the Mortgage, ~~the Guaranty Agreement~~ and other documents relating to the Bonds are on file at the designated office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the limited liability of the Borrower, the terms of and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the Registered Owners of the Bonds, amendments, and the rights, duties and obligations of the Issuer and the Trustee to all of which the Registered Owner hereof, by acceptance of this bond, assents.

This bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any propose until the Trustee shall have signed the certificate of authentication hereon.

IN WITNESS WHEREOF, CAPITAL TRUST AGENCY has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair and attested by the manual or facsimile signature of its Secretary.

CAPITAL TRUST AGENCY

By:
Chair

Attest:

By
Secretary ~~Ex Officio~~

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This is one of the Series 2017 Bonds described in the within mentioned Indenture of Trust.

U.S. Bank National Association, as Trustee

By
Vice President

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

.....
(Social Security or Federal Taxpayer Identification Number)

.....
(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Trustee under the Indenture as registrar and attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature guaranteed by:

NOTICE: Signature of the registered owner must be guaranteed by an eligible institution pursuant to Securities and Exchange Rule 17Ad-15.

NOTICE: The signature of the registered owner 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 whatsoever.

Document comparison by Workshare Compare on Tuesday, February 21, 2017
5:03:27 PM

Input:	
Document 1 ID	\\foleylaw.com\userdata\home\ediaz\UserProfile\My Documents\NDEcho\Indenture of Trust - CTA - Odyssey.docx
Description	\\foleylaw.com\userdata\home\ediaz\UserProfile\My Documents\NDEcho\Indenture of Trust - CTA - Odyssey.docx
Document 2 ID	\\foleylaw.com\userdata\home\ediaz\UserProfile\My Documents\NDEcho\Indenture of Trust - CTA - Odyssey(1).docx
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Rendering set	Standard

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

Statistics:	
	Count
Insertions	158
Deletions	115
Moved from	0
Moved to	0
Style change	0

Format changed	0
Total changes	273

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED _____, 2017

NEW ISSUE – BOOK-ENTRY ONLY LIMITED OFFERING

RATING: S&P: “_____” (_____ outlook) See “RATING” herein.

APPROVED

MAR 10 2017

OCS, Inc. Board of Directors

In the opinion of Foley & Lardner LLP, Bond Counsel, assuming continuing compliance by the Issuer and the Borrower with certain covenants, under existing statutes, regulations and judicial decisions, interest on the Series 2017A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporation; however, Bond Counsel notes that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax. Interest on the Series 2017B Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel is further of the opinion that the Series 2017 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended. See “TAX MATTERS” herein for a description of certain other tax consequences to holders of the Series 2017 Bonds.

CAPITAL TRUST AGENCY

\$_____ * Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017A

\$_____ * Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B

Dated: Date of Delivery

Due: _____ 1, as shown on the inside cover

The Capital Trust Agency (the “Issuer”), a legal public agency created pursuant to Chapter 159, Part II, Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes, as amended; Ordinance No. 05-97, duly enacted by the City Council (the “City Council”) of Gulf Breeze, Florida (the “City”) on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11, duly enacted by the City Council on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance No. 2-00, duly enacted by the Town Council (the “Town Council”) of Century, Florida (the “Town”), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11, duly enacted by the Town Council on May 7, 2001 and October 3, 2011, respectively; the Interlocal Agreement dated as of August 2, 1999 (the “Interlocal Agreement”), between the City and the Town, as amended and supplemented, particularly as amended and supplemented by Amendment No. _____ to the Interlocal Agreement dated as of _____, 2017; Resolution No. _____-17, duly adopted by the City on _____, 2017; Resolution No. _____-17, duly adopted by the Town on _____, 2017; Resolution Nos. 05-12, _____-17, and _____-17, duly adopted by the Issuer on May 9, 2012, _____, 2017 and _____, 2017, respectively, and other applicable provisions of law (collectively, the “Act”), is issuing its Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017A, in the aggregate principal amount of \$_____ (the “Series 2017A Bonds”) and its Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B, in the aggregate principal amount of \$_____ (the “Series 2017B Bonds” and, together with the Series 2017A Bonds, the “Series 2017 Bonds”) pursuant to an Indenture of Trust, dated as of _____ 1, 2017 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The proceeds of the Series 2017 Bonds will be loaned to Odyssey Charter School, Inc., a Florida not-for-profit corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), pursuant to a Loan Agreement, dated as of _____ 1, 2017 (the “Loan Agreement”), by and between the Issuer and the Borrower.

The Series 2017 Bonds initially will be issued as registered bonds in book-entry only form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2017 Bonds. Purchases of beneficial interests in the Series 2017 Bonds will be made in book-entry only form and purchasers will not receive physical certificates representing the ownership interest in the Series 2017 Bonds purchased by them. See “BOOK-ENTRY ONLY SYSTEM.”

The Series 2017 Bonds are subject to redemption prior to maturity, as more particularly described herein. See “DESCRIPTION OF THE SERIES 2017 BONDS - Prior Redemption.”

The Borrower will use the proceeds of the Series 2017 Bonds to: (i) finance the acquisition of an existing educational facility and site to be owned by the Borrower on an approximately 24 acres (the “Wyoming Site”) located in the City of Palm

* Preliminary, subject to change.

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This Preliminary Limited Offering Memorandum and the information contained herein, are subject to completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

Bay, Florida ("Palm Bay"), which is currently being leased to the Borrower and operated by the Borrower as (a) Odyssey Preparatory Academy, a public K-6 charter school and (b) Odyssey Charter School, a public K-12 charter school; (ii) repay an existing loan of the Borrower, currently outstanding in the principal amount of \$ _____, the proceeds of which were used to finance the acquisition, construction and installation of an educational facility and site, located on approximately 9 acres (the "Eldron Site") in Palm Bay, which is currently owned and operated by the Borrower as the Odyssey Charter School; (iii) fund a debt service reserve fund for the Series 2017 Bonds; (iv) finance certain improvements, fixtures, furnishings and equipment for such facilities located at the Wyoming Site and the Eldron Site; and (v) pay certain bond issuance costs of the Series 2017 Bonds (collectively, the "Series 2017 Project"). See "PLAN OF FINANCE."

INVESTMENT IN THE SERIES 2017 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK AND EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE SERIES 2017 BONDS. THE SERIES 2017 BONDS ARE BEING OFFERED ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND (2) "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(A) OF THE SECURITIES ACT. UNLESS THE TRUSTEE AND THE ISSUER HAVE RECEIVED AN INVESTMENT GRADE NOTICE, AND THE ISSUER HAS GIVEN ITS WRITTEN CONSENT, UPON A TRANSFER OF A BENEFICIAL OWNERSHIP INTEREST IN A SERIES 2017 BOND (INCLUDING A TRANSFER BY THE UNDERWRITER PURSUANT TO THE INITIAL SALE OF THE SERIES 2017 BONDS), EACH PURCHASER OF SUCH BENEFICIAL OWNERSHIP INTEREST SHALL BE DEEMED TO HAVE CERTIFIED TO THE TRUSTEE AND ACKNOWLEDGED, REPRESENTED AND AGREED WITH THE BORROWER AND THE UNDERWRITER THAT SUCH PURCHASER IS ACQUIRING THE SERIES 2017 BOND FOR ITS OWN ACCOUNT, AND THAT IT IS (A) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED ABOVE, OR (B) AN "ACCREDITED INVESTOR," AS DEFINED ABOVE. See "RISK FACTORS."

THE SERIES 2017 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE SERIES 2017 BONDS HAVE BEEN ISSUED PURSUANT TO THE ACT, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE OF FLORIDA, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS (AS DEFINED HEREIN) OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE OF FLORIDA. THE SERIES 2017 BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE OF FLORIDA, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE OF FLORIDA, AND NONE OF SUCH ENTITIES IS OBLIGATED TO MAKE ANY PAYMENTS WITH RESPECT TO THE SERIES 2017 BONDS EXCEPT FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER.

NONE OF THE SERIES 2017 BONDS OR THE SERIES 2017 PROMISSORY NOTE OR ANY OTHER FINANCIAL AGREEMENT EXECUTED AND DELIVERED IN CONNECTION WITH THE SERIES 2017 BONDS OR THE LOAN AGREEMENT ARE OBLIGATIONS OF THE STATE OF FLORIDA, BREVARD COUNTY, FLORIDA OR THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA. THE CREDIT OR TAXING POWER OF THE STATE OF FLORIDA, BREVARD COUNTY, FLORIDA OR THE SCHOOL DISTRICT OF BREVARD COUNTY, FLORIDA ARE NOT PLEDGED AND NO DEBTS SHALL BE PAYABLE OUT OF ANY MONEYS EXCEPT THE TRUST ESTATE. SEE "SECURITY FOR THE SERIES 2017 BONDS."

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of this issue. Investors must read this entire Limited Offering Memorandum, including the appendices, to obtain information essential to the making of an informed investment decision, and should give particular attention to the material under the caption "RISK FACTORS."

The Series 2017 Bonds are offered when, as and if issued by the Issuer and received and accepted by the Underwriter and subject to the approval of legality by Foley & Lardner LLP, Jacksonville, Florida, Bond Counsel to the Issuer. Certain legal matters will be passed upon by Edwards, Cohen, Dawson, Mangu & Noble, P.A., Jacksonville, Florida as counsel to the Borrower; by Michael J. Stebbins, P.L., Pensacola, Florida as counsel to the Issuer; and by Squire Patton Boggs (US) LLP, Miami, Florida, as counsel to the Underwriter. Charter School Services Corp., Fort Lauderdale, Florida is serving as Financial Advisor to the Borrower in connection with the issuance of the Series 2017 Bonds. It is expected that the Series 2017 Bonds will be available for delivery through the facilities of DTC on or about _____, 2017.

RBC CAPITAL MARKETS

Dated: _____, 2017

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MATURITY SCHEDULE

\$ _____*
Capital Trust Agency
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects), Series 2017A

\$ _____ % Term Bonds, Due _____ 1, 20____, Price _____ % to Yield _____ %; Initial CUSIP No. _____ †
\$ _____ % Term Bonds, Due _____ 1, 20____, Price _____ % to Yield _____ %; Initial CUSIP No. _____ †
\$ _____ % Term Bonds, Due _____ 1, 20____, Price _____ % to Yield _____ %; Initial CUSIP No. _____ †

\$ _____*
Capital Trust Agency
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects), Taxable Series 2017B

\$ _____ % Term Bonds, Due _____ 1, 20____, Price _____ % to Yield _____ %; Initial CUSIP No. _____ †
\$ _____ % Term Bonds, Due _____ 1, 20____, Price _____ % to Yield _____ %; Initial CUSIP No. _____ †
\$ _____ % Term Bonds, Due _____ 1, 20____, Price _____ % to Yield _____ %; Initial CUSIP No. _____ †

PARTICIPANTS IN THE FINANCING
CAPITAL TRUST AGENCY
Board of Directors

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Service, managed on behalf of the American Bankers Association by S&P Global Marketing Intelligence. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Underwriter or the Borrower and are included solely for the convenience of the holders of the Series 2017 Bonds. None of the Issuer, the Borrower, the Underwriter or the Trustee is responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Series 2017 Bonds or as indicated above. The CUSIP numbers are subject to being changed after execution and delivery of the Series 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2017 Bonds.

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Harrison Wilder, Chairman
Rupert (Burt) J. Snooks, Vice Chairman
Robert F. Cleveland, Secretary/Treasurer
Deborah Roche, Board Member
Gary Michaels, Board Member
Matt Dannheisser, Board Member
Beverly Zimmern, Board Member
Chris Kemp, Board Member

Administration

Ed Gray, III -- Executive Director
Dennis McKinnon, III - Financial Analyst

ODYSSEY CHARTER SCHOOL, INC.

Board of Directors

Leslie Maloney, President
Thomas Cole, Vice President/Treasurer
Jessicah Nichols, Secretary
Sonja White, Board Member
Amanda Larson, Board Member

Administration

Dr. Monica Knight
Administrator
(Junior/Senior High Campus)

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Pensacola, Florida

BOND COUNSEL

Foley & Lardner LLP
Jacksonville, Florida

FINANCIAL ADVISOR

Charter School Services Corp., a Building Hope Affiliate
Fort Lauderdale, Florida

BORROWER'S COUNSEL

Edwards, Cohen, Dawson, Mangu & Nobel, P.A.
Jacksonville, Florida

DISSEMINATION AGENT

Digital Assurance Certification, L.L.C.

Wendi Nolder

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Senior Executive

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This Limited Offering Memorandum is being provided in connection with the sale of the Series 2017 Bonds as referred to herein and may not be reproduced for use, in whole or in part, for any other purpose. The information set forth herein under the captions "THE ISSUER," "LEGAL MATTERS — Pending and Threatened Litigation — No Proceedings Against the Issuer" and in the second paragraph under the heading "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" is the responsibility of the Issuer. All other information set forth herein has been obtained from and is the responsibility of Odyssey Charter School, Inc. (the "Borrower"), The Depository Trust Company, New York, New York ("DTC") and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances or at any time, create any implication that information herein is correct as of any time subsequent to the date of this Limited Offering Memorandum. The Trustee has not participated in the preparation of this Limited Offering Memorandum and makes no representation with respect to the accuracy or completeness of any of the material contained in this Limited Offering Memorandum.

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Limited Offering Memorandum, in connection with the offering of the Series 2017 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Borrower or the Underwriter. The information in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Borrower or the Underwriter since the date hereof. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2017 Bonds are not being registered with the Securities and Exchange Commission in reliance upon an exemption from the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2017 Bonds in accordance with applicable provisions of securities laws of the states in which the Series 2017 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2017 Bonds or the accuracy or completeness of this Limited Offering Memorandum. Any representation to the contrary may be a criminal offense.

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IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE BORROWER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY ISSUER. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THESE DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Each purchaser must review this entire Limited Offering Memorandum and the Appendices hereto, including the information relating to the sources of repayment of the Series 2017 Bonds, the Series 2017 Facilities (as hereinafter defined) and the Borrower (including financial and operating data). The Limited Offering Memorandum is not guaranteed as to its accuracy or completeness. Each purchaser has the opportunity to ask questions of, and request additional information from, the Borrower regarding the information provided to it and any other matters that it deems relevant to its decision to purchase the Series 2017 Bonds.

FORWARD LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "intend," "anticipate," "believe," "may," "will," "continue," or other similar words and expressions.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THEREFORE, INVESTORS SHOULD BE AWARE THAT THERE ARE LIKELY TO BE DIFFERENCES BETWEEN FORWARD LOOKING STATEMENTS AND ACTUAL RESULTS, AND THOSE DIFFERENCES COULD BE MATERIAL. NEITHER THE ISSUER NOR THE BORROWER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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LIMITED OFFERING MEMORANDUM

CAPITAL TRUST AGENCY

\$ _____*
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects),
Series 2017A

\$ _____*
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects),
Taxable Series 2017B

INTRODUCTION

General

The purpose of this Limited Offering Memorandum is to provide certain information concerning the issuance and sale by the Capital Trust Agency (the "Issuer") of \$ _____* in aggregate principal amount of its Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017A (the "Series 2017A Bonds") and \$ _____* in aggregate principal amount of its Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B (the "Series 2017B Bonds" and, together with the Series 2017A Bonds, the "Series 2017 Bonds"). The Series 2017 Bonds will be issued pursuant to an Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The proceeds of the Series 2017 Bonds will be loaned to Odyssey Charter School, Inc., a Florida not-for-profit corporation (the "Borrower") and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), pursuant to a Loan Agreement, dated as of _____ 1, 2017 (the "Loan Agreement"), by and between the Issuer and the Borrower.

The Borrower will use the proceeds of the Series 2017 Bonds to: (i) finance the acquisition of an existing educational facility and site to be owned by the Borrower, on approximately 24 acres located in the City of Palm Bay, Florida ("Palm Bay"), which is currently being leased to the Borrower and operated by the Borrower as (a) Odyssey Preparatory Academy, a public K-6 charter school ("Odyssey Preparatory") and (b) Odyssey Charter School, a public K-12 charter school (12th grade to be added in the 2017-18 academic year) ("Odyssey Charter" and, together with Odyssey Preparatory, the "Schools"); (ii) repay an existing loan of the Borrower currently outstanding in the principal amount of \$ _____, the proceeds of which were used to finance the acquisition, construction and installation of an educational facility and site, on approximately 9 acres located in Palm Bay, which is currently owned and operated by the Borrower as Odyssey Charter; (iii) fund a debt service reserve fund for the Series 2017 Bonds; (iv) finance certain improvements, fixtures, furnishings and equipment for such facilities located on the Wyoming Site and the Eldron Site (as such terms are defined below); and (v) pay certain bond issuance costs of the Series 2017 Bonds (collectively, the "Series 2017 Project"). The real property on which the Schools are operated and the buildings and equipment thereon (including, but not limited to, the educational facilities being operated by the Borrower,

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as public charter schools) are collectively referred to as the "Series 2017 Facilities." See "PLAN OF FINANCE."

The Borrower and the Schools

The Borrower currently operates the Schools as follows: Odyssey Preparatory and Odyssey Charter are currently operated on a leased site located at 1350 Wyoming Drive SE, Palm Bay, Florida 32909 ("Wyoming Site") in Brevard County (the "County"); and Odyssey Charter is also operated on a site owned by the Borrower located at 1755 Eldron Boulevard Southeast, Palm Bay, Florida 32909 ("Eldron Site") in the County. The Schools are operated pursuant to the Charter Contracts (as hereinafter defined) with The School Board of Brevard County, Florida (the "School Board" or "School District"). See "APPENDIX A - THE BORROWER AND THE SCHOOLS."

Green Apple Management Agreements

Pursuant to a Charter School Management Agreement, dated as of December 20, 2012 with respect to Odyssey Charter and a separate Charter School Management Agreement, dated as of March 21, 2013 with respect to Odyssey Preparatory (collectively, the "Management Agreements"), the Borrower engaged Green Apple School Management, LLC ("Green Apple") to provide operational, management, administrative and curriculum development services to the Schools. Green Apple's services include, but are not limited to: curriculum development, facilities development, strategic planning, grant writing, staffing recommendations, human resource coordination, regulatory compliance, corporate records maintenance, and bookkeeping, budgeting, cash management and financial reporting required by the Borrower. Constance Ortiz, one of the original founders of the Schools, is the Senior Executive and founder of Green Apple.

The Management Agreements provide that the Borrower shall pay Green Apple a management fee of \$700 per student for 2017 and 2018.

The terms of the Management Agreements shall be in effect until December 31, 2017 with respect to Odyssey Charter, and until June 30, 2018, with respect to Odyssey Preparatory, unless earlier terminated as provided therein.

Summary of Security for the Series 2017 Bonds

To evidence the obligation to pay the amounts due under the Loan Agreement, the Borrower will execute a promissory note in the aggregate principal amount of the Series 2017 Bonds (the "Series 2017 Promissory Note") payable to the order of the Issuer and dated the date of the Series 2017 Bonds, which will be assigned to the Trustee as security for the Series 2017 Bonds, except for the Issuer's Unassigned Rights (hereinafter defined). The payments on the Series 2017 Promissory Note are to be paid to the Trustee for the account of the Issuer and have been duly pledged by the Issuer to the Trustee under the Indenture, to secure the payment of the principal of, premium, if any, and interest on the Series 2017 Bonds as the same become due and payable.

Concurrently with the issuance of the Series 2017 Bonds, the Borrower will also execute and deliver in connection with the Series 2017 Bonds a Mortgage, Assignment of Rents, Fixture

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Filing and Security Agreement (the "Mortgage"), with respect to the Series 2017 Facilities naming the Issuer as mortgagee, establishing a first lien, subject to Permitted Encumbrances (as defined in the Indenture) on the Mortgaged Property (hereinafter defined). Simultaneously with the execution of the Mortgage, the Issuer will assign its rights, title and interest in the Mortgage to the Trustee, subject to certain reserved rights of the Issuer described in the Mortgage. See "SECURITY FOR THE SERIES 2017 BONDS - Mortgage" herein.

The Series 2017 Bonds, together with any Additional Bonds issued under and as defined in the Indenture, are referred to herein as the "Bonds." The offering of the Series 2017 Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Series 2017 Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change. Capitalized terms used but not defined in this Limited Offering Memorandum have the meanings provided in the Indenture or the Loan Agreement, as applicable. See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT."

THE SERIES 2017 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE SERIES 2017 BONDS HAVE BEEN ISSUED PURSUANT TO THE ACT, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE OF FLORIDA (THE "STATE" OR "FLORIDA"), THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS (AS DEFINED HEREIN) OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE. THE SERIES 2017 BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE, AND NONE OF SUCH ENTITIES IS OBLIGATED TO MAKE ANY PAYMENTS WITH RESPECT TO THE SERIES 2017 BONDS EXCEPT FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER.

NONE OF THE SERIES 2017 BONDS OR THE SERIES 2017 PROMISSORY NOTE OR ANY OTHER FINANCIAL AGREEMENT EXECUTED AND DELIVERED IN CONNECTION WITH THE SERIES 2017 BONDS OR THE LOAN AGREEMENT ARE OBLIGATIONS OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT. THE CREDIT OR TAXING POWER OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT ARE NOT PLEDGED AND NO DEBTS SHALL BE PAYABLE OUT OF ANY MONEYS EXCEPT THE TRUST ESTATE. See "SECURITY FOR THE SERIES 2017 BONDS."

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THE ISSUER

General

The Issuer is a legal entity duly created and a public agency duly organized and existing under the laws of the State established for the purposes set forth under Chapter 159, Part II, Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes, as amended; Ordinance No. 05-97, duly enacted by the City Council (the "City Council") of Gulf Breeze, Florida (the "City") on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11, duly enacted by the City Council on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance No. 2-00, duly enacted by the Town Council (the "Town Council") of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11, duly enacted by the Town Council on May 7, 2001 and October 3, 2011, respectively; the Interlocal Agreement dated as of August 2, 1999 (the "Interlocal Agreement", between the City and the Town, as amended and supplemented, particularly as amended and supplemented by Amendment No. __ to the Interlocal Agreement dated as of _____, 2017; Resolution No. ____-17, duly adopted by the City on _____, 2017; Resolution No. ____-17, duly adopted by the Town on _____, 2017; Resolution Nos. 05-12, ____-17, and ____-17, duly adopted by the Issuer on May 9, 2012, _____, 2017 and _____, 2017, respectively, and other applicable provisions of law (collectively, the "Act").

The Issuer is a public agency duly created pursuant to the Act. The Issuer is an instrumentality of the City and the Town (collectively, the "Sponsoring Political Subdivisions"), acting on behalf of such municipalities, exercising any powers that may lawfully be exercised by either such municipality in the purposes of and objectives hereof. The Issuer is authorized to issue any bonds, including the Series 2017 Bonds, for any purpose for which municipalities of the State may lawfully issue bonds to finance programs and projects, including the Series 2017 Project, and to make loans for such purposes to private, not-for-profit and governmental corporations and organizations. The Issuer has no taxing power. The Issuer does not have the power to pledge or encumber its general credit or the power to pledge the general credit of the Sponsoring Political Subdivisions or any other political subdivision of the State or the State.

THE SERIES 2017 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE SERIES 2017 BONDS HAVE BEEN ISSUED PURSUANT TO THE ACT, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE. THE SERIES 2017 BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE, AND NONE OF SUCH ENTITIES

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IS OBLIGATED TO MAKE ANY PAYMENTS WITH RESPECT TO THE SERIES 2017 BONDS EXCEPT FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER.

The Issuer has not participated in the preparation of this Limited Offering Memorandum and makes no representation with respect to the accuracy or completeness of any of the material contained in this Limited Offering Memorandum other than in the sections entitled "THE ISSUER" and "LEGAL MATTERS — Pending and Threatened Litigation — *No Proceedings Against the Issuer*" and in the second paragraph under the heading "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS." The Issuer is not responsible for providing any purchaser of the Series 2017 Bonds with any information relating to the Series 2017 Bonds or any of the parties or transactions referred to in this Limited Offering Memorandum or for the accuracy or completeness of any such information obtained by any purchaser.

The Issuer, in the case of the Series 2017 Bonds, is merely a conduit for payment, in that the Series 2017 Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by and payable solely from payments of the Borrower under the Loan Agreement and by other security discussed herein. The Series 2017 Bonds are not being offered on the basis of the financial strength of the Issuer. The Issuer believes, therefore, that disclosure of any default related to a financing not involving the Borrower or any person or entity related to the Borrower would not be material to a reasonable investor. The Issuer has not taken affirmative steps to contact the various trustees of other conduit bond issues of the Issuer to determine the extent of prior defaults.

The Issuer's fees and expenses, including any charges for indemnity, relating to the Series 2017 Bonds or the Series 2017 Project are paid pursuant to the Indenture.

Validation

On September 20, 2012, the Circuit Court of the Second Judicial Circuit, Leon County, Florida entered a final judgment of validation confirming and validating the Issuer's conduit revenue bond program and the bonds issued pursuant thereto, which include the Series 2017 Bonds.

THE BORROWER AND THE SCHOOLS

The Borrower was formed as a not-for-profit corporation under the laws of the State in 1999 for the purpose of operating a charter school. Its mission is to work in partnership with the family and community with the aim of helping each child reach full potential in all areas of life. The Schools seek to educate the whole person with the understanding that each child must achieve a balance of intellectual, physical, emotional, spiritual and social skills as a foundation for life. The Schools serve eligible students in Brevard County. The Borrower is an organization described under Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code) and which is not a "private foundation" as defined in Section 509(a) of the Code.

In furtherance of its mission to educate the children in the communities it serves, on May 25, 1999, the Borrower entered into its original charter contract with the School Board to operate

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the Odyssey Charter School (the "Odyssey Charter School Charter Contract") and on April 23, 2013, the Borrower entered into its original charter contract with the School Board, for a 5-year term, to operate the Odyssey Preparatory Academy (the "Odyssey Preparatory Academy Charter Contract" and, together with the Odyssey Charter School Charter Contract, the "Charter Contracts"). The Odyssey Charter School Charter Contract originally provided for an expiration date of _____, 2002 and has since been renewed two times. The Odyssey Preparatory Academy Charter Contract provides for an expiration date of June 30, 2018. On April 23, 2013, the Borrower renewed the Odyssey Charter School Charter Contract with the School Board for an additional fifteen years, with an expiration date of June 30, 2027. For the 2015-16 school year, the Schools enrolled 1,026 students (combined) in grades kindergarten through tenth grade, and, for the 2016-17 school year, as of _____, 2017, the Schools have enrolled 1,489 students (combined) in grades kindergarten through eleventh grade.

The Schools are not separate legal entities, but rather each is operated by the Borrower as business units.

See "APPENDIX A - THE BORROWER AND THE SCHOOLS."

PLAN OF FINANCE

The proceeds of the Series 2017 Bonds will be used to: (i) finance the acquisition of the Wyoming Site, which is currently being leased to the Borrower and operated by the Borrower for charter school purposes; (ii) repay an existing loan of the Borrower currently outstanding in the principal amount of \$ _____, the proceeds of which were used to finance the acquisition, construction and installation of the Eldron Site, also operated by the Borrower for charter school purposes; (iii) fund a debt service reserve fund for the Series 2017 Bonds; (iv) finance certain improvements, fixtures, furnishings and equipment for such facilities located at the Wyoming Site and the Eldron Site; and (v) pay certain bond issuance costs of the Series 2017 Bonds.

See "APPENDIX A - THE BORROWER AND THE SCHOOLS." See "SECURITY FOR THE SERIES 2017 BONDS - Debt Service Reserve Fund." See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

DESCRIPTION OF THE SERIES 2017 BONDS

General

The Series 2017 Bonds will be dated as of their date of initial authentication and delivery, will bear interest at the rates and will mature on the dates, subject to redemption as described below, set forth on the inside front cover page hereof. The Series 2017 Bonds will be issued as fully registered bonds without coupons in denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof. Interest on the Series 2017 Bonds is payable semiannually on _____ 1 and _____ 1 of each year, commencing _____ 1, 2017 (each an "Interest Payment Date") to the registered owners of the Series 2017 Bonds (each a "Registered Owner"). Interest on the Series 2017 Bonds will be paid on each Interest Payment Date until the principal thereof shall have been paid or provided for. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

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The interest due on any Series 2017 Bonds on any Interest Payment Date shall be paid by check or draft mailed on each Interest Payment Date by the Trustee to the Registered Owner of such Series 2017 Bonds at his or her address as it last appears on the registration records kept by the Trustee on the 15th day of the month next preceding each Interest Payment Date (the "Regular Record Date") (except that the Registered Owners of at least \$500,000 in aggregate principal amount of Series 2017 Bonds may, by written request received by the Trustee at least ten Business Days prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States of America). Payment of principal of and any premium on the Series 2017 Bonds shall be payable upon presentation and surrender of the Series 2017 Bonds at the designated corporate trust office of the Trustee, which on the date hereof is located in Orlando, Florida.

Notwithstanding the foregoing, the Series 2017 Bonds when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2017 Bonds. Purchases of the Series 2017 Bonds will be made through a book-entry only system maintained by DTC and purchasers of the Series 2017 Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their respective interests in the Series 2017 Bonds. As long as DTC or its nominee is the registered owner of the Series 2017 Bonds, the principal and interest payments will be made to DTC or its nominee, which will in turn remit such principal and interest payments to DTC's Participants (as defined below under "BOOK-ENTRY ONLY SYSTEM") for subsequent disbursement to the Beneficial Owners. See "BOOK-ENTRY ONLY SYSTEM."

INITIAL AND SUBSEQUENT PURCHASERS OF THE SERIES 2017 BONDS SHALL BE LIMITED TO "QUALIFIED INSTITUTIONAL BUYERS" OR "ACCREDITED INVESTORS," AS DEFINED IN RULE 144A PROMULGATED PURSUANT TO THE 1933 ACT, OR RULE 501(A) OF REGULATION D PROMULGATED UNDER THE 1933 ACT, RESPECTIVELY. INITIAL PURCHASERS WILL BE REQUIRED TO DELIVER AN INVESTOR LETTER SUBSTANTIALLY IN THE FORM ATTACHED AS APPENDIX H HERETO.

Prior Redemption

Optional Redemption of Series 2017 Bonds.

Series 2017A Bonds. The Series 2017A Bonds maturing on or after _____ 1, 20__ are subject to redemption at the option of the Issuer (which option shall be exercised upon the written direction of the Borrower from prepayment of the Series 2017 Promissory Note made by the Borrower pursuant to the Loan Agreement) in whole or in part, on any date commencing on _____ 1, 20__, at a redemption price equal to 100% of the principal amount of the Series 2017A Bonds to be redeemed, plus accrued and unpaid interest to the redemption date, without premium. In case of optional redemption of the Series 2017A Bonds, the Borrower shall, at least 45 days prior to the redemption date (unless a shorter notice is agreed to in writing by the Trustee), deliver a written request to the Issuer and the Trustee notifying the Issuer and the Trustee of such redemption date and of the principal amount of the Series 2017A Bonds to be

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redeemed and shall, prior to the redemption date, deliver to the Trustee moneys sufficient to pay the redemption price of all Series 2017A Bonds subject to redemption.

Series 2017B Bonds. The Series 2017B Bonds are not subject to optional redemption prior to maturity.

Extraordinary Redemption of Series 2017 Bonds as a Result of Damage, Destruction or Condemnation. The Series 2017 Bonds are subject to extraordinary redemption at the expense of the Borrower from the Net Proceeds of any insurance policy or condemnation award and in the event the Series 2017 Facilities or any portion thereof is damaged or destroyed or taken in condemnation proceedings, to the extent and as a result of any of the following events, provided such Net Proceeds are in excess of the greater of \$2,000,000 or 10% of the Book Value of the Series 2017 Facilities:

(a) The Series 2017 Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a certificate of an Authorized Representative of the Borrower filed with the Trustee, (i) the Series 2017 Facilities cannot reasonably be restored within a period of thirteen (13) consecutive months or the commencement of the immediately following school year, whichever is later, to the condition thereof immediately preceding such damage or destruction, (ii) the Borrower is prevented from carrying on its normal operations with respect to the Schools for a period of six (6) consecutive months, or (iii) the cost of restoration thereof would exceed the sum of the Net Proceeds of insurance carried thereon together with other funds of the Borrower made available for such purposes;

(b) Title to, or the temporary use for a period of six (6) months or more of, all or substantially all of the Series 2017 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; or

(c) As a result of any changes in the Constitution of the State or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement.

In such event, the Series 2017 Bonds will be redeemed on the earliest date practicable selected by the Trustee, in whole or in part, from and to the extent of funds on deposit under the Indenture and available for such purpose at a redemption price equal to the principal amount of each Series 2017 Bond redeemed, together with accrued interest to the redemption date, without premium.

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Mandatory Sinking Fund Redemption of the Series 2017A Bonds. The Series 2017A Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

\$ _____	Term Bond maturing on ___/1/20__
Principal Payment Date (_____ 1)	Principal Amount to be Redeemed

*Final Maturity

The Series 2017B Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

\$ _____	Term Bond maturing on ___/1/20__
Principal Payment Date (_____ 1)	Principal Amount to be Redeemed

*Final Maturity

Mandatory Redemption of the Series 2017A Bonds Upon Determination of Taxability. The Series 2017A Bonds are subject to mandatory redemption as a whole at the principal amount thereof, plus a three percent (3%) premium, plus accrued interest thereon to the date of redemption, upon the occurrence of a Determination of Taxability (hereinafter defined) related to the Series 2017A Bonds. The redemption date shall be the earliest practicable date selected by the Trustee, after consultation with the Borrower, but in no event later than six months following the finalization of the Determination of Taxability.

“Determination of Taxability” means, with respect to the Series 2017A Bonds, (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority that has the effect of requiring interest on a Series 2017A Bond to be included in the gross income of the Beneficial Owner for

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federal income tax purposes or (ii) the receipt by the Issuer and Trustee of a written opinion of nationally recognized bond counsel selected by the Borrower and approved by the Issuer to the effect that interest on a Series 2017A Bond must be included in gross income for federal income tax purposes. A Determination of Taxability will not result from the inclusion of interest on any Series 2017 Bond (a) in the computation of the alternative minimum tax imposed by Section 55 of the Code, the branch profits tax on foreign corporations imposed by Section 884 of the Code or the tax imposed on the net passive income of certain S corporations under Section 1375 of the Code or (b) as a result of a change to a federal statute by federal legislation passed into law after the date of the Indenture.

Method of Selecting Bonds

Unless otherwise specifically stated in the Indenture and subject to DTC procedures, any partial redemption of Series 2017 Bonds shall be redeemed in inverse order of maturity, or if less than all of the Series 2017 Bonds in a single maturity shall be redeemed, the Series 2017 Bonds redeemed shall be selected randomly by lot within such maturity.

Notice of Redemption

So long as the Series 2017 Bonds are registered in the name of DTC or its nominee, notices of redemption shall only be given on behalf of the Issuer to Cede & Co., or any successor securities depository. See "BOOK-ENTRY ONLY SYSTEM" herein.

In the case of every redemption, the Trustee will cause notice of such redemption by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Series 2017 Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 60 nor less than 30 days prior to the redemption date, 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 2017 Bonds. The Trustee shall, if directed by the Borrower or the Issuer, state that the redemption is a "Conditional Optional Redemption," as described below. The Trustee shall furnish the Borrower and the Issuer with a copy of each notice of redemption given with respect to any optional, extraordinary or mandatory redemption, as soon as practicable after the delivery of notice to the Registered Owners.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Series 2017 Bonds to be redeemed and conditioned (if so) on sufficient funds being on deposit for the payment, 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 2017 Bonds are to be redeemed, the notice of redemption will specify the numbers of the Series 2017 Bonds or portions thereof to be redeemed.

Conditional Optional Redemption. In the case of any type of optional redemption, such redemption may be conditioned upon the occurrence or non-occurrence of a particular event, including, without limitation, the deposit with the Trustee of moneys sufficient to redeem all the Series 2017 Bonds called for redemption. In the case of any such conditional optional

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redemption (a "Conditional Optional Redemption"), the corresponding notice of redemption shall state that: (1) it is conditioned upon the occurrence or non-occurrence of a particular event, briefly describing such event, or, if applicable, that it is conditioned on the deposit of moneys with the Trustee in an amount equal to the amount necessary to effect the redemption no later than the redemption date; and (2) the Borrower, on behalf of the Issuer, retains the rights to rescind such notice on or prior to the scheduled redemption date, and such notice and Conditional Optional Redemption shall be of no effect if the event described in clause (1) does not occur or does occur, as the case may be, or such moneys are not so deposited, as applicable, and the notice is rescinded as described in this subsection. Any such notice of Conditional Optional Redemption shall be captioned "Conditional Notice of Optional Redemption." Any Conditional Optional Redemption may be rescinded at any time prior to the redemption date if an Authorized Representative of the Borrower delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondholders. Any Series 2017 Bonds subject to Conditional Optional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Borrower to make such funds available shall constitute an Event of Default under the Indenture. The Trustee shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Series 2017 Bonds called for redemption and not so paid remain Outstanding.

Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue

On or before the redemption date specified in any notice of redemption of the Borrower delivered pursuant to the Indenture, the Borrower will deposit with the Trustee sufficient moneys to redeem all the Series 2017 Bonds called for redemption at the appropriate redemption price, including premium, if any, and accrued interest to the date fixed for redemption. On the redemption date, the principal amount of each Series 2017 Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, will become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of the Indenture, then, notwithstanding that any Series 2017 Bonds called for redemption will not have been surrendered, no further interest will accrue on any of such Series 2017 Bonds. From and after such date of redemption (such notice having been given and such deposit having been made) the Series 2017 Bonds to be redeemed will not be deemed to be Outstanding under the Indenture, and the Issuer shall be under no further liability in respect thereof, except as provided in the Indenture with respect to nonpresentment of the Series 2017 Bonds.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system has been obtained from DTC. The Issuer, Borrower, Trustee and Underwriter take no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully registered bonds 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 Bond certificate

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will be issued for each maturity of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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 and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P 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.

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 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 2017 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 Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 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 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may

not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 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 Series 2017 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuer or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2017 Bond(s) purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2017 Bond(s) by causing the Direct Participant to transfer the Participant's interest in the Series 2017 Bond(s), on DTC's records, to the Trustee. The requirement for physical delivery of the Series 2017 Bond(s) in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2017 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2017 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND THE DTC BOOK-ENTRY SYSTEM HAS BEEN PROVIDED BY DTC. THE ISSUER, THE BORROWER, THE TRUSTEE AND THE UNDERWRITER BELIEVE SUCH INFORMATION TO BE RELIABLE, BUT TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NO REPRESENTATION IS MADE BY ANY SUCH PARTY AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

SECURITY FOR THE SERIES 2017 BONDS

General

The Series 2017 Bonds constitute limited obligations of the Issuer payable solely from and secured by (a) the rights, title and interest of the Issuer under the Loan Agreement and the Series 2017 Promissory Note, except for the Issuer's Unassigned Rights (as defined below), (b) all of the Issuer's rights, title and interest in the Series 2017 Facilities, subject to Permitted Encumbrances (as defined in the Indenture), except for the Issuer's Unassigned Rights, (c) the Revenues (as defined below), and all rights and interests of the Issuer in the Pledged Revenues (as defined below), subject to Permitted Encumbrances, except the Issuer's Unassigned Rights, (d) the rights and interests of the Issuer under the Mortgage, (e) all Funds (as defined below) and accounts therein created in the Indenture (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund (each as defined therein)), except for (i) moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Series 2017 Bonds that are no longer deemed to be Outstanding, and (ii) all moneys, including Revenues, payable to the Trustee by or for the account of the Issuer 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, and (f) 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 under the Indenture by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee. The property described in clauses (a), (b), (c), (d), (e) and (f) above and pledged pursuant to the Indenture and the Mortgage is referred to herein as the "Trust Estate."

See "APPENDIX C - FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" attached hereto for the definition of "Permitted Encumbrances."

As set forth in the Indenture, "Issuer's Unassigned Rights" means the rights of the Issuer to (a) inspect books and records, (b) give or receive notices, approvals, consents, requests, and other communications, (c) receive payment or reimbursement for its Annual Issuer's Fee and Expenses of the Issuer, (d) immunity from and limitation of liability, (e) indemnification from liability by the Borrower, and (f) security for the Borrower's indemnification obligations.

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As set forth in the Indenture, "Pledged Revenues" means, to the extent permitted by law, all revenues, rentals, fees, third-party payments, receipts or other income of the Borrower from the operation of the Schools, including the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with Generally Accepted Accounting Principles, including, without limitation, proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets of the Borrower relating to the Schools, whether now or hereafter owned, held or possessed by the Borrower; and, to the extent permitted by the terms thereof and by law, all gifts, grants, bequests, donations and contributions (including income and profits therefrom) related specifically to the operation of the Schools.

As set forth in the Indenture, "Revenues" means to the extent permitted by law, all payments received by the Trustee for the account of the Issuer pursuant to the Loan Agreement and the Indenture.

THE SERIES 2017 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE SERIES 2017 BONDS HAVE BEEN ISSUED PURSUANT TO THE ACT, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE. THE SERIES 2017 BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE, AND NONE OF SUCH ENTITIES IS OBLIGATED TO MAKE ANY PAYMENTS WITH RESPECT TO THE SERIES 2017 BONDS EXCEPT FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER.

NONE OF THE SERIES 2017 BONDS OR THE SERIES 2017 PROMISSORY NOTE OR ANY OTHER FINANCIAL AGREEMENT EXECUTED AND DELIVERED IN CONNECTION WITH THE SERIES 2017 BONDS OR THE LOAN AGREEMENT ARE OBLIGATIONS OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT. THE CREDIT OR TAXING POWER OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT ARE NOT PLEDGED AND NO DEBTS SHALL BE PAYABLE OUT OF ANY MONEYS EXCEPT THE TRUST ESTATE.

The Loan Agreement and the Series 2017 Promissory Note

All revenues and receipts derived from the Loan Agreement (except the Issuer's Unassigned Rights) or the Series 2017 Promissory Note are to be deposited with the Trustee in the Revenue Fund created pursuant to the Indenture. See "APPENDIX C - FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" herein. Each of the Loan Agreement, the Indenture and the Mortgage contain cross-default provisions, the effect of which is that an Event of Default under the Loan Agreement constitutes an Event of Default under the Indenture and the Mortgage; an Event of Default under the Indenture constitutes an Event of Default under the

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Loan Agreement and the Mortgage; and an Event of Default under the Mortgage constitutes an Event of Default under the Loan Agreement and the Indenture. However, the Loan Agreement provides for a five (5) business day cure period with respect to the failure of the Borrower to make any Loan Payments, and a ninety (90) day cure period for covenant defaults, which cure period may exceed ninety (90) days so long as such default cannot be remedied within such ninety (90) day period and the Borrower is actively working towards a remedy.

Pledged Revenues; Operating Account and Deposit Account Control Agreement

Pursuant to the Loan Agreement, the Borrower will covenant that, as long as any of the Series 2017 Bonds remain Outstanding or any payments hereunder remain unpaid, all of the Pledged Revenues shall be deposited as soon as practicable upon receipt thereof in one or more operating accounts (the "Operating Account") which the Borrower has established and maintains, and shall continue to maintain, in an account or accounts at an accredited, federally insured banking institution or institutions, as the Borrower shall from time to time designate in writing to the Trustee for such purpose; provided, however, that (i) the Borrower shall cause any funds transferred by the School Board to the Borrower for the Schools to be deposited directly into the Operating Account, (ii) any funds transferred to the Trustee on behalf of the Borrower pursuant to the Indenture shall not be deposited in the Operating Account and (iii) any funds representing operating revenues of any other charter schools operated by the Borrower which are not part of the Schools shall not be deposited in the Operating Account. Subject to the provisions of the Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, the Borrower pledges, and to the extent permitted by law, grants a security interest to the Trustee, as assignee of the Issuer (for the benefit of the Holders), in the Operating Account and all of the Pledged Revenues to secure the payment of the Loan Payments and all additional payments due thereunder and the performance by the Borrower of its other obligations under the Loan Agreement. The Borrower shall cause to be filed such Uniform Commercial Code financing statements, and execute and deliver such other documents (including, but not limited to, account control agreements and continuation statements), as may be necessary in order to perfect or to at all times maintain as perfected the Trustee's security interest in the Operating Account.

The Borrower shall apply the moneys in the Operating Account to the payment of Loan Payments and all additional payments due under the Loan Agreement, and only after the payment of such amounts then due, the Borrower may withdraw amounts from the Operating Account to pay Operating Expenses, except as otherwise provided in the Deposit Account Control Agreement. As set forth in the Loan Agreement, "Deposit Account Control Agreement" means the Deposit Account Control Agreement dated _____, 2017, between the Trustee and _____, as depository bank, relating to the Operating Accounts of the Borrower utilized as such for the Schools.

In the event that the Borrower is delinquent for more than one Business Day in the payment or required prepayment of any Loan Payment, the Trustee shall notify the Issuer and the Borrower of such delinquency and shall take such action as directed by the Indenture and as permitted by the Deposit Account Control Agreement. Any amounts received by the Trustee pursuant to the Deposit Account Control Agreement are subject to the provisions of the Deposit Account Control Agreement.

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Mortgage

Pursuant to the Mortgage, the Borrower has granted a first lien in favor of the Issuer, subject to Permitted Encumbrances (as defined in the Indenture), on the Mortgaged Property (as defined in the Mortgage) which includes, without limitation, the real estate on which each of the Schools are located and all buildings, fixtures, licenses, easements and other rights or interests of the Borrower located on the real estate conveyed by the Mortgage. The Mortgage also grants security interests in, subject to Permitted Encumbrances, all furniture, fixtures and other property located on the Mortgaged Property including replacements or additions thereto.

Simultaneously with the execution of the Mortgage, the Issuer will assign its rights, title and interest in the Mortgage to the Trustee, subject to certain reserved rights of the Issuer described in the Mortgage. See "APPENDIX F — FORM OF MORTGAGE" herein. An ALTA title insurance policy commitment on the Mortgaged Property will be delivered at the time of delivery of the Series 2017 Bonds. This insurance policy will provide protection against title defects in the mortgagee's interest in the real estate, but not against failure by the Borrower to make payments under the Loan Agreement.

Funds and Accounts

Pursuant to the Indenture, the Issuer has established and created the following funds and accounts, which shall be special trust funds held by the Trustee:

- (i) Bond Fund;
- (ii) Project Fund and the Series 2017 Bond account therein;
- (iii) Cost of Issuance Fund and the Series 2017 Bond account therein;
- (iv) Rebate Fund;
- (v) Tax and Insurance Escrow Fund;
- (vi) Revenue Fund;
- (vii) Expense Fund;
- (viii) Debt Service Reserve Fund and the Series 2017A Bond and the Series 2017B Bond accounts therein; and
- (ix) Repair and Replacement Fund.

See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT."

Revenue Fund

There will be deposited in the Revenue Fund once a month no later than the second business day preceding the last day of each month, all Revenues paid to the Trustee pursuant to

the Loan Agreement and all other moneys deposited into the Revenue Fund pursuant to the Loan Agreement or the Indenture.

All moneys held on deposit in the Revenue Fund will be disbursed by the Trustee on the fifth day of each month (each, a "Distribution Date"), commencing on _____, 2017, unless otherwise set forth below, and in the following order of priority:

FIRST: to the Expense Fund, (1) an amount of moneys equal to a fraction of the Trustee's Fee and Trustee's Expenses where the numerator is the Trustee's Fees and Trustee's Expenses and the denominator is the number of Distribution Dates that will occur during the period beginning on the last date on which such fees were paid (or, if such fees have not yet been paid, the Bond Closing Date for the Series 2017 Bonds) and the day preceding the next _____ 1 or _____ 1, as applicable, plus any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor and (2) the portion of the Annual Issuer's Fee due the immediately succeeding month, plus any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;

SECOND: to the Bond Fund (i) commencing _____, 20__, an amount of moneys, less any credits received against such amounts, equal to one-sixth of the interest due on the Series 2017 Bonds on the next Interest Payment Date, provided from the date of delivery of the Series 2017 Bonds until _____, 20__, transfers shall be sufficient on a monthly pro rata basis to pay the interest becoming due and payable on the Interest Payment Date on _____, 20__ plus (ii) commencing _____, 20__, an amount of moneys, less any credits received against such amount, equal to one-twelfth of the principal due on the Series 2017 Bonds on the next Principal Payment Date (provided from the date of delivery of the Series 2017 Bonds until _____, 20__, transfers shall be sufficient on a monthly pro rata basis to pay the principal becoming due and payable on the Principal Payment Date on _____, 20__) and plus (iii) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;

THIRD: to the Tax and Insurance Escrow Fund, an amount of moneys equal to (i) the payment required to be made pursuant to the Loan Agreement, plus (ii) all amounts that were previously due under (i) of this paragraph but were not transferred because of an insufficiency in moneys available therefor;

FOURTH: to the Rebate Fund, commencing in the month following the determination of the Rebate Amount and continuing until the full amount is so paid, any amount of moneys, as calculated by the Rebate Analyst, required to be deposited in the Rebate Fund;

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- FIFTH: to the Expense Fund (i) an amount of money, plus (ii) an amount of money equal to a fraction of the amount owed to the Rebate Analyst on the next _____ 1 where the numerator is the amount owed and the denominator is the number of Distribution Dates that will occur during the period beginning on the last _____ 1 (or, if later, the Bond Closing Date for the Series 2017 Bonds) and ending on the day preceding the next _____ 1, and plus (iii) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;
- SIXTH: to the Debt Service Reserve Fund an amount of money equal to the amount necessary to cure any deficiency in the Debt Service Reserve Fund, as determined pursuant to the Indenture;
- SEVENTH: commencing on _____, 2017, to the Repair and Replacement Fund an amount of money equal to a fraction of the Repair and Replacement Fund Annual Deposit where the numerator is the Repair and Replacement Fund Annual Deposit and the denominator is the number of the Distribution Dates that will occur during the period beginning on _____ 1 and ending on the day preceding the next _____ 1, or such lesser amount as is necessary to cause the aggregate amount in the Repair and Replacement Fund to equal the Repair and Replacement Fund Requirement; and
- EIGHTH: if the Borrower is not in default under the Loan Agreement, to the Borrower, all amounts of money remaining on deposit in the Revenue Fund after the Trustee has made the disbursements required in paragraphs FIRST through SEVENTH above.

Notwithstanding anything to the contrary contained above, amounts required to be deposited pursuant to clause SECOND above for the payment of principal of and interest on the Series 2017 Bonds on _____, 20__ (the "Final Maturity Date") shall be reduced by amounts on deposit in the Debt Service Reserve Fund to be applied to the principal of and interest due on the Series 2017 Bonds on the Final Maturity Date in accordance with the Indenture.

Bond Fund

There will be deposited into the Bond Fund as and when received (a) disbursements from the Revenue Fund as described above under "Revenue Fund - SECOND", (b) all moneys transferred to the Bond Fund from the Project Fund or the Costs of Issuance Fund, (c) all other moneys deposited into the Bond Fund pursuant to the Loan Agreement or the Indenture, and (d) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower, not inconsistent with the Loan Agreement or the Indenture, that such moneys are to be paid into the Bond Fund. There also will be retained in the Bond Fund, interest and other income received on investment of moneys in the Bond Fund as provided in the Indenture.

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Except as provided in the Indenture, moneys in the Bond Fund will be used solely for the payment of the principal of and premium, if any, and interest on the Bonds on each Principal Payment Date and each Interest Payment Date, respectively. If on any Interest Payment Date or Principal Payment Date there are any amounts on deposit in the Bond Fund (except for moneys deposited into such account as accrued interest or to pay capitalized interest or moneys transferred from the Project Fund pursuant to the Indenture) in excess of the amount necessary to pay principal and interest then due on the Bonds on such Principal Payment Date or Interest Payment Date, as applicable, such excess will be transferred to the Revenue Fund and be used to make any disbursements required by, and in the order of priority of “- Revenue Fund - FIRST through SEVENTH” described above that have not otherwise been made, and any remaining excess will be applied as described in “Revenue Fund - EIGHTH” above.

Debt Service Reserve Fund

The Debt Service Reserve Fund is required to contain an amount not less than the Debt Service Reserve Fund Requirement. Upon the issuance of the Series 2017 Bonds, (a) \$_____ will be deposited in the Series 2017A Bond account within the Debt Service Reserve Fund from proceeds of the Series 2017A Bonds, and (b) \$_____ will be deposited in the Series 2017B Bond account within the Debt Service Reserve Fund from proceeds of the Series 2017B Bonds to fully fund the Debt Service Reserve Fund. There will be deposited into the Debt Service Reserve Fund amounts from the Revenue Fund necessary to cure any deficiency in the Debt Service Reserve Fund, as described in “- Revenue Fund - SIXTH” above.

“Debt Service Reserve Fund Requirement” is defined in the Indenture to mean, as to the Series 2017 Bonds, as of any date, the aggregate of the Series Debt Service Reserve Fund Requirement for all Series of Bonds for which any Bonds of such Series are at the time Outstanding.

“Series Debt Service Reserve Fund Requirement” means (a) for the Series 2017A Bonds, an amount initially equal to \$_____, [(b) for the Series 2017B Bonds, an amount initially equal to \$_____] and (c) for any Series of Additional Bonds, an amount, determined at the time of issuance of such Additional Bonds; provided, in no event shall any Series Debt Service Reserve Fund Requirement exceed the least of (i) 10 percent of the original principal amount of such Additional Bonds, (ii) 125 percent of the average annual debt service payment on such Additional Bonds, (iii) 100 percent of the Maximum Annual Debt Service payable on such Additional Bonds, or (iv) an amount which, when added to the existing Series Debt Service Reserve Fund Requirement for Outstanding Bonds, will not cause the total Debt Service Reserve Fund Requirement to exceed Maximum Annual Debt Service payable on the Outstanding Bonds and the Additional Bonds; provided the Series Debt Service Reserve Fund Requirement for any Series of Additional Bonds may be revised to a lesser amount in accordance with requirements of Regulations specifying the maximum amount in a reserve fund permitted to be invested without regard to investment yield.

Moneys in the Debt Service Reserve Fund may be used for the payment of the principal of and premium, if any, and interest on the Series 2017 Bonds in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on an Interest Payment Date,

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sinking fund redemption date, maturity date or otherwise. In addition, upon the occurrence of an Event of Default under the Indenture and the exercise by the Trustee of its acceleration rights, foreclosure rights, right to appointment of a receiver and right to commence suit, any moneys in the Debt Service Reserve Fund will be transferred by the Trustee to the Bond Fund and applied in accordance with the Indenture. On the final maturity date of the Series 2017 Bonds, any moneys in the Debt Service Reserve Fund may be used to pay the principal of and interest on the Series 2017 Bonds on such final maturity date. In the event of the redemption of the Series 2017 Bonds in whole, any moneys in the Debt Service Reserve Fund shall be transferred to the Bond Fund and applied to the payment of the principal of and premium, if any, on the Series 2017 Bonds. In the event of a prepayment in whole of amounts due under the Loan Agreement and the defeasance pursuant to the Indenture of all of the Outstanding Series 2017 Bonds, any moneys in the Debt Service Reserve Fund shall be applied to the defeasance of the Series 2017 Bonds.

If on any _____ 1 or _____ 1 the amount in the Debt Service Reserve Fund is greater than the Debt Service Reserve Fund Requirement, the Trustee will transfer such excess (i) before the delivery of the certificate required under the Loan Agreement stating that the Project has been completed, to the Project Fund and (ii) after the delivery of the certificate required under the Loan Agreement stating that the Project has been completed, to the Bond Fund. In the event amounts on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement, whether because of a decreased value of the Investment Obligations therein or a transfer to cure a shortfall in the Bond Fund, the Trustee shall, within five Business Days of when the Trustee has knowledge of such deficiency, give written notice to the Issuer and the Borrower of such deficiency and that such deficiency must be replenished in accordance with the Loan Agreement and the Indenture. If the amounts on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Requirement, the Borrower will agree pursuant to the Loan Agreement to pay to the Trustee the amount of such deficiency in not more than one year in substantially equal monthly installments beginning on the first day of the month following such deficiency, and provided that no such installment shall be less than \$5,000.

AMOUNTS ON DEPOSIT IN THE SERIES 2017A BOND ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF SERIES 2017A BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON ANY OTHER BONDS, INCLUDING THE SERIES 2017B BONDS, AND AMOUNTS ON DEPOSIT IN ANY OTHER ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF ANY OTHER BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON THE SERIES 2017A BONDS.

AMOUNTS ON DEPOSIT IN THE SERIES 2017B BOND ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF SERIES 2017B BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON ANY OTHER BONDS, INCLUDING THE SERIES 2017A BONDS, AND AMOUNTS ON DEPOSIT IN ANY OTHER ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF ANY OTHER BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON THE SERIES 2017B BONDS.

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Repair and Replacement Fund

The Trustee shall deposit a portion of the proceeds of the Series 2017[B] Bonds as described in the Indenture into the Repair and Replacement Fund. The Trustee also shall deposit into the Repair and Replacement Fund as and when received (i) all payments by the Borrower pursuant to the Loan Agreement required to be deposited into the Repair and Replacement Fund, (ii) all other moneys deposited into the Repair and Replacement Fund pursuant to the Loan Agreement or the Indenture, and (iii) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower not inconsistent with the Loan Agreement or the Indenture that such moneys are to be paid into the Repair and Replacement Fund. There shall also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund to the extent provided in the Indenture. Any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement shall be transferred by the Trustee to the Bond Fund and applied to the payment of the interest on the Bonds; provided, however, that the amount remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement. Pursuant to the Indenture, "Repair and Replacement Fund Requirement" means, initially, \$ _____, and for any Fiscal Year, commencing with Fiscal Year ending [June 30, 2017], 2 percent (.02) of budgeted Operating Expenses for that Fiscal Year; provided, however, that such amount will be adjusted to the extent required pursuant to the Loan Agreement.

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The Indenture provides that moneys in the Repair and Replacement Fund are required to be disbursed by the Trustee upon receipt by the Trustee of a written requisition from an Authorized Representative of the Borrower, in the form set forth attached to the Indenture setting forth the amount and the payee for the purpose of paying the cost of capital expenditures related to maintenance, improvements and replacements which may be required for the Facilities, including, but not limited to replacement of equipment, replacement of any roof or other structural component, exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment. See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT."

Tax and Insurance Escrow Fund

The Indenture authorizes the Trustee to make payments from the Tax and Insurance Escrow Fund for the payment of (a) real property or ad valorem taxes with respect to the Facilities, or (b) premiums for the insurance policies required to be maintained by the Borrower pursuant to the Loan Agreement. Each payment out of the Tax and Insurance Escrow Fund will be made only upon receipt by the Trustee of a completed requisition, in the form attached to the Indenture, signed by an Authorized Representative of the Borrower.

Notwithstanding the foregoing, the Trustee will have the right, but not the obligation, to withdraw moneys from the Tax and Insurance Escrow Fund at any time and to use those funds to pay the items described in clauses (a) and (b) of the preceding paragraph without a requisition from an Authorized Representative of the Borrower in order to maintain the insurance with respect to any Facilities as provided above or to prevent any of the items described above from becoming past due.

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Additional Bonds

The Indenture provides that one or more series of Additional Bonds subject to the Indenture may be issued by the Issuer only for the purpose of financing or refinancing Charter School Projects (as defined in the Indenture). The Indenture provides that Additional Bonds may be issued only if the Trustee receives the following:

(i) Duly executed counterparts of (a) the related Loan Agreement (or an amendment to the existing Loan Agreement) relating to the Charter School Projects to be financed or refinanced from the proceeds of the Additional Bonds then to be issued and which Loan Agreement or amendment to the existing Loan Agreement provides for payments sufficient to pay the debt service charges on the related Additional Bonds, and (b) the Supplemental Indenture providing for the issuance of and the terms and conditions of the Additional Bonds.

(ii) One or more Additional Promissory Notes in an aggregate principal amount equal to the aggregate principal amount of the related Additional Bonds, duly endorsed by the Issuer to the order of the Trustee without recourse or warranty.

(iii) A written order of the Issuer as to the delivery of the Additional Bonds, signed by an Authorized Representative of the Issuer.

(iv) A copy of the resolution duly adopted by the Issuer authorizing (a) the execution and delivery of the related Loan Agreement (or an amendment to an existing Loan Agreement), the Bond Purchase Agreement and the Supplemental Indenture, each relating to the Additional Bonds and (b) the issuance of the Additional Bonds.

(v) An opinion of Bond Counsel to the effect that: (a) the Additional Bonds to be delivered will be valid and legal special obligations of the Issuer in accordance with their terms and will be secured under the Indenture equally and on a parity (except as otherwise permitted by the Indenture) with all other Bonds at the time Outstanding thereunder as to the assignment to the Trustee of the Trust Estate; (b) the issuance of the Additional Bonds is permitted pursuant to the Indenture; (c) the issuance of the Additional Bonds will not result in the interest on any Outstanding Bonds that are Tax-Exempt Bonds becoming included in gross income for federal income tax purposes; and (d) that the issuance of the Additional Bonds will not result in the loss of exemption from the registration requirements under the Securities Act of 1933, as amended, of the Bonds and the exemption of the Indenture under the Trust Indenture Act of 1939.

(vi) A written opinion of counsel to the Borrower, which counsel shall be reasonably satisfactory to the Issuer, to the effect that the related Loan Agreement or the amendment to an existing Loan Agreement, any additional mortgage and any Additional Promissory Notes have been duly authorized, executed and delivered by the Borrower, and that the related Loan Agreement (or the amendment to an existing Loan Agreement), any additional mortgage and any Additional Promissory Notes constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective

terms, subject to exceptions reasonably satisfactory to the Trustee and the Issuer for bankruptcy, insolvency and similar laws and the application of equitable principles.

(vii) Evidence satisfactory to the Trustee and the Issuer that on delivery of the Additional Bonds then to be delivered there will be or has been deposited into the Debt Service Reserve Fund the amounts, if any, required by the Indenture or the Supplemental Indenture relating to such Additional Bonds to be deposited therein.

(viii) The Trustee and the Issuer have received the consents or certifications required by Section 8.12 of the Loan Agreement, or similar provisions of any subsequent Loan Agreement relating to the incurrence by the Borrower of additional parity Indebtedness secured in whole or in part by the Facilities or the Pledged Revenues. The Borrower may only incur additional parity indebtedness as provided in Section 8.12 of the Loan Agreement and described below under “- Limitations on Incurrence of Additional Indebtedness.”

(ix) If the Bonds are then rated, evidence satisfactory to the Trustee that the issuance of the Additional Bonds will not cause the rating agency to lower or withdraw its rating(s) on Outstanding Bonds.

(x) A binding commitment to issue a mortgagee’s policy of title insurance for the mortgaged property in favor of the Trustee and the Holders of the Series 2017 Bonds and any Additional Bonds, if applicable.

(xi) If there is an addition to the Facilities, a mortgage or similar instrument is recorded creating a lien on such addition to the Facilities for the benefit of the Trustee (as assignee of the Issuer), as trustee for the Holders of the Bonds, if necessary to subject such addition to a Lien in favor of the Trustee for the benefit of the Holders of the Bonds.

If the requirements for the issuance of Additional Bonds described above are satisfied, such Additional Bonds will, to the extent provided for in the Indenture, be on a parity (except as otherwise allowed by the Indenture) with the Series 2017 Bonds and any Additional Bonds theretofore or thereafter issued and Outstanding as to the assignment to the Trustee of the Issuer’s right, title and interest in the Trust Estate for the payment of debt service on the Bonds. See “APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

Limitations on Incurrence of Additional Indebtedness

The Loan Agreement provides that the Borrower will not incur any senior Indebtedness secured in whole or in part by the Series 2017 Facilities or the Pledged Revenues. Except as provided in the Loan Agreement, the Borrower shall not incur any additional parity Indebtedness, (with the exception of (i) capital leases requiring annual lease payments not to exceed \$250,000, which leases are expressly permitted under the Loan Agreement, (ii) the securing of alternate financing that contemporaneously pays in full all obligations of the Borrower under the Loan Agreement, and (iii) Indebtedness described in the last sentence of this paragraph), without (x) obtaining the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Series 2017 Bonds then Outstanding or (y) the need for any consent of Registered Owners, provided that the Borrower has delivered evidence to the Trustee that either (A) the

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combined Net Income Available for Debt Service for the preceding Fiscal Year was equal to or greater than one hundred twenty percent (120%) of the combined Maximum Annual Debt Service on the Outstanding Indebtedness and the additional parity Indebtedness, or (B) (I) a certificate of an Authorized Representative of the Borrower confirming the Debt Service Coverage Ratio for the prior Fiscal Year was equal to or greater than 1.2 to 1 and (II) the projected combined Debt Service Coverage Ratio for the Fiscal Year in which the additional parity Indebtedness will be incurred and for one subsequent Fiscal Year, taking into account the additional Indebtedness, will be equal to or greater than 1.2 to 1, supported by a written report from an Independent Consultant opining as to the reasonableness of such projections and the assumptions underlying such projections, including, without limitation, any future additional revenues to be generated in such year as a result of the facilities financed with the proposed additional parity Indebtedness. If the additional parity Indebtedness involves the issuance of Additional Bonds, the Borrower also will be subject to and shall satisfy any additional requirements of the Indenture (described above under “- Additional Bonds”). The Borrower covenants in the Loan Agreement that except as specifically provided in the Loan Agreement, it will not create, assume, incur or suffer to be created, assumed or incurred any Lien (other than Permitted Encumbrances). The Borrower may incur Indebtedness subordinate to the obligations of the Borrower under the Loan Agreement and may create Liens on the Series 2017 Facilities, Pledged Revenues or other assets of the Borrower securing such subordinate Indebtedness, so long as such Indebtedness (i) is subordinate to the Mortgage and obligations under the Loan Agreement and (ii) does not exceed \$250,000 in annual payments. The Borrower may incur Indebtedness without regard to the limitations set forth in the Loan Agreement if: (i) such Indebtedness is secured solely by a security interest in personal property financed with such Long-Term Indebtedness; (ii) the aggregate payments required to be made by the Borrower in each Fiscal Year with respect to all Indebtedness incurred as such purchase money Indebtedness does not exceed five percent (5%) of the Gross Revenues of the Borrower, as defined in the most recent audited financial statements of the Borrower, determined as of the date such Indebtedness is to be incurred; (iii) such Indebtedness amortizes over a period of not more than sixty (60) months; and (iv) the Borrower certifies that the incurrence of such Indebtedness will not cause it to be in violation of the Loan Agreement. See “APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

As defined in the Loan Agreement, “Net Income Available for Debt Service” means, for any period of determination thereof, the Pledged Revenues for such period, plus the interest earnings on moneys held in the Debt Service Reserve Fund established under the Indenture minus the total Operating Expenses for such period but excluding (i) any profits or losses that would be regarded as extraordinary items under Generally Accepted Accounting Principles, (ii) gain or loss in the extinguishment of Indebtedness, (iii) proceeds of the Series 2017 Bonds and any other Indebtedness permitted by the Loan Agreement, and (iv) proceeds of insurance policies, other than policies for business interruption insurance, maintained by or for the benefit of the Borrower, proceeds of any sale, transfer or other disposition of the Facilities, and any condemnation or any other damage award received by or owing to the Borrower.

As defined in the Loan Agreement, “Operating Expenses” means fees and expenses of the Borrower, including maintenance, repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (including taxes), the cost of materials and supplies used for current operations of the Borrower, the cost of

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vehicles, equipment leases and service contracts, taxes upon the operations of the Borrower, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but that are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Borrower; provided, however, "Operating Expenses" shall not include depreciation, amortization, expenses or other amounts paid into and from the Repair and Replacement Fund or other non-cash expenses or those expenses that are actually paid from any revenues of the Borrower that are not Pledged Revenues, expenses characterized as extraordinary under Generally Accepted Accounting Principles or payments for improvements to the Facilities that are capitalized for accounting purposes.

See the Loan Agreement in "APPENDIX C - FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" for other definitions relating to the limitations on incurrence of additional indebtedness.

Debt Service Coverage Ratio and Days Cash on Hand Covenants

Under the Loan Agreement, the Borrower makes the following financial covenants:

(a) Debt Service Coverage Ratio. Within 30 calendar days of the completion of the Borrower's annual audited financial statements, the Borrower will deliver to the Trustee and the Dissemination Agent (as hereinafter defined) a certificate showing the Debt Service Coverage Ratio for the Borrower, which evidence may be in the form of a certificate of an Accountant or included in the notes to the Borrower's annual audited financial statements. Commencing with the Debt Service Coverage Ratio first determined based upon the audited financial statements of the Borrower for the Fiscal Year ending June 30, 20___, if such Debt Service Coverage Ratio certified to the Trustee is below 1.1 to 1, then upon the written direction of the Beneficial Owners of a majority of the principal amount of the Bonds Outstanding, the Borrower will promptly employ, at its own expense, an Independent Consultant to submit a written report and make recommendations with respect to revenues or other financial matters of the Borrower that are relevant to increasing the Debt Service Coverage Ratio to at least 1.1 to 1. The Borrower shall adopt and follow the recommendations of the Independent Consultant except when an opinion of counsel is obtained excusing such actions by the Borrower, or where the Borrower makes a good faith determination in a statement to the Issuer and the Trustee that the Independent Consultant's recommendations would violate state or federal law, the educational purpose of the Borrower or the charter policy of the chartering authority.

(b) Days Cash on Hand Requirement. The Borrower covenants and agrees that the Days Cash on Hand, which will be tested as of June 30 of each year, commencing June 30, 2017, will be equal to or greater than (i) thirty (30) days as of June 30, 2017, and (ii) forty-five (45) days as of June 30 thereafter. On or before December 31 of each year, commencing December 31, 2017, the Borrower will deliver to the Trustee evidence of the Days Cash on Hand for the prior June 30, which evidence may be in the form of a certificate of an Accountant or included in the notes to the Borrower's annual audited financial statements. The foregoing is subject to the qualification that if applicable state or federal laws or regulations, or the rules and regulations of agencies having jurisdiction, shall not permit the Borrower to accumulate such level of Days Cash on Hand, then the Trustee shall conform to the then prevailing laws, rules or regulations.

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If the Days Cash on Hand is less than thirty (30) days as of June 30, 2017 or less than forty-five (45) days for any other testing date (or such lesser amount required by prevailing laws, rules or regulations, as applicable), then, upon the written direction of Beneficial Owners of a majority of the principal amount of the Bonds, the Borrower will promptly employ an Independent Consultant to review and analyze the operations and administration of the Borrower, submit to the Trustee written reports, and make such recommendations as to the operation and administration of the Borrower as such Independent Consultant deems appropriate, including any recommendation as to a revision of the methods of operation of the Borrower. The Borrower will adopt and follow the recommendations of the Independent Consultant except when an opinion of counsel is obtained excusing such actions by the Borrower, or where the Borrower makes a good faith determination in a statement to the Issuer and the Trustee that the Independent Consultant's recommendations would violate state or federal law, the educational purpose of the Borrower or the charter policy of the chartering authority.

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See the Loan Agreement in "APPENDIX C - FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" for definitions relating to such covenants and to review additional covenants of the Borrower contained therein.

Event of Default and Acceleration

Under the Indenture, whenever an Event of Default has occurred and is continuing, the Trustee may by written notice given to the Issuer and the Borrower, or at the written request of the Beneficial Owners of not less than a majority in principal amount of all Bonds outstanding, take any one or more of the remedial steps set forth in the Indenture, including declaring the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and said principal and interest shall become due and payable, the appointment of a receiver, instituting foreclosure and suits for judgment. Events of Default under the Indenture including the following:

(i) Failure in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, on a sinking fund redemption date or upon proceedings for redemption.

(ii) Failure in the payment of any installment of interest on any Bond when the same shall become due and payable.

(iii) Failure to observe or perform any other covenant, agreement, contract or other provision of the Bonds or the Indenture (other than as referred to in (i) or (ii) above) and such default continues for a period of forty-five (45) days after written notice to the Issuer and the Borrower by the Trustee specifying such default and requiring the same to be remedied; provided, however, no such Event of Default will be deemed to have occurred so long as a course of action adequate to remedy such failure is commenced within such forty-five (45) day period and will thereafter be diligently prosecuted to completion, but no such curative action may exceed ninety (90) days.

(iv) The occurrence of an "Event of Default" under the Loan Agreement or the Mortgage.

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See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" for other remedies under the Indenture and Events of Default under the Loan Agreement.

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ESTIMATED SOURCES AND USES OF FUNDS*

The following table sets forth anticipated sources and uses of funds in connection with the plan of finance described above:

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	Series 2017A Bonds	Series 2017B Bonds
Sources:		
Par Amount	\$	\$
[Plus] [Less] [Net] Original Issue [Premium] [Discount]	_____	_____
Total	\$ _____	\$ _____
Uses:		
Deposit to Project Fund	\$	\$
Deposit to Series 2017A Bond Account in Debt Service Reserve Fund ⁽¹⁾		
Deposit to Series 2017B Bond Account in Debt Service Reserve Fund ⁽²⁾		
Deposit to Repair and Replacement Fund, Costs of Issuance ⁽³⁾	_____	_____
Total	\$ _____	\$ _____

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* Preliminary, subject to change.

(1) Equals the Debt Service Reserve Fund Requirement for the Series 2017A Bonds.

(2) Equals the Debt Service Reserve Fund Requirement for the Series 2017B Bonds.

(3) Includes financial advisory fees, legal fees, Underwriter's discount and other expenses incurred in connection with the issuance of the Series 2017 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Series 2017 Bonds.

Year Ended	Series 2017A Bonds		Series 2017B Bonds		Total
	Principal	Interest	Principal	Interest	
2017	\$	\$	\$	\$	\$
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
Totals	\$	\$	\$	\$	\$

RISK FACTORS

This Limited Offering Memorandum contains summaries of pertinent portions of the Series 2017 Bonds, the Indenture, the Loan Agreement, the Mortgage, the Disclosure Dissemination Agent Agreement and other relevant documents. Such summaries and references are qualified in their entirety by reference to the full text of such documents. The following discussion of some of the risk factors associated with the Series 2017 Bonds is not, and is not intended to be, exhaustive, and such risks are not necessarily presented in the order of their magnitude.

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Sufficiency of Revenues

The Series 2017 Bonds are payable solely from certain payments, revenues and other amounts derived by the Issuer pursuant to the Indenture, and are secured only by such revenues and a pledge of certain funds and accounts created under the Indenture and the additional security provided by the Mortgage. Based on present circumstances, and based on the Borrower's projections regarding enrollment, the Borrower believes it will generate sufficient Pledged Revenues for payment of debt service on the Series 2017 Bonds. However, the Borrower's Charter Contracts may be revoked or may not be renewed, or the basis of the assumptions used by the Borrower to formulate its beliefs may otherwise change. In addition, legislative changes at the State level or State constitutional amendments could adversely impact the level of funding the Borrower receives. No representation or assurance can be made that the Borrower will continue to generate sufficient Pledged Revenues to make payments under the Loan Agreement and Series 2017 Promissory Note representing debt service on the Series 2017 Bonds.

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Dependence on State Payments that are Subject to Annual Appropriation and Political Factors

Florida charter schools such as those operated by the Borrower cannot charge tuition and have no taxing authority. The primary source of revenue for Florida charter schools is funding received from the State, paid through the local school districts, for educating students. The State's payment of funds to local school districts, including funds with respect to charter schools operating in each such district, is subject to annual appropriation by the State Legislature. During the 2015-16 school year, there were at least 644 charter schools in 46 school districts in the State, educating more than 282,000 students. The State Legislature has sole discretion with respect to appropriating funds for education aid and, thus, the State Legislature may not appropriate funds, or may not appropriate funds in a sufficient amount, for the Borrower to generate sufficient revenue to meet its operating expenses and representing debt service on the Series 2017 Bonds. No liability would accrue to the State or the School Board in such event, and neither the State nor the School Board would be obligated or liable for any future payments or any damages.

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The amount of aid received by an individual charter school is based on a variety of factors, including the school district in which the school is located and the school's enrollment. See "APPENDIX G - STATE CHARTER SCHOOL FUNDING AND GENERAL INFORMATION REGARDING FLORIDA CHARTER SCHOOLS." Further, the overall amount of education aid provided by the State in any year is subject to appropriation by the State Legislature. The State Legislature may base its decisions about appropriations on many factors, including the State's economic performance.

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A significantly large percentage of the revenues received from the State are generated from the levy of the State sales tax. The amounts budgeted for distribution from the State are subject to change in the event that projected sales tax and other State revenues are not realized. The State has experienced significant shortfalls in sales tax revenues in recent years which have resulted in cuts to one source of charter school funding, Capital Outlay Funds, on a per student basis. Also, the State may determine to fund lower Capital Outlay Funds, without regard to sales

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tax collections. The ability of the Schools to pay their costs of operation in the future may be partially dependent on the level of Capital Outlay Funds appropriated each year by the State Legislature. Although the number of charter schools has increased in the State over the last several years, there has not been a proportionate or consistent increase in appropriations for Capital Outlay Funds for charter schools, resulting in the reduction of per student appropriations of Capital Outlay Funds over the last few years. If sales tax revenues continue to fall short of the anticipated levels in the State, and alternate revenue sources are not designated for charter school funding requirements, the per student level of capital outlay funding for charter schools may continue to diminish. See "APPENDIX G - STATE CHARTER SCHOOL FUNDING AND GENERAL INFORMATION REGARDING FLORIDA CHARTER SCHOOLS- Charter School Capital Outlay Funds" hereto. The continued reduction in Capital Outlay Funds could be anticipated to limit the Borrower's ability to make payments due under the Loan Agreement.

Further, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. State educational funding flows to Florida charter schools through the local school district. If the State or the School Board were to withhold the Borrower's funding for any reason, even for a reason that is ultimately determined to be invalid or unlawful, the Borrower would likely be forced to cease operations.

State Financial Difficulties

Charter schools depend on revenues from the State for a large portion of their operating budgets. The availability of State funds for public education is a function of many factors, including, but not limited to, legal provisions affecting school district revenues and expenditures, the condition of the State economy and the annual budget process. Decreases in State revenues may adversely affect education appropriations made by the State Legislature. As noted, the State Legislature bases its decisions about appropriations on many factors, including the State's economic performance, and, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. See "RISK FACTORS — Dependence on State Payments that are Subject to Annual Appropriation and Political Factors," above.

Operating History; Reliance on Projections

The Borrower has conducted operations for the Schools since 1999, and 2013, respectively. The projections of revenues and expenses contained in "APPENDIX A - THE BORROWER AND THE SCHOOLS" herein were prepared by the Borrower with assistance from its financial advisor and have not been independently verified by any party other than the Borrower. No feasibility studies have been conducted with respect to operations of the Borrower. The projections prepared by the Borrower are "forward looking statements" and are subject to the general qualifications and limitations described under "FORWARD LOOKING STATEMENTS" on page v hereof with respect to such statements. The Underwriter has not independently verified such projections, and makes no representation nor gives any assurances that such projections or the assumptions underlying them, are complete or correct. Further, the projections relate only to a limited number of fiscal years and consequently do not cover the entire period that the Series 2017 Bonds will be outstanding.

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Moved up [1]: During the 2015-16 school year, there were at least 644 charter schools in 46 school districts in the State, educating more than 282,000 students. The State Legislature has sole discretion with respect to appropriating funds for education aid and, thus, the State Legislature may not appropriate funds, or may not appropriate funds in a sufficient amount, for the Borrower to generate sufficient revenue to meet its operating expenses and representing debt service on the Series 2017 Bonds. No liability would accrue to the State or the School Board in such event, and neither the State nor the School Board would be obligated or liable for any future payments or any damages.

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The projections are derived from the actual operations of the Schools and from assumptions made by the Borrower about future student enrollment, expenses and funding. There can be no assurance that the actual enrollment, revenues and expenses for the Borrower will be consistent with the assumptions underlying the projections contained herein. Moreover, no guarantee can be made that the projections of revenues and expenses contained herein will correspond with the results actually achieved in the future because there is no assurance that actual events will correspond with the assumptions made by the Borrower. Actual operating results may be affected by many factors, including, but not limited to, increased costs, lower than anticipated Pledged Revenues (as a result of insufficient enrollment, reduced payments from the State, or otherwise), employee relations, changes in taxes, changes in applicable government regulation, changes in demographic trends, factors associated with education, competition for students, and changes in state, local or general economic conditions. Additionally, the Charter Contracts provides that the Schools will be funded to their respective projected enrollment as adjusted during the school year during the FTE student survey periods. However, no additional funds will be provided by the School Board in the event the actual enrollment of the Schools exceeds the projected enrollment unless the School Board receives funding for such students enrolled. Should actual enrollment be less than the projected enrollment for a given school year, the charter school funds received from the School Board will be reduced accordingly. Refer to "APPENDIX A - THE BORROWER AND THE SCHOOLS" to review certain of the projections and to consider the various factors that could cause actual results to differ significantly from projected results. Refer to "FORWARD LOOKING STATEMENTS" on page v, for qualifications and limitations applicable to forward looking statements.

NO GUARANTEE CAN BE MADE THAT THE PROJECTED INFORMATION CONTAINED HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE BY THE BORROWER.

Competition for Students

The Borrower competes for students with other public schools in the School District as well as private schools located within the Borrower's service area. For the 2015-16 school year, within the County, there were approximately 3 public charter schools, 13 public district schools and one private school that were considered competitors. See "APPENDIX A - THE BORROWER AND THE SCHOOLS - Population Served." The Borrower faces constant competition for students and there can be no assurance that the Borrower will continue to attract and retain the number of students that are needed to generate sufficient Pledged Revenues for payment of debt service on the Series 2017 Bonds.

Nonrenewal or Revocation of Charters

The Borrower operates the Schools pursuant to the Charter Contracts granted by the School Board, the Schools' sponsor. Currently, the Odyssey Charter School Charter Contract expires on June 30, 2027 and the Odyssey Preparatory Academy Charter Contract expires on June 30, 2018, which expiration dates are prior to the maturity date of the Series 2017 Bonds. The Charter Contracts may be terminated by the School Board, or the School Board may decline to renew the Charter Contracts, upon any of the following statutory grounds: (i) if the Schools

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fail to participate in the State’s education accountability system created in Section 1008.31 of the Florida Statutes, or fails to meet the requirements for student performance stated in the related Charter Contracts; (ii) if the Borrower fails to meet generally accepted standards of fiscal management; (iii) violations of law; or (iv) other good cause shown. Florida law provides that a charter may also be terminated immediately if the School Board determines that good cause has been shown or if the health, safety, or welfare of the students is threatened; provided that the Schools may request an expedited hearing on such matter within ten days of any such determination. Pending the outcome of the hearing, the School Board must assume operation of the Schools unless the continued operation of the Schools would materially threaten the health, safety or welfare of the students.

In addition to these statutory revocation provisions, each of the Charter Contracts provides that it may be terminated by the School Board for various reasons, including but not limited to, the Borrower failing to make sufficient progress toward the student achievement objectives included in the Charter Contracts. The School Board may also terminate the Charter Contracts if the Borrower consistently fails to submit required financial and annual reports in a timely fashion as stated in the Charter Contracts. If the Charter Contracts are terminated or not renewed, the Borrower would likely be forced to cease operation of the Schools. Copies of the Charter Contracts may be obtained as described in “MISCELLANEOUS - Additional Information” herein.

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Factors Associated with Education

There are a number of factors affecting schools in general, including the Schools, which could have an adverse effect on the Borrower’s financial position and the ability of the Schools to generate sufficient revenues representing debt service on the Series 2017 Bonds. These factors include, but are not limited to, the Borrower’s ability to attract and retain 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; increasing operating costs of the Schools; changes in existing statutes pertaining to the powers of the owners and operators of charter schools and legislation or regulations which may affect funding. The Borrower cannot assess or predict the ultimate effect of these factors on its operations or financial results of operations.

Failure to Provide Ongoing Disclosure

The Borrower will enter into a Disclosure Dissemination Agent Agreement with Digital Assurance Certification, L.L.C. (the “Disclosure Dissemination Agent Agreement”) in connection with the issuance of the Series 2017 Bonds. Failure to comply with the Disclosure Dissemination Agent Agreement in the future may adversely affect the liquidity of the Series 2017 Bonds and their market price in the secondary market. See “CONTINUING DISCLOSURE” herein and “APPENDIX E — FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT.”

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Future Changes to Charter School Laws

The law applicable to charter schools in Florida has developed over time and is subject to further changes in the future. Future changes to applicable law by the State Legislature could be adverse to the financial interests of the Borrower, and could adversely affect the security for the Series 2017 Bonds. There can be no assurance that the State Legislature will not in the future change such laws in a manner which is adverse to the interests of the registered owners of the Series 2017 Bonds. Charter school law provisions are subject to amendment, including the reduction of funding, which could adversely affect the Borrower.

Adverse State budget considerations could increase the likelihood that the State Legislature would change the laws governing charter schools, and in particular charter school funding provisions. Further, State budget considerations may adversely affect appropriations for charter school funding.

During recent years, legislation has been introduced and in some cases enacted, that would reduce State funding for school districts, require that certain percentages of school district funding be spent on particular activities or impose additional funding or other requirements on school districts. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future, that would, or might apply to, or have a material adverse effect upon the Borrower or its finances.

Construction Risks

Construction, renovation and rehabilitation improvements of any facility are subject to the risks of cost overruns and delays due to a variety of factors including, among other things, site difficulties, labor strike, delays in and shortages of materials, weather conditions, fire and casualty, and obtaining necessary approvals and permits,

Appraisal; Value of School Facilities May Fluctuate

In connection with the issuance of the Series 2017 Bonds, the Borrower obtained an appraisal of the Series 2017 Facilities for the benefit of the Underwriter, which appraisal was prepared by _____ of _____, Florida and was dated _____, 2017 (the "Appraisal"). According to the Appraisal, the "as is" market value of the Series 2017 Facilities on such date was \$_____, which is a reconciled market value conclusion. None of the Issuer, the Borrower or the Underwriter make any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the Issuer, the Borrower and the Underwriter make no representation as to the reasonableness of such assumptions. See "APPENDIX 1 - APPRAISAL REPORT" hereto.

There is no requirement that the value of the Series 2017 Facilities equals the amount of the Series 2017 Bonds. Further, because an appraisal represents only the opinion of the appraiser and only as of its date, there may be a difference between the actual value of the Series 2017 Facilities and the amount of the Series 2017 Bonds, and that difference may be material and adverse to Bondholders.

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More generally, at any time there may be a difference between the actual value of the Series 2017 Facilities and the amount of the Series 2017 Bonds that is Outstanding, and that difference may be material and adverse to Bondholders. It cannot be determined with certainty what the value of the Series 2017 Facilities will be in the event of foreclosure under the Mortgage. The value of the Series 2017 Facilities at any given time will be directly affected by market and financial conditions which are not in the control of the parties involved in this Series 2017 Bond transaction. Real property values can fluctuate substantially depending on a variety of factors. Moreover, there is nothing associated with the Series 2017 Facilities to suggest that its value would remain stable or would increase if the general values of property in the community were to decline. Further, because the Series 2017 Facilities are intended for use as charter schools and the Series 2017 Facilities are dedicated to school use, the Series 2017 Facilities are likely to have a lower value if not used for school purposes.

Foreclosure Deficiency and Delays

If Pledged Revenues are insufficient to pay the principal of and interest on the Series 2017 Bonds, the Trustee may seek to enforce its liens under the Mortgage. As noted, there can be no assurance that the value of the Series 2017 Facilities will be sufficient to meet all remaining debt service requirements with respect to the Series 2017 Bonds at the time of any foreclosure. See "Appraisal; Value of School Facilities May Fluctuate," above. In addition, the time necessary to institute and complete foreclosure proceedings would likely substantially delay receipt of funds from a foreclosure.

Key Personnel

The Borrower's creation, curriculum, educational philosophy and operations have depended on the vision and commitment of a few, key personnel who comprise the officers and administrators of the Borrower. Loss of any such key personnel could adversely affect the Borrower's operations, its ability to attract and retain students and its financial results. For more information regarding the Borrower's key personnel, see "'APPENDIX A - THE BORROWER AND THE SCHOOLS - Organization and Governance;" "- Present Officers and Members of the Board of the School;" and "- Administration and Employees."

Additionally, changes in the reputation of the Schools, their key personnel, faculty or student bodies, either generally or with respect to certain academic or extra-curricular areas, may affect the Schools' ability to attract students to projected enrollment levels, and may affect the Schools' ability to attract quality teachers and staff at competitive salaries.

Other such changes in reputation may include but are not limited to those changes arising out of faculty or student behavior and actions within and outside of the school environment, including any media coverage and/or public discussion thereof. In addition, litigation brought against the Borrower or the Schools by parents, civil authorities, students or former or potential employees (see "LITIGATION" herein) may have a materially adverse impact on the reputation of the Schools. There can be no assurance that these or other factors will not adversely affect the Borrower's ability to generate adequate funds from the Schools to pay all amounts due under the Loan Agreement.

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Litigation

Schools are often the subject of litigation. Educator's professional liability and other actions alleging wrongful conduct and seeking punitive damages often are filed against education providers such as the Borrower. Litigation may also arise from the corporate and business activities of the Borrower or employee-related matters. As with educator's professional liability, many of these risks are covered by insurance, but some are not. For example, some business disputes and workers' compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of the Borrower if determined or settled adversely. Although the Borrower maintains insurance policies covering educator's professional and general liability, as well as workers' compensation insurance, it is not possible to predict the availability, cost or adequacy of such insurance in the future.

Limited Obligations of the Issuer

THE SERIES 2017 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE SERIES 2017 BONDS HAVE BEEN ISSUED PURSUANT TO THE ACT, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE. THE SERIES 2017 BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE, AND NONE OF SUCH ENTITIES IS OBLIGATED TO MAKE ANY PAYMENTS WITH RESPECT TO THE SERIES 2017 BONDS EXCEPT FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER.

NONE OF THE SERIES 2017 BONDS OR THE SERIES 2017 PROMISSORY NOTE OR ANY OTHER FINANCIAL AGREEMENT EXECUTED AND DELIVERED IN CONNECTION WITH THE SERIES 2017 BONDS OR THE LOAN AGREEMENT ARE OBLIGATIONS OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT. THE CREDIT OR TAXING POWER OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT ARE NOT PLEDGED AND NO DEBTS SHALL BE PAYABLE OUT OF ANY MONEYS EXCEPT THE TRUST ESTATE. SEE "SECURITY FOR THE SERIES 2017 BONDS."

Damage or Destruction of the Series 2017 Facilities

The Loan Agreement requires that the Series 2017 Facilities be insured against certain risks. See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT." However, there can be no assurance that the amount of insurance required to be obtained or actually obtained with respect to the Series 2017 Facilities will be adequate, or that the cause of any damage or destruction to the Series 2017 Facilities will be as a result of a risk

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which is insured. Further, there can be no assurance with respect to the ongoing creditworthiness of the insurance companies from which the Borrower obtains insurance policies.

Florida Waiver out of the No Child Left Behind Act

Florida was the first state to introduce a statewide accountability and school grading system. The State has continued to measure and hold schools accountable through statewide assessments. When the federal government updated the federal Elementary and Secondary Education Act ("ESEA") (commonly known as "No Child Left Behind"), the State used the accountability system to meet the requirements. Originally, Florida calculated whether each school had met "AYP" (Annual Yearly Progress) based on the federal requirements. This additional measure often conflicted with the State's school grading system. As a result, the State applied for an ESEA Flexibility Waiver in 2011.

Under the waiver, Florida no longer calculates whether schools have met AYP. Florida demonstrated through its application that it already has stringent assessment protocols in place to measure school progress, and provides additional scrutiny through a "differentiated accountability" system which provides interventions to schools deemed as struggling through the State accountability system. Instead of calculating the AYP for schools, the waiver allows Florida to use the school grading system (A-F) to determine the proficiency of schools.

School grades are primarily based on three main components: percent of students proficient (in reading, math, writing and science), percent of students who made a year's worth of learning gains (in reading and math), and the learning gains of the lowest performing quartile of students (in reading and math). Additional points are included in the overall calculations for middle and high school schools based on results from end of course exams, graduation rates, and performance on college readiness tests. These grades are calculated and released by the State using a formula that is modified each year based on current legislation and assessment criteria.

In order to comply with the requirements of ESEA, the State also calculates "annual measurable objectives" ("AMO") for each subgroup of students at each school and district. This looks at each subgroup and provides schools with targeted outcomes. AMO scores are not currently taken into consideration in the school grading process.

The Schools are in compliance with Section 1008.31, Florida Statutes. Odyssey Charter received a school grade of "A" for the 2015-2016 school year, and Odyssey Preparatory, received a school grade of "C" for the 2015-2016 school year. See "APPENDIX A – THE BORROWER AND THE SCHOOLS – Student Assessment and Other Statistics" for additional information regarding the Schools' grades.

Environmental Conditions and Regulations

Set forth in "APPENDIX A - THE BORROWER AND THE SCHOOLS - Environmental Due Diligence" is summary information relating to environmental site assessments performed with respect to the Wyoming Site and the Eldron Site. The reports accompanying the Phase I Environmental Site Assessments are described in "APPENDIX A - THE BORROWER AND THE SCHOOLS - Environmental Due Diligence" and are available upon request as provided under "MISCELLANEOUS — Additional Information." Such reports speak only as of their

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respective dates, and are subject to the limitations specified therein. Potential investors should note that no environmental assessment can completely eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a subject property. Potential investors must refer to the complete reports for a full understanding of their limitations and for additional information pertinent to the assessments. Copies of the reports are available as described under "MISCELLANEOUS — Additional Information."

More generally, the Schools are and will be subject to various federal, State and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability for remediating adverse environmental conditions on or relating to the Schools, whether arising from pre-existing conditions or conditions arising as a result of activities conducted in connection with the ownership of and operations at the Schools. Costs incurred with respect to environmental remediation or liability could adversely affect the Borrower's financial condition and the ability of the Borrower to generate revenues sufficient to make loan payments under the Loan Agreement. Excessive costs in connection with any such environmental remediation or any such liability to third parties could also make it difficult to successfully re-let the Series 2017 Facilities.

Hazard Risk; Insurance

The County is located proximately to the Atlantic Ocean. The State has been impacted by increased hurricane activity since 1990, with 2004 and 2005 being particularly bad years. In the event of a hurricane in the vicinity of the Schools, the operations of the Schools could be impacted severely, including damage to the Series 2017 Facilities and delay in repairing, reconstructing or replacing the Series 2017 Facilities; delay in receiving insurance proceeds and Federal Emergency Management Administration payments; disruption of utilities and population and employment losses following hurricanes.

In the event of major hurricane losses in Florida or in the southeast United States generally, and the resulting instability in and contraction of the State voluntary insurance market, the Borrower may not be able to continue to obtain windstorm insurance for the Series 2017 Facilities at commercially reasonable rates. Accordingly, in the event of windstorm casualty, the Borrower may not have sufficient funds to repair the Series 2017 Facilities and be able to make payments due under the Loan Agreement.

The Schools are located in a flood zone and have the requisite flood insurance.

Potential Effects of Bankruptcy

If the Borrower were to file a petition for relief (or if a petition were filed against the Borrower as debtor) under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended, or other state insolvency, liquidation or receivership laws, the filing could operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower or the property of the Borrower, as applicable. If the bankruptcy court or other state or federal court so ordered, the property and revenues of the Borrower could be used for the benefit of the Borrower, despite the claims of its creditors (including the owners of the Series 2017 Bonds).

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permitted by the Deposit Account Control Agreement. Any amounts received by the Trustee pursuant to the Deposit Account Control Agreement are subject to the provisions of the Deposit Account Control Agreement.

Mortgage

Pursuant to the Mortgage, the Borrower has granted a first lien in favor of the Issuer, subject to Permitted Encumbrances (as defined in the Indenture), on the Mortgaged Property (as defined in the Mortgage) which includes, without limitation, the real estate on which each of the Schools are located and all buildings, fixtures, licenses, easements and other rights or interests of the Borrower located on the real estate conveyed by the Mortgage. The Mortgage also grants security interests in, subject to Permitted Encumbrances, all furniture, fixtures and other property located on the Mortgaged Property including replacements or additions thereto.

Simultaneously with the execution of the Mortgage, the Issuer will assign its rights, title and interest in the Mortgage to the Trustee, subject to certain reserved rights of the Issuer described in the Mortgage. See "APPENDIX F — FORM OF MORTGAGE" herein. An ALTA title insurance policy commitment on the Mortgaged Property will be delivered at the time of delivery of the Series 2017 Bonds. This insurance policy will provide protection against title defects in the mortgagee's interest in the real estate, but not against failure by the Borrower to make payments under the Loan Agreement.

Funds and Accounts

Pursuant to the Indenture, the Issuer has established and created the following funds and accounts, which shall be special trust funds held by the Trustee:

- (i) Bond Fund;
- (ii) Project Fund and the Series 2017 Bond account therein;
- (iii) Cost of Issuance Fund and the Series 2017 Bond account therein;
- (iv) Rebate Fund;
- (v) Tax and Insurance Escrow Fund;
- (vi) Revenue Fund;
- (vii) Expense Fund;
- (viii) Debt Service Reserve Fund and the Series 2017A Bond and the Series 2017B Bond accounts therein; and
- (ix) Repair and Replacement Fund.

See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT."

Revenue Fund

There will be deposited in the Revenue Fund once a month no later than the second business day preceding the last day of each month, all Revenues paid to the Trustee pursuant to the Loan Agreement and all other moneys deposited into the Revenue Fund pursuant to the Loan Agreement or the Indenture.

All moneys held on deposit in the Revenue Fund will be disbursed by the Trustee on the fifth day of each month (each, a "Distribution Date"), commencing on _____, 2017, unless otherwise set forth below, and in the following order of priority:

- FIRST: to the Expense Fund, (1) an amount of moneys equal to a fraction of the Trustee's Fee and Trustee's Expenses where the numerator is the Trustee's Fees and Trustee's Expenses and the denominator is the number of Distribution Dates that will occur during the period beginning on the last date on which such fees were paid (or, if such fees have not yet been paid, the Bond Closing Date for the Series 2017 Bonds) and the day preceding the next _____ 1 or _____ 1, as applicable, plus any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor and (2) the portion of the Annual Issuer's Fee due the immediately succeeding month, plus any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;
- SECOND: to the Bond Fund (i) commencing _____, 20___, an amount of moneys, less any credits received against such amounts, equal to one-sixth of the interest due on the Series 2017 Bonds on the next Interest Payment Date, provided from the date of delivery of the Series 2017 Bonds until _____, 20___, transfers shall be sufficient on a monthly pro rata basis to pay the interest becoming due and payable on the Interest Payment Date on _____, 20___ plus (ii) commencing _____, 20___, an amount of moneys, less any credits received against such amount, equal to one-twelfth of the principal due on the Series 2017 Bonds on the next Principal Payment Date (provided from the date of delivery of the Series 2017 Bonds until _____, 20___, transfers shall be sufficient on a monthly pro rata basis to pay the principal becoming due and payable on the Principal Payment Date on _____, 20___), and plus (iii) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;
- THIRD: to the Tax and Insurance Escrow Fund, an amount of moneys equal to (i) the payment required to be made pursuant to the Loan Agreement, plus (ii) all amounts that were previously due under (i) of this paragraph but were not transferred because of an insufficiency in moneys available therefor;

- FOURTH: to the Rebate Fund, commencing in the month following the determination of the Rebate Amount and continuing until the full amount is so paid, any amount of moneys, as calculated by the Rebate Analyst, required to be deposited in the Rebate Fund;
- FIFTH: to the Expense Fund (i) an amount of money, plus (ii) an amount of money equal to a fraction of the amount owed to the Rebate Analyst on the next _____ 1 where the numerator is the amount owed and the denominator is the number of Distribution Dates that will occur during the period beginning on the last _____ 1 (or, if later, the Bond Closing Date for the Series 2017 Bonds) and ending on the day preceding the next _____ 1, and plus (iii) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;
- SIXTH: to the Debt Service Reserve Fund an amount of money equal to the amount necessary to cure any deficiency in the Debt Service Reserve Fund, as determined pursuant to the Indenture;
- SEVENTH: commencing on _____, 2017, to the Repair and Replacement Fund an amount of money equal to a fraction of the Repair and Replacement Fund Annual Deposit where the numerator is the Repair and Replacement Fund Annual Deposit and the denominator is the number of the Distribution Dates that will occur during the period beginning on _____ 1 and ending on the day preceding the next _____ 1, or such lesser amount as is necessary to cause the aggregate amount in the Repair and Replacement Fund to equal the Repair and Replacement Fund Requirement; and
- EIGHTH: if the Borrower is not in default under the Loan Agreement, to the Borrower, all amounts of money remaining on deposit in the Revenue Fund after the Trustee has made the disbursements required in paragraphs FIRST through SEVENTH above.

Notwithstanding anything to the contrary contained above, amounts required to be deposited pursuant to clause SECOND above for the payment of principal of and interest on the Series 2017 Bonds on _____, 20__ (the "Final Maturity Date") shall be reduced by amounts on deposit in the Debt Service Reserve Fund to be applied to the principal of and interest due on the Series 2017 Bonds on the Final Maturity Date in accordance with the Indenture.

Bond Fund

There will be deposited into the Bond Fund as and when received (a) disbursements from the Revenue Fund as described above under "-- Revenue Fund - SECOND", (b) all moneys transferred to the Bond Fund from the Project Fund or the Costs of Issuance Fund, (c) all other moneys deposited into the Bond Fund pursuant to the Loan Agreement or the Indenture, and (d)

all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower, not inconsistent with the Loan Agreement or the Indenture, that such moneys are to be paid into the Bond Fund. There also will be retained in the Bond Fund, interest and other income received on investment of moneys in the Bond Fund as provided in the Indenture.

Except as provided in the Indenture, moneys in the Bond Fund will be used solely for the payment of the principal of and premium, if any, and interest on the Bonds on each Principal Payment Date and each Interest Payment Date, respectively. If on any Interest Payment Date or Principal Payment Date there are any amounts on deposit in the Bond Fund (except for moneys deposited into such account as accrued interest or to pay capitalized interest or moneys transferred from the Project Fund pursuant to the Indenture) in excess of the amount necessary to pay principal and interest then due on the Bonds on such Principal Payment Date or Interest Payment Date, as applicable, such excess will be transferred to the Revenue Fund and be used to make any disbursements required by, and in the order of priority of “- Revenue Fund - FIRST through SEVENTH” described above that have not otherwise been made, and any remaining excess will be applied as described in “Revenue Fund - EIGHTH” above.

Debt Service Reserve Fund

The Debt Service Reserve Fund is required to contain an amount not less than the Debt Service Reserve Fund Requirement. Upon the issuance of the Series 2017 Bonds, (a) \$_____ will be deposited in the Series 2017A Bond account within the Debt Service Reserve Fund from proceeds of the Series 2017A Bonds, and (b) \$_____ will be deposited in the Series 2017B Bond account within the Debt Service Reserve Fund from proceeds of the Series 2017B Bonds to fully fund the Debt Service Reserve Fund. There will be deposited into the Debt Service Reserve Fund amounts from the Revenue Fund necessary to cure any deficiency in the Debt Service Reserve Fund, as described in “- Revenue Fund - SIXTH” above.

“Debt Service Reserve Fund Requirement” is defined in the Indenture to mean, as to the Series 2017 Bonds, as of any date, the aggregate of the Series Debt Service Reserve Fund Requirement for all Series of Bonds for which any Bonds of such Series are at the time Outstanding.

“Series Debt Service Reserve Fund Requirement” means (a) for the Series 2017A Bonds, an amount initially equal to \$_____, [(b) for the Series 2017B Bonds, an amount initially equal to \$_____] and (c) for any Series of Additional Bonds, an amount, determined at the time of issuance of such Additional Bonds; provided, in no event shall any Series Debt Service Reserve Fund Requirement exceed the least of (i) 10 percent of the original principal amount of such Additional Bonds, (ii) 125 percent of the average annual debt service payment on such Additional Bonds, (iii) 100 percent of the Maximum Annual Debt Service payable on such Additional Bonds, or (iv) an amount which, when added to the existing Series Debt Service Reserve Fund Requirement for Outstanding Bonds, will not cause the total Debt Service Reserve Fund Requirement to exceed Maximum Annual Debt Service payable on the Outstanding Bonds and the Additional Bonds; provided the Series Debt Service Reserve Fund Requirement for any Series of Additional Bonds may be revised to a lesser amount in accordance with requirements

of Regulations specifying the maximum amount in a reserve fund permitted to be invested without regard to investment yield.

Moneys in the Debt Service Reserve Fund may be used for the payment of the principal of and interest on the Series 2017 Bonds in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on an Interest Payment Date, sinking fund redemption date, maturity date or otherwise. In addition, upon the occurrence of an Event of Default under the Indenture and the exercise by the Trustee of its acceleration rights, foreclosure rights, right to appointment of a receiver and right to commence suit, any moneys in the Debt Service Reserve Fund will be transferred by the Trustee to the Bond Fund and applied in accordance with the Indenture. On the final maturity date of the Series 2017 Bonds, any moneys in the Debt Service Reserve Fund may be used to pay the principal of and interest on the Series 2017 Bonds on such final maturity date. In the event of the redemption of the Series 2017 Bonds in whole, any moneys in the Debt Service Reserve Fund shall be transferred to the Bond Fund and applied to the payment of the principal of and premium, if any, on the Series 2017 Bonds. In the event of a prepayment in whole of amounts due under the Loan Agreement and the defeasance pursuant to the Indenture of all of the Outstanding Series 2017 Bonds, any moneys in the Debt Service Reserve Fund shall be applied to the defeasance of the Series 2017 Bonds.

If on any _____ 1 or _____ 1 the amount in the Debt Service Reserve Fund is greater than the Debt Service Reserve Fund Requirement, the Trustee will transfer such excess (i) before the delivery of the certificate required under the Loan Agreement stating that the Project has been completed, to the Project Fund and (ii) after the delivery of the certificate required under the Loan Agreement stating that the Project has been completed, to the Bond Fund. In the event amounts on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement, whether because of a decreased value of the Investment Obligations therein or a transfer to cure a shortfall in the Bond Fund, the Trustee shall, within five Business Days of when the Trustee has knowledge of such deficiency, give written notice to the Issuer and the Borrower of such deficiency and that such deficiency must be replenished in accordance with the Loan Agreement and the Indenture. If the amounts on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Requirement, the Borrower will agree pursuant to the Loan Agreement to pay to the Trustee the amount of such deficiency in not more than one year in substantially equal monthly installments beginning on the first day of the month following such deficiency, and provided that no such installment shall be less than \$5,000.

AMOUNTS ON DEPOSIT IN THE SERIES 2017A BOND ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF SERIES 2017A BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON ANY OTHER BONDS, INCLUDING THE SERIES 2017B BONDS, AND AMOUNTS ON DEPOSIT IN ANY OTHER ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF ANY OTHER BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON THE SERIES 2017A BONDS.

AMOUNTS ON DEPOSIT IN THE SERIES 2017B BOND ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF SERIES 2017B

BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON ANY OTHER BONDS, INCLUDING THE SERIES 2017A BONDS, AND AMOUNTS ON DEPOSIT IN ANY OTHER ACCOUNT WITHIN THE DEBT SERVICE RESERVE FUND FUNDED WITH THE PROCEEDS OF ANY OTHER BONDS SHALL NOT BE USED TO PAY DEBT SERVICE ON THE SERIES 2017B BONDS.

Repair and Replacement Fund

The Trustee shall deposit a portion of the proceeds of the Series 2017[B] Bonds as described in the Indenture into the Repair and Replacement Fund. The Trustee also shall deposit into the Repair and Replacement Fund as and when received (i) all payments by the Borrower pursuant to the Loan Agreement required to be deposited into the Repair and Replacement Fund, (ii) all other moneys deposited into the Repair and Replacement Fund pursuant to the Loan Agreement or the Indenture, and (iii) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower not inconsistent with the Loan Agreement or the Indenture that such moneys are to be paid into the Repair and Replacement Fund. There shall also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund to the extent provided in the Indenture. Any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement shall be transferred by the Trustee to the Bond Fund and applied to the payment of the interest on the Bonds; provided, however, that the amount remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement. Pursuant to the Indenture, "Repair and Replacement Fund Requirement" means, initially, \$_____, and for any Fiscal Year, commencing with Fiscal Year ending [June 30, 2017], 2 percent (.02) of budgeted Operating Expenses for that Fiscal Year; provided, however, that such amount will be adjusted to the extent required pursuant to the Loan Agreement.

The Indenture provides that moneys in the Repair and Replacement Fund are required to be disbursed by the Trustee upon receipt by the Trustee of a written requisition from an Authorized Representative of the Borrower, in the form set forth attached to the Indenture setting forth the amount and the payee for the purpose of paying the cost of capital expenditures related to maintenance, improvements and replacements which may be required for the Facilities, including, but not limited to replacement of equipment, replacement of any roof or other structural component, exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment. See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT."

Tax and Insurance Escrow Fund

The Indenture authorizes the Trustee to make payments from the Tax and Insurance Escrow Fund for the payment of (a) real property or ad valorem taxes with respect to the Facilities, or (b) premiums for the insurance policies required to be maintained by the Borrower pursuant to the Loan Agreement. Each payment out of the Tax and Insurance Escrow Fund will be made only upon receipt by the Trustee of a completed requisition, in the form attached to the Indenture, signed by an Authorized Representative of the Borrower.

Notwithstanding the foregoing, the Trustee will have the right, but not the obligation, to withdraw moneys from the Tax and Insurance Escrow Fund at any time and to use those funds to pay the items described in clauses (a) and (b) of the preceding paragraph without a requisition from an Authorized Representative of the Borrower in order to maintain the insurance with respect to any Facilities as provided above or to prevent any of the items described above from becoming past due.

Additional Bonds

The Indenture provides that one or more series of Additional Bonds subject to the Indenture may be issued by the Issuer only for the purpose of financing or refinancing Charter School Projects (as defined in the Indenture). The Indenture provides that Additional Bonds may be issued only if the Trustee receives the following:

(i) Duly executed counterparts of (a) the related Loan Agreement (or an amendment to the existing Loan Agreement) relating to the Charter School Projects to be financed or refinanced from the proceeds of the Additional Bonds then to be issued and which Loan Agreement or amendment to the existing Loan Agreement provides for payments sufficient to pay the debt service charges on the related Additional Bonds, and (b) the Supplemental Indenture providing for the issuance of and the terms and conditions of the Additional Bonds.

(ii) One or more Additional Promissory Notes in an aggregate principal amount equal to the aggregate principal amount of the related Additional Bonds, duly endorsed by the Issuer to the order of the Trustee without recourse or warranty.

(iii) A written order of the Issuer as to the delivery of the Additional Bonds, signed by an Authorized Representative of the Issuer.

(iv) A copy of the resolution duly adopted by the Issuer authorizing (a) the execution and delivery of the related Loan Agreement (or an amendment to an existing Loan Agreement), the Bond Purchase Agreement and the Supplemental Indenture, each relating to the Additional Bonds and (b) the issuance of the Additional Bonds.

(v) An opinion of Bond Counsel to the effect that: (a) the Additional Bonds to be delivered will be valid and legal special obligations of the Issuer in accordance with their terms and will be secured under the Indenture equally and on a parity (except as otherwise permitted by the Indenture) with all other Bonds at the time Outstanding thereunder as to the assignment to the Trustee of the Trust Estate; (b) the issuance of the Additional Bonds is permitted pursuant to the Indenture; (c) the issuance of the Additional Bonds will not result in the interest on any Outstanding Bonds that are Tax-Exempt Bonds becoming included in gross income for federal income tax purposes; and (d) that the issuance of the Additional Bonds will not result in the loss of exemption from the registration requirements under the Securities Act of 1933, as amended, of the Bonds and the exemption of the Indenture under the Trust Indenture Act of 1939.

(vi) A written opinion of counsel to the Borrower, which counsel shall be reasonably satisfactory to the Issuer, to the effect that the related Loan Agreement or the

amendment to an existing Loan Agreement, any additional mortgage and any Additional Promissory Notes have been duly authorized, executed and delivered by the Borrower, and that the related Loan Agreement (or the amendment to an existing Loan Agreement), any additional mortgage and any Additional Promissory Notes constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, subject to exceptions reasonably satisfactory to the Trustee and the Issuer for bankruptcy, insolvency and similar laws and the application of equitable principles.

(vii) Evidence satisfactory to the Trustee and the Issuer that on delivery of the Additional Bonds then to be delivered there will be or has been deposited into the Debt Service Reserve Fund the amounts, if any, required by the Indenture or the Supplemental Indenture relating to such Additional Bonds to be deposited therein.

(viii) The Trustee and the Issuer have received the consents or certifications required by Section 8.12 of the Loan Agreement, or similar provisions of any subsequent Loan Agreement relating to the incurrence by the Borrower of additional parity Indebtedness secured in whole or in part by the Facilities or the Pledged Revenues. The Borrower may only incur additional parity indebtedness as provided in Section 8.12 of the Loan Agreement and described below under “- Limitations on Incurrence of Additional Indebtedness.”

(ix) If the Bonds are then rated, evidence satisfactory to the Trustee that the issuance of the Additional Bonds will not cause the rating agency to lower or withdraw its rating(s) on Outstanding Bonds.

(x) A binding commitment to issue a mortgagee’s policy of title insurance for the mortgaged property in favor of the Trustee and the Holders of the Series 2017 Bonds and any Additional Bonds, if applicable.

(xi) If there is an addition to the Facilities, a mortgage or similar instrument is recorded creating a lien on such addition to the Facilities for the benefit of the Trustee (as assignee of the Issuer), as trustee for the Holders of the Bonds, if necessary to subject such addition to a Lien in favor of the Trustee for the benefit of the Holders of the Bonds.

If the requirements for the issuance of Additional Bonds described above are satisfied, such Additional Bonds will, to the extent provided for in the Indenture, be on a parity (except as otherwise allowed by the Indenture) with the Series 2017 Bonds and any Additional Bonds theretofore or thereafter issued and Outstanding as to the assignment to the Trustee of the Issuer’s right, title and interest in the Trust Estate for the payment of debt service on the Bonds. See “APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

Limitations on Incurrence of Additional Indebtedness

The Loan Agreement provides that the Borrower will not incur any senior Indebtedness secured in whole or in part by the Series 2017 Facilities or the Pledged Revenues. Except as provided in the Loan Agreement, the Borrower shall not incur any additional parity Indebtedness (with the exception of (i) capital leases requiring annual lease payments not to exceed \$250,000, which leases are expressly permitted under the Loan Agreement, (ii) the securing of alternate

financing that contemporaneously pays in full all obligations of the Borrower under the Loan Agreement, and (iii) Indebtedness described in the last sentence of this paragraph), without (x) obtaining the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Series 2017 Bonds then Outstanding or (y) the need for any consent of Registered Owners, provided that the Borrower has delivered evidence to the Trustee that either (A) the combined Net Income Available for Debt Service for the preceding Fiscal Year was equal to or greater than one hundred twenty percent (120%) of the combined Maximum Annual Debt Service on the Outstanding Indebtedness and the additional parity Indebtedness, or (B) (I) a certificate of an Authorized Representative of the Borrower confirming the Debt Service Coverage Ratio for the prior Fiscal Year was equal to or greater than 1.2 to 1 and (II) the projected combined Debt Service Coverage Ratio for the Fiscal Year in which the additional parity Indebtedness will be incurred and for one subsequent Fiscal Year, taking into account the additional Indebtedness, will be equal to or greater than 1.2 to 1, supported by a written report from an Independent Consultant opining as to the reasonableness of such projections and the assumptions underlying such projections, including, without limitation, any future additional revenues to be generated in such year as a result of the facilities financed with the proposed additional parity Indebtedness. If the additional parity Indebtedness involves the issuance of Additional Bonds, the Borrower also will be subject to and shall satisfy any additional requirements of the Indenture (described above under “- Additional Bonds”). The Borrower covenants in the Loan Agreement that except as specifically provided in the Loan Agreement, it will not create, assume, incur or suffer to be created, assumed or incurred any Lien (other than Permitted Encumbrances). The Borrower may incur Indebtedness subordinate to the obligations of the Borrower under the Loan Agreement and may create Liens on the Series 2017 Facilities, Pledged Revenues or other assets of the Borrower securing such subordinate Indebtedness, so long as such Indebtedness (i) is subordinate to the Mortgage and obligations under the Loan Agreement and (ii) does not exceed \$250,000 in annual payments. The Borrower may incur Indebtedness without regard to the limitations set forth in the Loan Agreement if: (i) such Indebtedness is secured solely by a security interest in personal property financed with such Indebtedness; (ii) the aggregate payments required to be made by the Borrower in each Fiscal Year with respect to all Indebtedness incurred as such purchase money indebtedness does not exceed five percent (5%) of the Gross Revenues of the Borrower, as defined in the most recent audited financial statements of the Borrower, determined as of the date such Indebtedness is to be incurred; (iii) such Indebtedness amortizes over a period of not more than sixty (60) months; and (iv) the Borrower certifies that the incurrence of such Indebtedness will not cause it to be in violation of the Loan Agreement. See “APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT.”

As defined in the Loan Agreement, “Net Income Available for Debt Service” means, for any period of determination thereof, the Pledged Revenues for such period, plus the interest earnings on moneys held in the Debt Service Reserve Fund established under the Indenture minus the total Operating Expenses for such period but excluding (i) any profits or losses that would be regarded as extraordinary items under Generally Accepted Accounting Principles, (ii) gain or loss in the extinguishment of Indebtedness, (iii) proceeds of the Series 2017 Bonds and any other Indebtedness permitted by the Loan Agreement, and (iv) proceeds of insurance policies, other than policies for business interruption insurance, maintained by or for the benefit of the Borrower, proceeds of any sale, transfer or other disposition of the Facilities, and any condemnation or any other damage award received by or owing to the Borrower.

As defined in the Loan Agreement, "Operating Expenses" means fees and expenses of the Borrower related to the Schools, including maintenance, repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (including taxes), the cost of materials and supplies used for current operations of the Schools, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Schools, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but that are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Borrower; provided, however, "Operating Expenses" shall not include depreciation, amortization, expenses or other amounts paid into the Repair and Replacement Fund or other non-cash expenses or those expenses that are actually paid from any revenues of the Borrower that are not Pledged Revenues, expenses characterized as extraordinary under Generally Accepted Accounting Principles or payments for improvements to the Facilities that are capitalized for accounting purposes.

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See the Loan Agreement in "APPENDIX C - FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" for other definitions relating to the limitations on incurrence of additional indebtedness.

Debt Service Coverage Ratio and Days Cash on Hand Covenants

Under the Loan Agreement, the Borrower makes the following financial covenants:

(a) Debt Service Coverage Ratio. Within 30 calendar days of the completion of the Borrower's annual audited financial statements, the Borrower will deliver to the Trustee and the Dissemination Agent (as hereinafter defined) a certificate showing the Debt Service Coverage Ratio for the Borrower, which evidence may be in the form of a certificate of an Accountant or included in the notes to the Borrower's annual audited financial statements. Commencing with the Debt Service Coverage Ratio first determined based upon the audited financial statements of the Borrower for the Fiscal Year ending June 30, 20__, if such Debt Service Coverage Ratio certified to the Trustee is below 1.1 to 1, then upon the written direction of the Beneficial Owners of a majority of the principal amount of the Bonds Outstanding, the Borrower will promptly employ, at its own expense, an Independent Consultant to submit a written report and make recommendations with respect to revenues or other financial matters of the Borrower that are relevant to increasing the Debt Service Coverage Ratio to at least 1.1 to 1. The Borrower shall adopt and follow the recommendations of the Independent Consultant except when an opinion of counsel is obtained excusing such actions by the Borrower, or where the Borrower makes a good faith determination in a statement to the Issuer and the Trustee that the Independent Consultant's recommendations would violate state or federal law, the educational purpose of the Borrower or the charter policy of the chartering authority.

(b) Days Cash on Hand Requirement. The Borrower covenants and agrees that the Days Cash on Hand, which will be tested as of June 30 of each year, commencing June 30, 2017, will be equal to or greater than (i) thirty (30) days as of June 30, 2017, and (ii) forty-five (45) days as of June 30 thereafter. On or before December 31 of each year, commencing December 31, 2017, the Borrower will deliver to the Trustee evidence of the Days Cash on Hand for the prior June 30, which evidence may be in the form of a certificate of an Accountant or included in

the notes to the Borrower's annual audited financial statements. The foregoing is subject to the qualification that if applicable state or federal laws or regulations, or the rules and regulations of agencies having jurisdiction, shall not permit the Borrower to accumulate such level of Days Cash on Hand, then the Trustee shall conform to the then prevailing laws, rules or regulations.

If the Days Cash on Hand is less than thirty (30) days as of June 30, 2017 or less than forty-five (45) days for any other testing date (or such lesser amount required by prevailing laws, rules or regulations, as applicable), then, upon the written direction of Beneficial Owners of a majority of the principal amount of the Bonds, the Borrower will promptly employ an Independent Consultant to review and analyze the operations and administration of the Borrower, submit to the Trustee written reports, and make such recommendations as to the operation and administration of the Borrower as such Independent Consultant deems appropriate, including any recommendation as to a revision of the methods of operation of the Borrower. The Borrower will adopt and follow the recommendations of the Independent Consultant except when an opinion of counsel is obtained excusing such actions by the Borrower, or where the Borrower makes a good faith determination in a statement to the Issuer and the Trustee that the Independent Consultant's recommendations would violate state or federal law, the educational purpose of the Borrower or the charter policy of the chartering authority.

See the Loan Agreement in "APPENDIX C - FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" for definitions relating to such covenants and to review additional covenants of the Borrower contained therein.

Event of Default and Acceleration

Under the Indenture, whenever an Event of Default has occurred and is continuing, the Trustee may by written notice given to the Issuer and the Borrower, or at the written request of the Beneficial Owners of not less than a majority in principal amount of all Bonds outstanding, take any one or more of the remedial steps set forth in the Indenture, including declaring the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and said principal and interest shall become due and payable, the appointment of a receiver, instituting foreclosure and suits for judgment. Events of Default under the Indenture including the following:

(i) Failure in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, on a sinking fund redemption date or upon proceedings for redemption.

(ii) Failure in the payment of any installment of interest on any Bond when the same shall become due and payable.

(iii) Failure to observe or perform any other covenant, agreement, contract or other provision of the Bonds or the Indenture (other than as referred to in (i) or (ii) above) and such default continues for a period of forty-five (45) days after written notice to the Issuer and the Borrower by the Trustee specifying such default and requiring the same to be remedied; provided, however, no such Event of Default will be deemed to have occurred so long as a course of action adequate to remedy such failure is commenced

within such forty-five (45) day period and will thereafter be diligently prosecuted to completion, but no such curative action may exceed ninety (90) days.

(iv) The occurrence of an "Event of Default" under the Loan Agreement or the Mortgage.

See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT" for other remedies under the Indenture and Events of Default under the Loan Agreement.

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ESTIMATED SOURCES AND USES OF FUNDS*

The following table sets forth anticipated sources and uses of funds in connection with the plan of finance described above:

	<u>Series 2017A</u> <u>Bonds</u>	<u>Series 2017B</u> <u>Bonds</u>
Sources:		
Par Amount	\$	\$
[Plus] [Less] [Net] Original Issue [Premium] [Discount]
Total	<u>\$</u>	<u>\$</u>
Uses:		
Deposit to Project Fund	\$	\$
Deposit to Series 2017A		
Bond Account in Debt Service Reserve Fund ⁽¹⁾		
Deposit to Series 2017B		
Bond Account in Debt Service Reserve Fund ⁽²⁾		
Deposit to Repair and Replacement Fund		
Costs of Issuance ⁽³⁾
Total	<u>\$</u>	<u>\$</u>

* Preliminary, subject to change.

(1) Equals the Debt Service Reserve Fund Requirement for the Series 2017A Bonds.

(2) Equals the Debt Service Reserve Fund Requirement for the Series 2017B Bonds.

(3) Includes financial advisory fees, legal fees, Underwriter's discount and other expenses incurred in connection with the issuance of the Series 2017 Bonds.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Series 2017 Bonds.

Year Ended	Series 2017A Bonds		Series 2017B Bonds		Total
	Principal	Interest	Principal	Interest	
2017	\$	\$	\$	\$	\$
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
Totals	\$	\$	\$	\$	\$

RISK FACTORS

This Limited Offering Memorandum contains summaries of pertinent portions of the Series 2017 Bonds, the Indenture, the Loan Agreement, the Mortgage, the Disclosure Dissemination Agent Agreement and other relevant documents. Such summaries and references are qualified in their entirety by reference to the full text of such documents. The following discussion of some of the risk factors associated with the Series 2017 Bonds is not, and is not intended to be, exhaustive, and such risks are not necessarily presented in the order of their magnitude.

Sufficiency of Revenues

The Series 2017 Bonds are payable solely from certain payments, revenues and other amounts derived by the Issuer pursuant to the Indenture, and are secured only by such revenues and a pledge of certain funds and accounts created under the Indenture and the additional security provided by the Mortgage. Based on present circumstances, and based on the Borrower's projections regarding enrollment, the Borrower believes it will generate sufficient Pledged Revenues for payment of debt service on the Series 2017 Bonds. However, the Borrower's Charter Contracts may be revoked or may not be renewed, or the basis of the assumptions used by the Borrower to formulate its beliefs may otherwise change. In addition, legislative changes at the State level or State constitutional amendments could adversely impact the level of funding the Borrower receives. No representation or assurance can be made that the Borrower will continue to generate sufficient Pledged Revenues to make payments under the Loan Agreement and Series 2017 Promissory Note representing debt service on the Series 2017 Bonds.

Dependence on State Payments that are Subject to Annual Appropriation and Political Factors

Florida charter schools such as those operated by the Borrower cannot charge tuition and have no taxing authority. The primary source of revenue for Florida charter schools is funding received from the State, paid through the local school districts, for educating students. The State's payment of funds to local school districts, including funds with respect to charter schools operating in each such district, is subject to annual appropriation by the State Legislature. During the 2015-16 school year, there were at least 644 charter schools in 46 school districts in the State, educating more than 282,000 students. The State Legislature has sole discretion with respect to appropriating funds for education aid and, thus, the State Legislature may not appropriate funds, or may not appropriate funds in a sufficient amount, for the Borrower to generate sufficient revenue to meet its operating expenses and representing debt service on the Series 2017 Bonds. No liability would accrue to the State or the School Board in such event, and neither the State nor the School Board would be obligated or liable for any future payments or any damages.

The amount of aid received by an individual charter school is based on a variety of factors, including the school district in which the school is located and the school's enrollment. See "APPENDIX G - STATE CHARTER SCHOOL FUNDING AND GENERAL INFORMATION REGARDING FLORIDA CHARTER SCHOOLS." Further, the overall amount of education aid provided by the State in any year is subject to appropriation by the State Legislature. The State Legislature may base its decisions about appropriations on many factors, including the State's economic performance.

A significantly large percentage of the revenues received from the State are generated from the levy of the State sales tax. The amounts budgeted for distribution from the State are subject to change in the event that projected sales tax and other State revenues are not realized. The State has experienced significant shortfalls in sales tax revenues in recent years which have resulted in cuts to one source of charter school funding, Capital Outlay Funds, on a per student basis. Also, the State may determine to fund lower Capital Outlay Funds, without regard to sales

tax collections. The ability of the Schools to pay their costs of operation in the future may be partially dependent on the level of Capital Outlay Funds appropriated each year by the State Legislature. Although the number of charter schools has increased in the State over the last several years, there has not been a proportionate or consistent increase in appropriations for Capital Outlay Funds for charter schools, resulting in the reduction of per student appropriations of Capital Outlay Funds over the last few years. If sales tax revenues continue to fall short of the anticipated levels in the State, and alternate revenue sources are not designated for charter school funding requirements, the per student level of capital outlay funding for charter schools may continue to diminish. See "APPENDIX G - STATE CHARTER SCHOOL FUNDING AND GENERAL INFORMATION REGARDING FLORIDA CHARTER SCHOOLS— Charter School Capital Outlay Funds" hereto. The continued reduction in Capital Outlay Funds could be anticipated to limit the Borrower's ability to make payments due under the Loan Agreement.

Further, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. State educational funding flows to Florida charter schools through the local school district. If the State or the School Board were to withhold the Borrower's funding for any reason, even for a reason that is ultimately determined to be invalid or unlawful, the Borrower would likely be forced to cease operations.

State Financial Difficulties

Charter schools depend on revenues from the State for a large portion of their operating budgets. The availability of State funds for public education is a function of many factors, including, but not limited to, legal provisions affecting school district revenues and expenditures, the condition of the State economy and the annual budget process. Decreases in State revenues may adversely affect education appropriations made by the State Legislature. As noted, the State Legislature bases its decisions about appropriations on many factors, including the State's economic performance, and, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. See "RISK FACTORS — Dependence on State Payments that are Subject to Annual Appropriation and Political Factors," above.

Operating History; Reliance on Projections

The Borrower has conducted operations for the Schools since 1999 and 2013, respectively. The projections of revenues and expenses contained in "APPENDIX A - THE BORROWER AND THE SCHOOLS" herein were prepared by the Borrower with assistance from its financial advisor and have not been independently verified by any party other than the Borrower. No feasibility studies have been conducted with respect to operations of the Borrower. The projections prepared by the Borrower are "forward looking statements" and are subject to the general qualifications and limitations described under "FORWARD LOOKING STATEMENTS" on page v hereof with respect to such statements. The Underwriter has not independently verified such projections, and makes no representation nor gives any assurances that such projections or the assumptions underlying them, are complete or correct. Further, the projections relate only to a limited number of fiscal years and consequently do not cover the entire period that the Series 2017 Bonds will be outstanding.

The projections are derived from the actual operations of the Schools and from assumptions made by the Borrower about future student enrollment, expenses and funding. There can be no assurance that the actual enrollment, revenues and expenses for the Borrower will be consistent with the assumptions underlying the projections contained herein. Moreover, no guarantee can be made that the projections of revenues and expenses contained herein will correspond with the results actually achieved in the future because there is no assurance that actual events will correspond with the assumptions made by the Borrower. Actual operating results may be affected by many factors, including, but not limited to, increased costs, lower than anticipated Pledged Revenues (as a result of insufficient enrollment, reduced payments from the State, or otherwise), employee relations, changes in taxes, changes in applicable government regulation, changes in demographic trends, factors associated with education, competition for students, and changes in state, local or general economic conditions. Additionally, the Charter Contracts provides that the Schools will be funded to their respective projected enrollment as adjusted during the school year during the FTE student survey periods. However, no additional funds will be provided by the School Board in the event the actual enrollment of the Schools exceeds the projected enrollment unless the School Board receives funding for such students enrolled. Should actual enrollment be less than the projected enrollment for a given school year, the charter school funds received from the School Board will be reduced accordingly. Refer to "APPENDIX A - THE BORROWER AND THE SCHOOLS" to review certain of the projections and to consider the various factors that could cause actual results to differ significantly from projected results. Refer to "FORWARD LOOKING STATEMENTS" on page v, for qualifications and limitations applicable to forward looking statements.

NO GUARANTEE CAN BE MADE THAT THE PROJECTED INFORMATION CONTAINED HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE BY THE BORROWER.

Competition for Students

The Borrower competes for students with other public schools in the School District as well as private schools located within the Borrower's service area. For the 2015-16 school year, within the County, there were approximately 3 public charter schools, 13 public district schools and one private school that were considered competitors. See "APPENDIX A - THE BORROWER AND THE SCHOOLS - Population Served." The Borrower faces constant competition for students and there can be no assurance that the Borrower will continue to attract and retain the number of students that are needed to generate sufficient Pledged Revenues for payment of debt service on the Series 2017 Bonds.

Nonrenewal or Revocation of Charters

The Borrower operates the Schools pursuant to the Charter Contracts granted by the School Board, the Schools' sponsor. Currently, the Odyssey Charter School Charter Contract expires on June 30, 2027 and the Odyssey Preparatory Academy Charter Contract expires on June 30, 2018, which expiration dates are prior to the maturity date of the Series 2017 Bonds. The Charter Contracts may be terminated by the School Board, or the School Board may decline to renew the Charter Contracts, upon any of the following statutory grounds: (i) if the Schools

fail to participate in the State's education accountability system created in Section 1008.31 of the Florida Statutes, or fails to meet the requirements for student performance stated in the related Charter Contracts; (ii) if the Borrower fails to meet generally accepted standards of fiscal management; (iii) violations of law; or (iv) other good cause shown. Florida law provides that a charter may also be terminated immediately if the School Board determines that good cause has been shown or if the health, safety, or welfare of the students is threatened; provided that the Schools may request an expedited hearing on such matter within ten days of any such determination. Pending the outcome of the hearing, the School Board must assume operation of the Schools unless the continued operation of the Schools would materially threaten the health, safety or welfare of the students.

In addition to these statutory revocation provisions, each of the Charter Contracts provides that it may be terminated by the School Board for various reasons, including but not limited to, the Borrower failing to make sufficient progress toward the student achievement objectives included in the Charter Contracts. The School Board may also terminate the Charter Contracts if the Borrower consistently fails to submit required financial and annual reports in a timely fashion as stated in the Charter Contracts. If the Charter Contracts are terminated or not renewed, the Borrower would likely be forced to cease operation of the Schools. Copies of the Charter Contracts may be obtained as described in "MISCELLANEOUS - Additional Information" herein.

Factors Associated with Education

There are a number of factors affecting schools in general, including the Schools, which could have an adverse effect on the Borrower's financial position and the ability of the Schools to generate sufficient revenues representing debt service on the Series 2017 Bonds. These factors include, but are not limited to, the Borrower's ability to attract and retain 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; increasing operating costs of the Schools; changes in existing statutes pertaining to the powers of the owners and operators of charter schools and legislation or regulations which may affect funding. The Borrower cannot assess or predict the ultimate effect of these factors on its operations or financial results of operations.

Failure to Provide Ongoing Disclosure

The Borrower will enter into a Disclosure Dissemination Agent Agreement with Digital Assurance Certification, L.L.C. (the "Disclosure Dissemination Agent Agreement") in connection with the issuance of the Series 2017 Bonds. Failure to comply with the Disclosure Dissemination Agent Agreement in the future may adversely affect the liquidity of the Series 2017 Bonds and their market price in the secondary market. See "CONTINUING DISCLOSURE" herein and "APPENDIX E — FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT."

Future Changes to Charter School Laws

The law applicable to charter schools in Florida has developed over time and is subject to further changes in the future. Future changes to applicable law by the State Legislature could be adverse to the financial interests of the Borrower, and could adversely affect the security for the Series 2017 Bonds. There can be no assurance that the State Legislature will not in the future change such laws in a manner which is adverse to the interests of the registered owners of the Series 2017 Bonds. Charter school law provisions are subject to amendment, including the reduction of funding, which could adversely affect the Borrower.

Adverse State budget considerations could increase the likelihood that the State Legislature would change the laws governing charter schools, and in particular charter school funding provisions. Further, State budget considerations may adversely affect appropriations for charter school funding.

During recent years, legislation has been introduced and in some cases enacted, that would reduce State funding for school districts, require that certain percentages of school district funding be spent on particular activities or impose additional funding or other requirements on school districts. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future, that would, or might apply to, or have a material adverse effect upon the Borrower or its finances.

Construction Risks

Construction, renovation and rehabilitation improvements of any facility are subject to the risks of cost overruns and delays due to a variety of factors including, among other things, site difficulties, labor strike, delays in and shortages of materials, weather conditions, fire and casualty, and obtaining necessary approvals and permits.

Appraisal; Value of School Facilities May Fluctuate

In connection with the issuance of the Series 2017 Bonds, the Borrower obtained an appraisal of the Series 2017 Facilities for the benefit of the Underwriter, which appraisal was prepared by _____ of _____, Florida and was dated _____, 2017 (the "Appraisal"). According to the Appraisal, the "as is" market value of the Series 2017 Facilities on such date was \$ _____, which is a reconciled market value conclusion. None of the Issuer, the Borrower or the Underwriter make any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the Issuer, the Borrower and the Underwriter make no representation as to the reasonableness of such assumptions. See "APPENDIX I - APPRAISAL REPORT" hereto.

There is no requirement that the value of the Series 2017 Facilities equals the amount of the Series 2017 Bonds. Further, because an appraisal represents only the opinion of the appraiser and only as of its date, there may be a difference between the actual value of the Series 2017 Facilities and the amount of the Series 2017 Bonds, and that difference may be material and adverse to Bondholders.

More generally, at any time there may be a difference between the actual value of the Series 2017 Facilities and the amount of the Series 2017 Bonds that is Outstanding, and that difference may be material and adverse to Bondholders. It cannot be determined with certainty what the value of the Series 2017 Facilities will be in the event of foreclosure under the Mortgage. The value of the Series 2017 Facilities at any given time will be directly affected by market and financial conditions which are not in the control of the parties involved in this Series 2017 Bond transaction. Real property values can fluctuate substantially depending on a variety of factors. Moreover, there is nothing associated with the Series 2017 Facilities to suggest that its value would remain stable or would increase if the general values of property in the community were to decline. Further, because the Series 2017 Facilities are intended for use as charter schools and the Series 2017 Facilities are dedicated to school use, the Series 2017 Facilities are likely to have a lower value if not used for school purposes.

Foreclosure Deficiency and Delays

If Pledged Revenues are insufficient to pay the principal of and interest on the Series 2017 Bonds, the Trustee may seek to enforce its liens under the Mortgage. As noted, there can be no assurance that the value of the Series 2017 Facilities will be sufficient to meet all remaining debt service requirements with respect to the Series 2017 Bonds at the time of any foreclosure. See "Appraisal; Value of School Facilities May Fluctuate," above. In addition, the time necessary to institute and complete foreclosure proceedings would likely substantially delay receipt of funds from a foreclosure.

Key Personnel

The Borrower's creation, curriculum, educational philosophy and operations have depended on the vision and commitment of a few, key personnel who comprise the officers and administrators of the Borrower. Loss of any such key personnel could adversely affect the Borrower's operations, its ability to attract and retain students and its financial results. For more information regarding the Borrower's key personnel, see "APPENDIX A - THE BORROWER AND THE SCHOOLS - Organization and Governance;" "- Present Officers and Members of the Board of the School;" and "- Administration and Employees."

Additionally, changes in the reputation of the Schools, their key personnel, faculty or student bodies, either generally or with respect to certain academic or extra-curricular areas, may affect the Schools' ability to attract students to projected enrollment levels, and may affect the Schools' ability to attract quality teachers and staff at competitive salaries.

Other such changes in reputation may include but are not limited to those changes arising out of faculty or student behavior and actions within and outside of the school environment, including any media coverage and/or public discussion thereof. In addition, litigation brought against the Borrower or the Schools by parents, civil authorities, students or former or potential employees (see "LITIGATION" herein) may have a materially adverse impact on the reputation of the Schools. There can be no assurance that these or other factors will not adversely affect the Borrower's ability to generate adequate funds from the Schools to pay all amounts due under the Loan Agreement.

Litigation

Schools are often the subject of litigation. Educator's professional liability and other actions alleging wrongful conduct and seeking punitive damages often are filed against education providers such as the Borrower. Litigation may also arise from the corporate and business activities of the Borrower or employee-related matters. As with educator's professional liability, many of these risks are covered by insurance, but some are not. For example, some business disputes and workers' compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of the Borrower if determined or settled adversely. Although the Borrower maintains insurance policies covering educator's professional and general liability, as well as workers' compensation insurance, it is not possible to predict the availability, cost or adequacy of such insurance in the future.

Limited Obligations of the Issuer

THE SERIES 2017 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, INCOME AND RECEIPTS OF THE ISSUER PLEDGED TO THE PAYMENT THEREOF. THE SERIES 2017 BONDS HAVE BEEN ISSUED PURSUANT TO THE ACT, AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE. THE SERIES 2017 BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF THE STATE, THE ISSUER, PALM BAY, THE SPONSORING POLITICAL SUBDIVISIONS OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION, PUBLIC AGENCY OR SUBDIVISION OF THE STATE, AND NONE OF SUCH ENTITIES IS OBLIGATED TO MAKE ANY PAYMENTS WITH RESPECT TO THE SERIES 2017 BONDS EXCEPT FROM THE TRUST ESTATE. THE ISSUER HAS NO TAXING POWER.

NONE OF THE SERIES 2017 BONDS OR THE SERIES 2017 PROMISSORY NOTE OR ANY OTHER FINANCIAL AGREEMENT EXECUTED AND DELIVERED IN CONNECTION WITH THE SERIES 2017 BONDS OR THE LOAN AGREEMENT ARE OBLIGATIONS OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT. THE CREDIT OR TAXING POWER OF THE STATE, THE COUNTY OR THE SCHOOL DISTRICT ARE NOT PLEDGED AND NO DEBTS SHALL BE PAYABLE OUT OF ANY MONEYS EXCEPT THE TRUST ESTATE. SEE "SECURITY FOR THE SERIES 2017 BONDS."

Damage or Destruction of the Series 2017 Facilities

The Loan Agreement requires that the Series 2017 Facilities be insured against certain risks. See "APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT." However, there can be no assurance that the amount of insurance required to be obtained or actually obtained with respect to the Series 2017 Facilities will be adequate, or that the cause of any damage or destruction to the Series 2017 Facilities will be as a result of a risk

which is insured. Further, there can be no assurance with respect to the ongoing creditworthiness of the insurance companies from which the Borrower obtains insurance policies.

Florida Waiver out of the No Child Left Behind Act

Florida was the first state to introduce a statewide accountability and school grading system. The State has continued to measure and hold schools accountable through statewide assessments. When the federal government updated the federal Elementary and Secondary Education Act (“ESEA”) (commonly known as “No Child Left Behind”), the State used the accountability system to meet the requirements. Originally, Florida calculated whether each school had met “AYP” (Annual Yearly Progress) based on the federal requirements. This additional measure often conflicted with the State’s school grading system. As a result, the State applied for an ESEA Flexibility Waiver in 2011.

Under the waiver, Florida no longer calculates whether schools have met AYP. Florida demonstrated through its application that it already has stringent assessment protocols in place to measure school progress, and provides additional scrutiny through a “differentiated accountability” system which provides interventions to schools deemed as struggling through the State accountability system. Instead of calculating the AYP for schools, the waiver allows Florida to use the school grading system (A-F) to determine the proficiency of schools.

School grades are primarily based on three main components: percent of students proficient (in reading, math, writing and science), percent of students who made a year’s worth of learning gains (in reading and math), and the learning gains of the lowest performing quartile of students (in reading and math). Additional points are included in the overall calculations for middle and high school schools based on results from end of course exams, graduation rates, and performance on college readiness tests. These grades are calculated and released by the State using a formula that is modified each year based on current legislation and assessment criteria.

In order to comply with the requirements of ESEA, the State also calculates “annual measurable objectives” (“AMO”) for each subgroup of students at each school and district. This looks at each subgroup and provides schools with targeted outcomes. AMO scores are not currently taken into consideration in the school grading process.

The Schools are in compliance with Section 1008.31, Florida Statutes. Odyssey Charter received a school grade of “A” for the 2015-2016 school year and Odyssey Preparatory received a school grade of “C” for the 2015-2016 school year. See “APPENDIX A – THE BORROWER AND THE SCHOOLS – Student Assessment and Other Statistics” for additional information regarding the Schools’ grades.

Environmental Conditions and Regulations

Set forth in “APPENDIX A - THE BORROWER AND THE SCHOOLS - Environmental Due Diligence” is summary information relating to environmental site assessments performed with respect to the Wyoming Site and the Eldron Site. The reports accompanying the Phase I Environmental Site Assessments are described in “APPENDIX A - THE BORROWER AND THE SCHOOLS - Environmental Due Diligence” and are available upon request as provided under “MISCELLANEOUS — Additional Information.” Such reports speak only as of their

respective dates, and are subject to the limitations specified therein. Potential investors should note that no environmental assessment can completely eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a subject property. Potential investors must refer to the complete reports for a full understanding of their limitations and for additional information pertinent to the assessments. Copies of the reports are available as described under "MISCELLANEOUS — Additional Information."

More generally, the Schools are and will be subject to various federal, State and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability for remediating adverse environmental conditions on or relating to the Schools, whether arising from pre-existing conditions or conditions arising as a result of activities conducted in connection with the ownership of and operations at the Schools. Costs incurred with respect to environmental remediation or liability could adversely affect the Borrower's financial condition and the ability of the Borrower to generate revenues sufficient to make loan payments under the Loan Agreement. Excessive costs in connection with any such environmental remediation or any such liability to third parties could also make it difficult to successfully re-let the Series 2017 Facilities.

Hazard Risk; Insurance

The County is located proximately to the Atlantic Ocean. The State has been impacted by increased hurricane activity since 1990, with 2004 and 2005 being particularly bad years. In the event of a hurricane in the vicinity of the Schools, the operations of the Schools could be impacted severely, including damage to the Series 2017 Facilities and delay in repairing, reconstructing or replacing the Series 2017 Facilities; delay in receiving insurance proceeds and Federal Emergency Management Administration payments; disruption of utilities and population and employment losses following hurricanes.

In the event of major hurricane losses in Florida or in the southeast United States generally, and the resulting instability in and contraction of the State voluntary insurance market, the Borrower may not be able to continue to obtain windstorm insurance for the Series 2017 Facilities at commercially reasonable rates. Accordingly, in the event of windstorm casualty, the Borrower may not have sufficient funds to repair the Series 2017 Facilities and be able to make payments due under the Loan Agreement.

The Schools are located in a flood zone and have the requisite flood insurance. [we do not yet have the surveys so cannot confirm that either is in a flood zone.]

Potential Effects of Bankruptcy

If the Borrower were to file a petition for relief (or if a petition were filed against the Borrower as debtor) under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended, or other state insolvency, liquidation or receivership laws, the filing could operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower or the property of the Borrower, as applicable. If the bankruptcy court or other state or federal court so ordered, the property and revenues of the Borrower could be used

for the benefit of the Borrower, despite the claims of its creditors (including the owners of the Series 2017 Bonds).

In a bankruptcy proceeding under Chapter 11 of the Bankruptcy Code, the Borrower could file a plan of reorganization which would modify the rights of creditors generally or the rights of any class of creditors, secured or unsecured (including the owners of the Series 2017 Bonds). The plan, when approved (“confirmed”) by the bankruptcy court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the Borrower, except as otherwise provided for in the plan. No plan may be confirmed by a bankruptcy court 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. 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.

Additional Bonds

The Indenture permits the Issuer to issue Additional Bonds secured by and payable solely from the Trust Estate (as defined in the Indenture) on a parity with the Series 2017 Bonds if certain conditions are met. See “APPENDIX C — FORMS OF THE INDENTURE AND THE LOAN AGREEMENT” and “SECURITY FOR THE SERIES 2017 BONDS — Additional Bonds.”

Enforcement of Remedies

The remedies available to the Trustee or the registered owners of the Series 2017 Bonds upon an Event of Default under the Indenture and the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 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.

Tax-Exempt Status of the Series 2017A Bonds

The Code imposes a number of requirements that must be satisfied in order for interest on state and local obligations such as the Series 2017A Bonds to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds, limitations on the investment earnings of bond proceeds prior to expenditure, a requirement that certain investment earnings on bond proceeds be paid periodically to the United States, and a requirement that issuers file an information report with the Internal Revenue Service (the “IRS”). The Borrower has agreed that it will comply with all such requirements. Failure to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of the interest on the Series 2017A Bonds as taxable. Such adverse treatment may be retroactive to the date of issuance. See “TAX MATTERS.”

In addition, the Series 2017A Bonds are issued as “qualified 501(c)(3)” bonds which means the tax-exempt status of the Series 2017A Bonds requires that the Borrower be an organization described in Section 501(c)(3) of the Code. See “Tax-Exempt Status of the Borrower” below for more information regarding this requirement.

If a Determination of Taxability (as defined in the Indenture) were to occur, the Series 2017A Bonds would be subject to redemption, in whole, on the earliest practicable date, plus accrued interest to the date of redemption. See “DESCRIPTION OF THE SERIES 2017 BONDS — Prior Redemption - *Mandatory Redemption of the Series 2017A Bonds Upon Determination of Taxability.*”

Tax-Exempt Status of the Borrower

The tax-exempt status of the Series 2017A Bonds depends upon maintenance by the Borrower of its status as an organization described in Section 501(c)(3) of the Code. The maintenance of the 501(c)(3) status by the Borrower 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 tax-exempt status. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of non-profit organizations, it could do so in the future. Loss of tax-exempt status by the Borrower could also result in loss of tax exemption of the Series 2017A Bonds and substantial federal, state and local tax liabilities on the income of the Borrower. For these reasons, loss of tax-exempt status of the Borrower could have material adverse consequences on the financial condition of the Borrower. In addition, loss of the Borrower’s 501(c)(3) status could adversely impact the future renewal of the Charter Contracts with the School Board.

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 IRS audit could result in additional taxes, interest, and penalties. An IRS 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 2017A Bonds.

Risk of Loss from Non-presentment upon Redemption

If the registered owners of the Series 2017 Bonds do not present for payment their Series 2017 Bond within the period of two years following the date when such Series 2017 Bond becomes due, whether by maturity or otherwise, all funds held by the Trustee for the payment of such Series 2017 Bonds will be returned to the Borrower. Thereafter, the registered owners of such Series 2017 Bonds shall look only to the Borrower for payment, which payment will be limited to the amounts actually received by the Borrower.

Conclusion; Limited Offering

INVESTMENT IN THE SERIES 2017 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK AND EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE SERIES 2017 BONDS. THE SERIES 2017 BONDS ARE BEING OFFERED ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND (2) "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(A) OF THE SECURITIES ACT. UNLESS THE TRUSTEE AND THE ISSUER HAVE RECEIVED AN INVESTMENT GRADE NOTICE, AND THE ISSUER HAS GIVEN ITS WRITTEN CONSENT, UPON A TRANSFER OF A BENEFICIAL OWNERSHIP INTEREST IN A SERIES 2017 BOND (INCLUDING A TRANSFER BY THE UNDERWRITER PURSUANT TO THE INITIAL SALE OF THE SERIES 2017 BONDS), EACH PURCHASER OF SUCH BENEFICIAL OWNERSHIP INTEREST SHALL BE DEEMED TO HAVE CERTIFIED TO THE TRUSTEE AND ACKNOWLEDGED, REPRESENTED AND AGREED WITH THE BORROWER AND THE UNDERWRITER THAT SUCH PURCHASER IS ACQUIRING THE SERIES 2017 BOND FOR ITS OWN ACCOUNT, AND THAT IT IS (A) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED ABOVE, OR (B) AN "ACCREDITED INVESTOR," AS DEFINED ABOVE. SEE "RISK FACTORS".

Each prospective investor should carefully examine this Limited Offering Memorandum, the Appendices hereto, and such investor's own financial condition in order to make a judgment as to whether the Series 2017 Bonds are an appropriate investment for such investor.

LEGAL MATTERS

General

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2017 Bonds by the Issuer are subject to the approving opinion of Foley & Lardner LLP, Jacksonville, Florida, Bond Counsel to the Issuer, whose approving opinion will be delivered with the Series 2017 Bonds, and the proposed form of which is set forth in "APPENDIX D — FORM OF BOND COUNSEL OPINION." The legal opinion delivered may vary from that form if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Limited Offering Memorandum or otherwise shall create no implication that, subsequent to the date of the opinion, Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances, including changes in the law, which may thereafter occur or become effective.

Certain legal matters will be passed upon by Edwards, Cohen, Dawson, Mangu & Noble, P.A., Jacksonville, Florida as Counsel to the Borrower; by Michael J. Stebbins, P.L.L., Pensacola, Florida, as Counsel to the Issuer; and by Squire Patton Boggs (US) LLP, Miami, Florida, as

Counsel to the Underwriter. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment of the transaction opined upon or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The enforceability of the rights and remedies of the Trustee and the owners of the Series 2017 Bonds under the Indenture, the Loan Agreement or the Mortgage and the availability of remedies to any party seeking to enforce the Indenture, the Loan Agreement or the Mortgage are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decision, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Indenture, the Loan Agreement or the Mortgage and the availability of remedies to any party seeking to enforce the security granted thereby may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the State), in a manner consistent with the public health and welfare. The enforceability of the Loan Agreement and Indenture and the availability of remedies to a party seeking to enforce a pledge of security under the Indenture in a situation where such enforcement or availability may adversely affect public health and welfare may be subject to these police powers.

Pending and Threatened Litigation

No Proceedings Against the Borrower. In connection with the issuance of the Series 2017 Bonds, the Borrower will deliver a certificate or certificates which will state that, as of the date of issuance of the Series 2017 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 its 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 Mortgage, and the Bond Purchase Agreement (referred to in "UNDERWRITING"), or this Limited Offering Memorandum, the validity and enforceability of the Indenture, the Loan Agreement, the Mortgage, the Bond Purchase Agreement or the Series 2017 Bonds or the operations (financial or otherwise) of the Borrower.

No Proceedings Against the Issuer. In connection with the issuance of the Series 2017 Bonds, the Issuer will deliver a certificate or certificates which will state that, as of the date of issuance of the Series 2017 Bonds, to the best knowledge of the officer of the Issuer signing the certificate or certificates, there is no pending or threatened litigation seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2017 Bonds, questioning or affecting the

validity of the Series 2017 Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof, questioning or affecting the validity of the pledge or application of any moneys, revenues or security provided for the payment of the Series 2017 Bonds or questioning or affecting the existence or powers of the Issuer.

TAX MATTERS

Exclusion of Interest on Series 2017A Bonds from Gross Income

In the opinion of Foley & Lardner LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2017A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the Series 2017A Bonds is not a preference item for purposes of the alternative minimum tax imposed on individuals and corporations under the Code; however, it should be noted that such interest is included in adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax on corporations under the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E – FORM OF OPINION OF BOND COUNSEL hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2017A Bonds. The Issuer and the Borrower have covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2017A Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2017A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2017A Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any matters coming to Bond Counsel's attention after the date of issuance of the Series 2017A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2017A Bonds.

The opinion of Bond Counsel relies on factual representations made by the Issuer, the Borrower and other persons, including but not limited to the Underwriter. These factual representations include but are not limited to certifications by the Borrower regarding the investment of proceeds of the Series 2017A Bonds and regarding use of property financed and refinanced with proceeds of the Series 2017A Bonds that is reasonably expected to occur during the entire term of the Series 2017A Bonds. Bond Counsel has not verified these representations by independent investigation. Bond Counsel does not purport to be an expert in financial analysis, financial projections or similar disciplines. Failure of any of these factual representations to be correct may result in interest on the Series 2017A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2017A Bonds.

In addition, Bond Counsel has relied, among other things, on the opinion of Edwards, Cohen, Dawson, Mangu & Noble, P.A., counsel to the Borrower, regarding, among other matters, the current qualification of the Borrower as an organization described in Section 501(c)(3) of the Code. We note that such opinion is subject to a number of qualifications and limitations. Failure of the Borrower to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code may result in interest on the Series 2017A Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series 2017A Bonds.

David Cohen 3/6/2017 2:54 PM
Deleted: and that the Series 2017 Facilities will not be used in an unrelated trade or business within the meaning of Section 513 of the Code.

Certain requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Agreement, and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Series 2017A Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Foley & Lardner LLP.

Current and future legislative proposals, if enacted into law, may cause the interest on the Series 2017A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Series 2017A Bonds from realizing the full current benefit of such interest. As one example, the Obama Administration previously announced a legislative proposal that would to some extent limit the exclusion from gross income of interest on obligations like the Series 2017A Bonds (regardless of when they were issued) for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other legislative proposals have been made that could significantly reduce the benefit of, other otherwise affect, the exclusion from gross income of interest on obligations like the Series 2017A Bonds. The introduction or enactment of any such legislative proposals may also affect, perhaps significantly, the market price for, or marketability of, the Series 2017A Bonds. Prospective purchasers of the Series 2017A Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion. Further, no assurance can be given that any action of the Internal Revenue Service, including but not limited to selection of the Series 2017A Bonds for examination, or the course or result of any IRS examination of the Series 2017A Bonds, or bonds which present similar tax issues, will not affect the market price for or marketability of the Series 2017A Bonds.

The opinion of Bond Counsel is based on current legal authority and represents Bond Counsel's judgment as to the proper treatment of the Series 2017A Bonds for federal income tax purposes. It is not binding on the IRS or the courts and is not a guarantee of result. In recent years, the IRS has implemented an active program to examine tax-exempt bond issues for compliance with federal income tax requirements, including examinations of qualified 501(c)(3) bonds. Under current procedures, parties other than the Issuer, including the Bondholders, will have little if any right to participate in the IRS examination process. Moreover, because achieving judicial review in connection with an examination of tax-exempt bonds may be difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practical. If such a situation arises, the Issuer or the Bondholders may incur significant expense, loss of market value to the Bondholders, or both.

Taxable Series 2017B Bonds

The interest on the Series 2017B Bonds is not excluded from gross income for federal income tax purposes.

Original Issue Discount on Series 2017A Bonds

Some of the Series 2017A Bonds may have an issue price that is less than the amount payable at the maturity of such Series 2017A Bonds (hereinafter called the "Discount Series 2017A Bonds"). Under existing law, the original issue discount in the selling price of the Discount Series 2017A Bonds, to the extent properly allocable to each owner of such Discount Series 2017A Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Series 2017A Bond is or would be excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of such Discount Series 2017A Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Series 2017A Bonds were sold (the "issue price").

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of a Discount Series 2017A Bond during any accrual period generally equals (i) the issue price of such Discount Series 2017A Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Series 2017A Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (iii) any interest payable on such Discount Series 2017A Bond during such accrual period.

The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, and will increase the owner's tax basis in such Discount Series 2017A Bond. The adjusted tax basis in a Discount Series 2017A Bond will be used to determine taxable gain or loss upon a disposition (e.g., upon a sale, exchange, redemption, or payment at maturity) of such Discount Series 2017A Bond.

Owners of Discount Series 2017A Bonds who did not purchase such Discount Series 2017A Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Discount Series 2017A Bonds.

Owners of Discount Series 2017A Bonds should consult their own tax advisors with respect to the state and local tax consequences of such Series 2017A Bonds. It is possible that under the applicable provisions governing the determination of state and local income taxes, accrued original issue discount on such Series 2017A Bonds may be deemed to be received in the year of accrual, even though there will not be a corresponding cash payment until a later year.

Original Issue Premium on Series 2017A Bonds

Some of the Series 2017A Bonds may have an issue price that is greater than the amount payable at the maturity of such Series 2017A Bonds (hereinafter called the "Premium Series

2017A Bonds"). Any Premium Series 2017A Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. An owner of a Premium Series 2017A Bond which is a Series 2017A Bond and has amortizable bond premium is not allowed any deduction for the amortizable bond premium. During each taxable year, such an owner must reduce his or her tax basis in such Premium Series 2017A Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the owner held such Premium Series 2017A Bond. The adjusted tax basis in a Premium Series 2017A Bond will be used to determine taxable gain or loss upon a disposition (e.g., upon a sale, exchange, redemption, or payment at maturity) of such Premium Series 2017A Bond.

Owners of Premium Series 2017A Bonds who did not purchase such Premium Series 2017A Bonds in the initial offering at an issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Series 2017A Bonds. Owners of Premium Series 2017A Bonds should consult their own tax advisors with respect to the state and local tax consequences of the Premium Series 2017A Bonds.

Other Tax Consequences of the Series 2017 Bonds

Although Bond Counsel is of the opinion that interest on the Series 2017A Bonds is excluded from gross income for federal income tax purposes, and the Series 2017 Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes on interest, income or profits on debt obligations owed to corporations as imposed by Chapter 220, Florida Statutes, as amended, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2017 Bonds may otherwise affect a Bondholder's federal, state or local tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The above discussion is only a brief summary of the effects of the Code, and each prospective purchaser of the Series 2017 Bonds should consult with his or her own tax advisor regarding the federal, state and local tax consequences of owning the Series 2017 Bonds.

UNDERWRITING

Subject to the terms and conditions of a bond purchase agreement (the "Bond Purchase Agreement") entered into by and among the Issuer, the Borrower and RBC Capital Markets, LLC (the "Underwriter"), the Series 2017A Bonds are being sold by the Issuer to the Underwriter at a purchase price of \$_____ (principal amount of \$_____, [plus] [less] [net] original issue [premium] [discount] of \$_____ and less Underwriter's discount of \$_____), and the Series 2017B Bonds are being sold by the Issuer to the Underwriter at a purchase price of \$_____ (principal amount of \$_____, [plus] [less] [net] original issue [premium] [discount] of \$_____ and less Underwriter's discount of \$_____). Certain expenses associated with the issuance of the Series 2017 Bonds are being paid from proceeds of the Series 2017 Bonds. The right of the Underwriter to receive compensation in connection with the Series 2017 Bonds is contingent upon the actual sale and delivery of the Series 2017 Bonds. The Underwriter has initially offered the Series 2017 Bonds to the public at

the prices set forth on the inside front cover page of this Limited Offering Memorandum. Such prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Series 2017 Bonds to the public.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or the Borrower. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or the Borrower.

INVESTMENT IN THE SERIES 2017 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK AND EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE SERIES 2017 BONDS. THE SERIES 2017 BONDS ARE BEING OFFERED ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND (2) "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(A) OF THE SECURITIES ACT. SEE "RISK FACTORS".

Each purchaser of the Series 2017 Bonds must execute and deliver to the Underwriter, on the date of delivery of the Series 2017 Bonds, the Investor Letter appended hereto as APPENDIX H.

FINANCIAL STATEMENTS

The audited financial statements of the Borrower related to the Schools for the period ending June 30, 2016 are included in this Limited Offering Memorandum as APPENDIX B. These financial statements have been audited by HLB Gravier, LLP, Coral Gables, Florida, independent certified public accountants, to the extent and for the period indicated in its report thereon and are included herein with the knowledge, but without the express consent, of the auditor. Copies of audits and any available interim financial statements are available upon request from the Underwriter prior to issuance of the Series 2017 Bonds and from the Borrower after issuance of the Series 2017 Bonds. The audited financial statements of the Borrower related to the Schools included in APPENDIX B hereto are for the Fiscal Year ended June 30, 2016, and are the most recent audited financial statements available for the Borrower related to the Schools. Such financial statements speak only as of that date and do not report any changes that might have occurred since June 30, 2016. The Borrower is not aware of

any facts that would make such financial statements misleading or of any material change in the financial condition of the Borrower as of the date of this Limited Offering Memorandum.

RATING

S&P Global Ratings, a division of S&P Global Inc. ("S&P") assigned a rating of "_____" with a "_____" outlook to the Series 2017 Bonds. The rating, including any related outlook with respect to potential changes in such rating, reflects only the views of the rating agency providing such rating and is not a recommendation to buy, sell or hold the Series 2017 Bonds. An explanation of the procedure and methodology used by a rating agency and the significance of such ratings may be obtained from the rating agency furnishing the same. Such rating may be changed at any time, and no assurance can be given that the rating will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Series 2017 Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated under Securities Exchange Act of 1934, as amended (the "Rule"), the Borrower will covenant in the Disclosure Dissemination Agent Agreement, for the benefit of the Series 2017 Bondholders, to provide certain financial information and operating data relating to the Borrower and the Series 2017 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such covenants shall only apply so long as the Series 2017 Bonds remain outstanding under the Indenture. The Annual Report will be filed by Digital Assurance Certification, L.L.C., as dissemination agent (the "Dissemination Agent"), for the Borrower, with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"), as described in the form of the Disclosure Dissemination Agent Agreement attached hereto as "APPENDIX E — FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT." The notices of material events will be filed by the Dissemination Agent with EMMA. The specific nature of the information to be contained in the respective Annual Report and the notices of material events are described in "APPENDIX E — FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT," which shall be executed by the Borrower and the Dissemination Agent at the time of issuance of the Series 2017 Bonds. Failure of the Borrower to comply with the provisions of the Disclosure Dissemination Agent Agreement will not constitute an Event of Default under the Indenture and the exclusive remedy of any Series 2017 Bondholder for the enforcement of the provisions of the Disclosure Dissemination Agent Agreement is an action for mandamus or specific performance, as applicable, by court order to cause the Borrower to comply with the provisions thereof. In addition, pursuant to the Loan Agreement, the Borrower will covenant to provide certain financial information and operating data relating to the Borrower not later than 45 days following the end of each calendar quarter.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Rule 3E-400.003, Rules for Government Securities, promulgated by the Florida Department of Banking and Finance Division of Securities, under Section 517.05(1), Florida

Statutes (“Rule 3E-400.003”), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to an obligation issued by the Issuer after December 31, 1975. Rule 3E-400.003 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Issuer, in the case of the Series 2017 Bonds, is merely a conduit for payment, in that the Series 2017 Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by and payable solely from payments of the Borrower under the Loan Agreement and Indenture (excluding any payments with respect to the Issuer’s Unassigned Rights) and by other security discussed herein. The Series 2017 Bonds are not being offered on the basis of the financial strength of the Issuer. The Issuer believes, therefore, that disclosure of any default related to a financing not involving the Borrower or any person or entity related to the Borrower would not be material to a reasonable investor. The Issuer has not taken affirmative steps to contact the various trustees of other conduit bond issues of the Issuer to determine the extent of prior defaults.

FINANCIAL ADVISOR

Charter School Services Corp., a Building Hope Affiliate, Fort Lauderdale, Florida (“Charter School Services Corp.”) is serving as financial advisor to the Borrower in connection with the offering of the Series 2017 Bonds. Although Charter School Services Corp. has assisted the Borrower with the preparation of the information presented in “APPENDIX A - THE BORROWER AND THE SCHOOLS,” Charter School Services Corp. is not obligated and has not undertaken to make an independent verification or to assume responsibility for the accuracy or completeness of any information contained in this Limited Offering Memorandum. The fees for services rendered paid to Charter School Services Corp. are contingent upon the issuance and delivery of the Series 2017 Bonds.

CONTINGENT FEES

The Borrower has retained the Financial Advisor, the Underwriter (who in turn retained Underwriter’s Counsel), and the Trustee with respect to the authorization, sale, execution and delivery of the Series 2017 Bonds. Payment of each fee of such professionals is contingent upon the issuance of the Series 2017 Bonds.

MISCELLANEOUS

Additional Information

The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Limited Offering Memorandum do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing and handling charge from the Underwriter, 3801 PGA Boulevard, Suite 801 Palm Beach Gardens, FL 33410.

Certification

The preparation of this Limited Offering Memorandum and its distribution have been authorized by the Borrower and the Issuer. This Limited Offering Memorandum is not to be construed as an agreement or contract between the Borrower or the Issuer and any purchaser, owner or holder of any Series 2017 Bond. At the time of delivery of the Series 2017 Bonds, the Borrower will furnish a certificate to the effect that nothing has come to its attention which would lead it to believe that the Limited Offering Memorandum (other than information herein related to DTC and its book-entry only system of registration and under the sections "THE ISSUER," "LEGAL MATTERS" (as it relates to the Issuer only), "TAX MATTERS," "UNDERWRITING," and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" as to which no view shall be expressed), as of its date and as of the date of delivery of the Series 2017 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Limited Offering Memorandum is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

Odyssey Charter School, Inc.

By: _____
Title:

APPENDIX A
THE BORROWER AND THE SCHOOLS

APPENDIX B

**ODYSSEY CHARTER SCHOOL, INC. INDEPENDENT AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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APPENDIX C
FORMS OF THE INDENTURE AND THE LOAN AGREEMENT

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APPENDIX D
FORM OF BOND COUNSEL OPINION

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APPENDIX E
FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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APPENDIX F
FORM OF MORTGAGE

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APPENDIX G

**STATE CHARTER SCHOOL FUNDING AND GENERAL INFORMATION
REGARDING FLORIDA CHARTER SCHOOLS**

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APPENDIX H

FORM OF INVESTOR LETTER

[Closing Date]

Capital Trust Agency
Gulf Breeze, Florida

U.S. Bank National Association, as
Trustee
Orlando, Florida

Re: Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017A and Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B

Ladies and Gentlemen:

The undersigned, authorized representative of _____, a _____, an initial purchaser (the "Purchaser") of the above referenced bonds (the "Bonds"), does hereby represent and agree, as follows:

1. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

2. The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act").

3. It is either an "Accredited Investor" within the meaning of Regulation D under the Securities Act or a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act, which has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds, and which can bear the economic risk of its investment in the Bonds. The Bonds are a financially suitable investment for the Purchaser consistent with its investment policies, needs and objectives. The Purchaser understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, as there may be no market for the Bonds.

4. The Bonds are being acquired by the Purchaser for its own account for investment purposes and not with a view to or for resale thereof in any manner that would result in the Purchaser being an agent of the Issuer or an underwriter within the meaning of the 1933 Act, and the Purchaser intends to hold the Bonds for its own account for a period of time, possibly to maturity, and does not intend at this time to dispose of all or any part of the Bonds.

5. The Purchaser understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky"

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laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) are rated "BB" (stable outlook) by S&P Ratings Group.

6. The Purchaser acknowledges that it has made its own inquiry and analysis with respect to the Bonds and security therefor, that it has received the documents executed or adopted by the Issuer in connection with the Bonds and other documents it has requested, and that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would consider important in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower and the Bonds and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Bonds. The Purchaser acknowledges that it has not relied upon the Issuer for any information in connection with the Purchaser's decision to purchase the Bonds.

7. Although the Purchaser does not intend at this time to dispose of all or any part of the Bonds, the Purchaser acknowledges that it has the right to sell and transfer the Bonds, in accordance with terms and conditions of the hereinafter defined Indenture (including only to an institutional "Accredited Investor" within the meaning of Regulation D under the Securities Act or a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act, in the minimum denominations set forth in the Indenture). The Purchaser acknowledges that it is solely responsible for compliance, and covenants and agrees with the Issuer that it will comply with the Indenture and all applicable federal or state securities laws then in effect with respect to any subsequent sale, transfer or other disposition of the Bonds, including disclosure of material information (without involving the Issuer in any manner).

8. The Purchaser acknowledges that the Bonds are limited obligations of the Issuer, payable solely from the trust estate described in the Indenture, which consists of payments made by the Borrower pursuant to the Loan Agreement. The Issuer shall not be directly, indirectly, contingently or morally obligated to pay the principal of the Bonds or the interest thereon, or any other expenses related to the Bonds, except from funds provided under the Indenture, including payments under the Loan Agreement, and neither the faith and credit or the taxing power of the State of Florida nor any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture of Trust, dated as of _____ 1, 2017, between the Issuer and the Trustee.

[NAME OF INVESTOR]

By: _____
Its: _____

APPENDIX I
APPRAISAL REPORT

APPROVED

MAR 10 2017

OCS, Inc.
Board of Directors

APPENDIX A

THE BORROWER

Odyssey Charter School, Inc.

General

Odyssey Charter School, Inc. (the "Company") is a Florida not-for-profit corporation organized under the laws of the State of Florida (the "State"). It was incorporated in May, 1999 for the purpose of establishing a public charter school pursuant to applicable Florida law. The Company is an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code) and which is not a "private foundation" as defined in Section 509(a) of the Code. The Company's bylaws provide that it is governed by and under the authority of a board of directors (the "Board").

The Company currently operates three (3) schools (the "Schools") pursuant to two (2) charter school contracts with and under the sponsorship of the Brevard County ("County") School Board (the "School Board" or "District") and a third (3) contract with Orange County Public Schools. The mission of the Schools is "to work in partnership with the family and community, with the aim of helping each child reach full potential in all areas of life. We seek to educate the whole child with the understanding that each person must achieve a balance of intellectual, emotional, physical, spiritual and social skills as a foundation for life."

The Schools consist of:

- **Odyssey Charter School ("Odyssey Charter")** - Odyssey Charter was the first school opened by the Company, in the fall of 1999 with 112 students. Odyssey Charter has consistently performed well, scoring an "A" or "B" every year since implementation on the State's school grading system in 2012. In addition to high academic performance, Odyssey Charter has continued to grow every year as well, with an official count of 1,170 students for the 2016-17 school year. Odyssey Charter currently serves students in kindergarten through 11th grade, and intends to offer 12th grade for the 2017-18 school year. Odyssey Charter was designated a high performing charter school by Florida's Commissioner of Education in 2011 and was the only State rated "A" school out of 22 public traditional and charter elementary, middle and high schools in Palm Bay, Florida ("Palm Bay") during the 2015-2016 school year.
- **Odyssey Preparatory Charter Academy ("Odyssey Preparatory")** - The Company opened a second school in the fall of 2013 to further serve the Palm Bay community. Odyssey Preparatory opened with 179 students and has grown to 319 students for the 2016-17 school year. Odyssey Preparatory currently serves students in kindergarten through sixth grade.

The Company also operates the Oasis Preparatory Academy (“Oasis Preparatory”), a K-6 grade charter school located in Orlando, Florida. Oasis Preparatory opened for the 2014 school year and its charter contract currently expires on June 30, 2018. The revenues and facilities of Oasis Preparatory are not pledged as security for the Series 2017 Bonds. Information relating to Oasis Preparatory is available upon request as described under “MISCELLANEOUS – Additional Information” in the Limited Offering Memorandum.

When Odyssey Charter first opened in 1999, it started by renting space in a church to operate a school for students in kindergarten through sixth grade. Odyssey Charter was committed to offering a best-in-class education to the students, and when the State started grading schools in 2012, Odyssey Charter was one of only 15.5% of the schools in the State to receive the highest grade offered by the State. As a result of its exemplary academic performance and strong fiscal management, Odyssey Charter was the first charter school in Brevard County, Florida (the “County”) to be awarded a ten-year contract. In 2004, Odyssey Charter received a \$1 million land grant to relocate the school to Bayside Lakes, a neighborhood in Palm Bay. In 2005, the Company opened the first “green” public school building in Florida, with 510 students. In 2007, Odyssey Charter was the first and only charter school in the State to receive educational impact fee dollars from the County. Educational impact fee dollars in the amount of \$1.5 million were provided to the School to mitigate the educational impact created by the development of new residences within the Planned Unit Development of Bayside Lakes. The Brevard County Commission determined, along with the developer of Bayside Lakes, that the School qualified for these fees as the building was built according to State Requirements for Educational Facilities (SREF), and was able to contribute to reducing the educational impact created through the new development. Consistent with its focus on health and environmental education, Odyssey Charter received an Energy Star Building Award recognition in 2008 and was named a Governor’s Serve to Preserve Green School in 2009. As Odyssey Charter continued to grow, in 2010 a 10,000 square foot addition was added to the facility to add computer labs, classrooms and an indoor gym.

As a commitment to academic excellence, in 2011, Odyssey Charter became fully accredited by the Southern Association of Colleges and Schools (“SACS”), and went on to be named a high performing charter school by the Florida Commissioner of Education the first time that such a distinction became available in the State. Shortly thereafter, Odyssey Charter began expanding by offering high school classes starting in the 2013-14 school year, which was also the school opening year for Odyssey Preparatory. In 2015, Odyssey received numerous recognitions including the designation as a Green Ribbon School from the U.S. Department of Education for its commitment to health and wellness and the Golden Carrot award from the Physician’s Committee of Responsible Medicine, Washington, D.C. Odyssey Charter received the only “A” grade among 22 public traditional and public charter schools in Palm Bay for the 2015-2016 school year. In 2016, both Odyssey Charter School and Odyssey Preparatory Academy received the Gold Award of Distinction for its elementary schools and the Silver award for its junior/senior high school from the U.S. Department of Agriculture for the U.S. Healthier School Challenge Smarter Lunchroom recognition program. Odyssey Charter students have been recognized in the south County for winning numerous science and art fair awards.

Charter Contracts

As noted above, the Company currently operates two charter schools in the County. Odyssey Charter has a 15-year charter granted by the School Board, which expires on June 30, 2027, and Odyssey Preparatory has a 5-year contract which expires on June 30, 2018 (collectively, the “Charter Contracts”). A charter contract governs the major issues involving the recipient’s authority to operate a public charter school, the recipient’s mission, the students to be served, the grades to be included, the focus on the curriculum, student performance, admissions procedures, financial and administrative management, and governance and operations, among other matters. Under the Florida Statutes, a charter school operated by a private, not-for-profit, 501(c)(3) organization that meets certain academic and financial conditions is eligible for up to a 15-year charter. Florida law provides that a charter contract may be modified during its initial term or any renewal term upon the recommendation of the sponsor or the charter school governing board and the approval of both parties to the agreement. Copies of the Charter Contracts are available upon request as described under “MISCELLANEOUS – Additional Information” in the Limited Offering Memorandum.

Pursuant to Florida law, charters may be renewed, upon application, for a term of up to 15 years for charter schools that have been operating for at least three years and demonstrate exemplary academic programming and fiscal management. Florida law allows a charter to be renewed provided that a program review demonstrates that the criteria set forth in the charter as described in Section 1002.33(7)(a), Florida Statutes (which includes the school’s mission, the students to be served, the focus of the curriculum, academic achievement and measurement, admissions and dismissal procedures, the ways by which a school will achieve racial/ethnic balance, the financial and administrative management of the school, and other matters), have been met and that none of the grounds for non-renewal have been documented.

The Charter Contracts may be terminated by the School Board, or the School Board may choose not to renew the Charter Contracts, upon any of the following grounds [these are the **state statute provisions**; the charter contracts have other provisions]:

- If the Company fails to participate in the State’s education accountability system created in Section 1008.31, Florida Statutes, or fails to meet the requirements for student performance stated in the Charter Contracts.
- If the Company fails to meet generally accepted standards of fiscal management.
- Violation of law.
- Other good cause shown.

Florida law provides that the Charter Contracts may also be terminated immediately if the health, safety, or welfare of the students is threatened.

Florida Statutes provide that at least 90 days prior to renewing or terminating the Charter Contracts (except in the case of immediate termination where certain different requirements apply), the School Board must notify the Board of the proposed action in writing. The notice

must state in reasonable detail the grounds for the proposed action and stipulate that the Board may, within 14 calendar days after receiving the notice, request an informal hearing before the School Board or an administrative law judge. If the hearing is conducted by the School Board, the School Board must conduct the informal hearing within 60 calendar days after receiving a written request. If the hearing is conducted by an administrative law judge, the hearing must be conducted within 60 days after receipt of the request for a hearing. The judge's recommended order is then submitted to the School Board for adoption or modification. If the Charter Contracts are not renewed or are terminated, the School Board must, within ten calendar days, articulate in writing the specific reasons for its nonrenewal or termination of the Charter Contracts and must provide the letter of nonrenewal or termination and documentation supporting the reasons to the Board, the Schools' principal, and the Florida Department of Education. The School Board may, within 30 calendar days after receiving the Board's final written decision to refuse to renew or to terminate the Charter Contracts, appeal the decision pursuant to the procedure established in Section 1002.33(6), Florida Statutes, to the State Board of Education.

During its 2011 regular session, the Florida Legislature passed certain legislation relating to charter schools. The Governor of Florida subsequently signed the legislation into law. The legislation provides criteria for high performing charter schools and high performing charter school systems and amends the process for approval, denial and appeal of charter school applications. The legislation, among other things, allows a high performing charter school to increase its student enrollment once per school year by 15%, add grade levels if any annual enrollment increase is within the 15% limit, consolidate under a single charter the charters of multiple high performing charter schools operated in the same school district by the charter schools' governing body regardless of renewal cycle and to submit an application in any school district in the State to establish and operate a new charter school that will substantially replicate its educational program. A high performing charter school is defined in the legislation to mean a charter school which meets all of the following criteria: (1) received at least two school grades of "A" and no school grade below a "B" during each of the previous three school years, (2) received an unqualified opinion on each annual financial audit in the most recent three years for which such audits are available, and (3) did not receive a financial audit that revealed one or more financial emergency conditions set forth in Section 218.503(1), Florida Statutes, in the most recent three years for which such financial audits are available. In 2011, the Company received the high performing charter school designation from the State.

The following is a timeline of the Charter Contracts approvals and renewals:

- Odyssey Charter: 1999-2002, 2002-2012, and 2012-2027
- Odyssey Preparatory: 2013-2018

Mission and Goals

The Company's mission is "To work in partnership with the family and community, with the aim of helping each child reach full potential in all areas of life. We seek to educate the whole child with the understanding that each person must achieve a balance of intellectual, emotional, physical, spiritual and social skills as a foundation for life."

The Company meets high standards of achievement by offering a holistic educational model, which blends methodology that includes the Montessori approach to education in kindergarten through 3rd grade with other compatible models such as Montessori Philosophy, healthy lifestyles and wellness, academic rigor, positive discipline, and research/project-based education for 3rd grade through high school. As a result of the combination of philosophies, academics, and environment, the Schools' achievement data has been exemplary. The Schools' community focuses on establishing healthy relationships, providing rigorous academic instruction, and offering extracurricular activities to ensure each student has a school experience that is challenging, non-biased and inclusive. The innovative use of programming, curricula, and technology is intended to help bond teachers and students toward instructional delivery methods that encourage problem solving and that pave the way for the future.

The essential philosophy guiding the Company's mission is the belief that all children can actualize their potential as productive and contributing members of society and that the Schools provide essential opportunities for students to develop the necessary skills for success. The rapport between teacher and students and the role of the family in supporting the student's development are critical to meeting the Schools' expectations for student success. The K-3 program is guided by the philosophy and technique of Maria Montessori. The classrooms encourage and foster academic learning while providing students the opportunity to make choices and direct the path of their learning. In grades 3-5, students are provided with project-based learning opportunities, which require that they make choices, plan a project from the beginning to end, and build responsibility to deliver the chosen project on time. At the middle and high school levels, cooperative learning strategies are being implemented. Peer teaching, peer review and peer feedback are powerful classroom management strategies for focusing students. The Schools encourage students to work on team building skills and develop global citizenship. Students will work on social causes and become citizens of the world in an environment that promotes conflict resolution and peace.

The curriculum focuses on clear and measurable expectations for student learning and is derived from the Florida Standards Assessment ("FSA"). Students take a variety of research-based assessments, which provide data to identify learning trends and learning gaps. Given the reflective, but difficult-to-measure goals of the instructional program, the high-stakes indicators such as the FSA and End-of-Course Exams are limited measures of student success. Because the Schools strive to nurture and grow the whole child, it must look beyond academic assessments to measure performance.

The Schools' programs are designed to foster individual uniqueness and potential. The Schools treat each student as an individual and know that no two students will learn at the same pace, nor will they learn best from the same teaching methods. The Schools encourage students to learn and not be afraid of mistakes. They are encouraged to do their own research, analyze what they have found, and come to their own conclusions.

Organization and Governance

The Company is governed by the Board, which may consist of between three to nine members. Currently, five individuals comprise the Board, which oversees the overall operations of the Company. The Board establishes the policies of the Company by majority vote and only

members of the Board are entitled to vote on the business and affairs of the Company. The Board is responsible for the legal and fiduciary oversight of the Company. The Board is responsible for hiring the site administrator and the management company who is then responsible for overseeing day-to-day operations of the Company. The Board is dedicated to the mission and goals of the Company and the success of their students.

Current Officers and Members of the Board

The officers of the Company are elected annually by a majority vote of a duly constituted quorum of the Board. All officers must be members of the Board. The Board may remove any officer, with cause, at any time. Any officer may resign at any time by giving written notice to the Board, the resignation taking effect upon receipt of the notice or at a later date specified in the notice. The following are the officers of the Board: President, Vice-President, Secretary and Treasurer. The President of the Company is also the Chairman of the Board. The duties of such officers are outlined in the Policies and Procedures of the Company.

The current members of the Board are as follows:

- **Leslie Maloney, *President*.** Ms. Maloney, a Palm Bay resident, has a Master's Degree in Applied Sociology from the University of Central Florida and holds a Florida Teaching Certificate in Social Studies 6-12 grades. Ms. Maloney has worked as a teacher, program developer, adjunct instructor, and has developed challenging college level curriculum for AP/AICE Psychology, and Introduction to Sociology. She played an active role as an original founder of Odyssey Charter. Ms. Maloney has been a Board member since May 2014.
- **Thomas Cole, *Vice President and Treasurer*.** Mr. Cole brings over 15 years of educational experience to the Board. He has a Masters Degree in Educational Leadership, and a Master of Arts in Exceptional Education from the University of Central Florida. He has a Bachelors Degree in Criminal Justice. Mr. Cole is the Founder and Executive Director of Emma Jewel Charter Academy in Cocoa, FL, providing a research-based health and nutrition curriculum, and is a supporter of the healthy school initiative. Mr. Cole has been a Board member since August 2013.
- **Jessicah Nichols, *Secretary*.** Mrs. Nichols was a former educator at Odyssey Charter and is currently an active mother of four children. She graduated from the University of Central Florida, earning a Bachelor of Arts in Early Childhood Education. She has dedicated many hours to the benefit of Odyssey Charter since 2003 as an educator, parent, and staff member. Mrs. Nichols has been a Board member since July 2008.
- **Sonja White, *Board Member*.** Ms. White has a Bachelor of Arts in Criminal Justice and is pursuing a graduate degree in management and leadership from Webster University. Ms. White is an accomplished law enforcement officer with a combined 28 years of experience in positions ranging from Patrol Officer to Deputy Chief with the Orlando Police Department. Ms. White has been a Board member since May 2014.

- **Amanda Larson.** *Board Member.* Ms. Larson has a Bachelor of Science in Genetics, a Master of Science in Accounting from the University of Wisconsin, and holds a license as a Certified Public Accountant. Ms. Larson has a strong background of finance as she, in her current position, audits charter schools throughout the State. Ms. Larson has been a Board member since May 2015.

Green Apple School Management, LLC

Green Apple School Management is composed of a highly seasoned and experienced management team responsible for supporting the schools' mission through consultation and guidance to Boards, school administrators, and staff in the development of "green" and healthy, holistic educational programs and schools through professional guidance and technical assistance. Green Apple School Management is a charter school support and service organization that provides a wide array of services including financial management (e.g. budgeting, bookkeeping and financial forecasting); human resource coordination and staffing; curriculum development; facilities development; strategic planning; charter application development; grant writing; and regulatory compliance monitoring. The organization has a team of employed professionals and vendors that assist with support and solutions for every aspect of the development of new and existing charter schools and their operation. Green Apple has successfully attained independent financial audits for all schools without findings for the last five years with all schools in a positive financial condition; successfully written several charter applications along with charter contract negotiations; successfully obtained \$835,000 in grants, including the Federal Charter School Program Grants for school start-up, an additional \$89,000 from the National School Lunch Program Assistance Fund to enhance three healthy school kitchens, and \$19,000 from Lowes Bright Ideas Science and Wellness and Farm grants.

Constance Ortiz, *Founder and Senior Executive for Green Apple School Management, and original Founder of Odyssey Charter.* Ms. Ortiz is the founder and developer of Odyssey Charter, one of the State's most innovative charter schools (founded in 1999). A well-seasoned charter school operator with over 19 years of successful charter school management experience, Ms. Ortiz is the Senior Executive and Founder of Green Apple School Management, which pursuant to separate management agreements currently manages the Schools, whose mission is to develop and manage "green" and healthy, holistic schools. An educational reformer, businesswoman, and visionary, Ms. Ortiz is also a certified Montessori Educator through the American Montessori Society. She began with 112 students in a church building and personally raised millions of dollars to build the first "green" school building in the State. Ms. Ortiz successfully developed and replicated the Odyssey Charter model for the Board. She is experienced in all facets of charter school management, including business management, academic leadership, instructional design and curriculum and standards alignment, employee recruitment, teacher/staff training and professional development, fundraising, grant writing, charter application development, and construction of new and renovated facilities.

School Administration and Faculty

Wendi Nolder, *Site Administrator for the Odyssey Charter (Elementary Campus).* Ms. Wendi Nolder began her 28-year career in education as a college professor. She has a M.Ed. in Elementary Science Education and Educational Leadership from the Florida Institute of

Technology, and a Bachelor of Arts in Mathematics from Western Maryland College. Ms. Nolder holds a Florida Professional Educator's Certificate in Educational Leadership, Elementary Education, Mathematics, and Gifted Education, as well as a Pan-American Montessori Society Teaching Certificate. She was the third Odyssey Charter teacher to be hired in 1999 and later became Principal/Site Administrator of the Odyssey Charter (Elementary Campus). Using her experience with the Odyssey model, Ms. Nolder opened Odyssey Preparatory as its first Principal, and has since returned to Odyssey Charter (Elementary Campus) as the Principal/Site Administrator since 2014.

Monica Knight, *Site Administrator for the Odyssey Charter (Jr./Sr. High Campus)*. Dr. Knight brings 22 years of education service to the Company's family of schools, holding a Ph.D. in Social Foundations of Education, and an L-6 Alternative Specialist degree in Educational Leadership and Social Foundations of Education, as well as, a M.Ed. in Multicultural Education and a Bachelor of Science in Middle Grades Education all from the University of Georgia. Dr. Knight holds a Florida Professional Educator's Certificate in Leadership/Administration, Middle Grades Education, and Gifted Education. Prior to her position as Site Administrator of the Odyssey Charter (Jr./Sr. High Campus), she began her education career in 1995 as a middle school teacher and, over her two-decade career, was a Principal Mentor of 20 schools, Director of Student Achievement and Educational Equity for Athens/Clarke County School District, and the Coordinator of Title I/Special Projects for Seminole County Public Schools. Dr. Knight has been key in helping to build the Odyssey Charter (Jr./Sr. High Campus) program to a successful, aspired school.

Rachel Roberts, *Site Administrator for Odyssey Preparatory*. Ms. Roberts joined the Company's family of schools in 2015 as the Site Administrator of Odyssey Preparatory. Ms. Roberts holds a M.Ed. in Educational Leadership and an M.A.T. in Elementary Education from Western Governors University, as well as, a Bachelor of Science in Child Development from Michigan State University, and a Congressional Operations Certificate. Ms. Roberts is certified in Michigan, the District of Columbia and has a Florida Professional Educator's Certificate in Elementary and Educational Leadership. During Ms. Roberts' 20 years as a teacher and school leader, she has held experience as a National Head Start Fellow for the U.S. Department of Health and Human Services, Administration for Children and Families Office of Head Start in Washington D.C., as well as a Research Connections Fellow with Child Care and Early Education Research Connections Early Reading Project for the National Center on Children in Poverty. She has brought her experience and expertise to Odyssey Preparatory, which is currently a Title I school.

Employees

All teachers employed by the Schools are certified and meet highly qualified requirements as required by applicable Florida and federal law. The Board may employ or contract with skilled selected non-certified personnel to provide instructional services or to assist instructional staff as educational paraprofessionals in the same manner as authorized by Florida law and as provided by applicable Florida Department of Education rules.

All of the Schools' teachers, support staff and additional employees are employees of and are compensated by the Company. All employees are employed at will. The Company believes

that the faculty, administration and the Board have a strong and collaborative working relationship. The Company monitors its teachers and makes determinations about their ongoing status with the Schools. The Company considers relations with the teachers to be excellent. None of the Schools' current teachers or other employees are represented by a union. The teacher retention rate in 2015 was 85% and in 2016 was 75%. A strong focus on school mission, rigorous instructional expectations, co-teaching classrooms that require high levels of collaboration, expectations for all staff to positively impact student performance, and intensive work in professional learning communities impacts the personal time of teachers and requires a strong commitment to the Schools. In some cases, teachers/staff are unable to meet the commitment level and move on to other employment.

As shown in the table below, the two Schools had a combined total of 115 staff positions for the 2016-17 school year. The table below also shows the projected staffing numbers of 123 for the 2017-18 school year.

Table 1
Staffing Requirements
Full-Time Equivalency (Full time = 1.0, part time = 0.5)

	2015-16 Actual	2016-17 Actual	2017-18 Projected
Administrators	3	3	3
Classroom Teachers	88	95	103
Special Area Teachers	12	12	12
Educational Assistants	5	5	5
Totals	108	115	123

The following table shows the Schools' staff retention rates for the last 4 years.

Table 2
Staffing Retention

Year	Retention Rate
2014-15	86
2015-16	75

Population Served

The District is the 48th largest school district in the U.S. and the 10th largest school district in Florida. As the largest employer in the County, the District employs approximately 9,000 staff members serving over 73,000 students annually. With 82 schools, 20 special centers, and 10 charter schools, the District educates its students in 17 different municipalities across the Space Coast area within the State.

Competition

The table below shows the charter schools located in the County:

Table 3

School Name	Address	Distance from Schools	School Grade 2015-16	Enrollment 2015-16	Minority	Free-Reduced Lunch	Opened
Odyssey Charter	1755 Eldron Blvd SE Palm Bay, FL 32909	-	A	1160	53%	74%	1999
Odyssey Preparatory	1350 Wyoming Dr. SE Palm Bay, FL 32909	-	C	319	64%	100%	2013
Campus Charter School	3815 Curtis Blvd Port St John, FL 32927	44 miles	B	140	25%	70%	2000
Educational Horizons Charter	1281 S Wickham Rd West Melbourne, FL 32904	10 miles	A	92	28%	24%	1998
Emma Jewel Charter Academy	705 Blake Ave Cocoa, FL 32922	32 miles	D	202	90%	94%	2013
Imagine Schools At West Melbourne	3355 Imagine Way West Melbourne, FL 32904	9 miles	D	218	68%	80%	1998
Palm Bay Academy Charter School	2112 Palm Bay Rd SE Palm Bay, FL 32905	9 miles	C	518	63%	66%	1998
Pineapple Cove Classical Academy	6162 Minton Rd NW Palm Bay, FL 32907	4.5 miles	C	421	0%	0%	2015
Royal Palm Charter School	7145 Babcock St Ne Palm Bay, FL 32909	3.5 miles	C	281	28%	40%	2000
Sculptor Charter School	1301 Armstrong Dr Titusville, FL 32780	46 miles	A	518	18%	23%	1999
Viera Charter School	6206 Breslay Dr Viera, FL 32940	26 miles	A	642	27%	7%	2013

The table below shows other competition from fundamental, charter, magnet or district schools

Table 4

School Name	Grade Level Served	School Grade 2015-16	Public, Private, Charter, Choice/Magnet/Program	Enrollment	Distance from Wyoming
ODYSSEY CHARTER	K-12th	A	Charter	1160	N/A
BAYSIDE HIGH SCHOOL <i>BETA PROGRAM</i>	9th-12 th	B	Program	1643	3.5 miles
SOUTHWEST MIDDLE SCHOOL <i>GAP PROGRAM</i>	7th-8 th	C	Program	905	4.5 miles
WESTSIDE ELEMENTARY SCHOOL	K-6 th	B	Public	769	4 miles
SUNRISE ELEMENTARY SCHOOL	K-6 th	B	Public	847	4.1 miles
LOCKMAR ELEMENTARY SCHOOL	K-6 th	B	Public	786	8.5 miles
ODYSSEY PREPARATORY	K-6 th	C	Charter	319	N/A
PINEAPPLE COVE C. ACADEMY	K-6 th	C	Charter	500	6.5 miles
WEST SHORE JR/SR HIGH	7th-12 th	A	Choice	956	11 miles
WEST MELBOURNE SCHOOL	K-6 th	A	Choice	547	11.2 miles
ROYAL PALM CHARTER SCHOOL	K-8 th	C	Charter	354	1.6 miles

Enrollment

Florida law requires charter schools to enroll eligible students who submit timely applications, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In such case, all applicants must have an equal chance of being admitted through a random selection process. Florida law permits a charter school to give enrollment preference to: (i) students who are siblings of a student enrolled in the charter school; (ii) students who are children of a member of the governing board of the charter school; (iii) students who are children of an employee of a charter school; (iv) students who are the children of an employee of the business partner of a charter school-in-the-workplace or a resident of the municipality in which such charter school is located, or a resident of a municipality that operates a charter school-in-a-municipality; (v) students who have successfully completed a voluntary prekindergarten education program provided by the charter school or the charter school's governing board during the previous year; or (vi) students who are the children of an active-duty member of any branch of the United States Armed Forces.

As of the 2017-18 school year, Florida schools are required to enroll students who apply from out-of-county if the school has not reached capacity. In the past, inter-district agreements were required between the two school districts, however, the need for such an agreement was eliminated by the 2016 legislative session.

No qualified County resident student is denied enrollment in the Schools by reason of lack of space or ability to provide service due to the enrollment of non-Brevard County resident students, with the exception of the preferences set forth (i), (ii) or (iii) above.

The Schools endeavor to maintain an ethnically diverse enrollment of students and may not deny enrollment to any qualified applicant on account of race, religion, national origin or

gender. Recruitment of a diverse student population is valued by the Schools' leadership and staff who work diligently to meet the needs of all student populations, including, but not limited to students in poverty, homeless students, English Language Learners, migrant students, and students with disabilities.

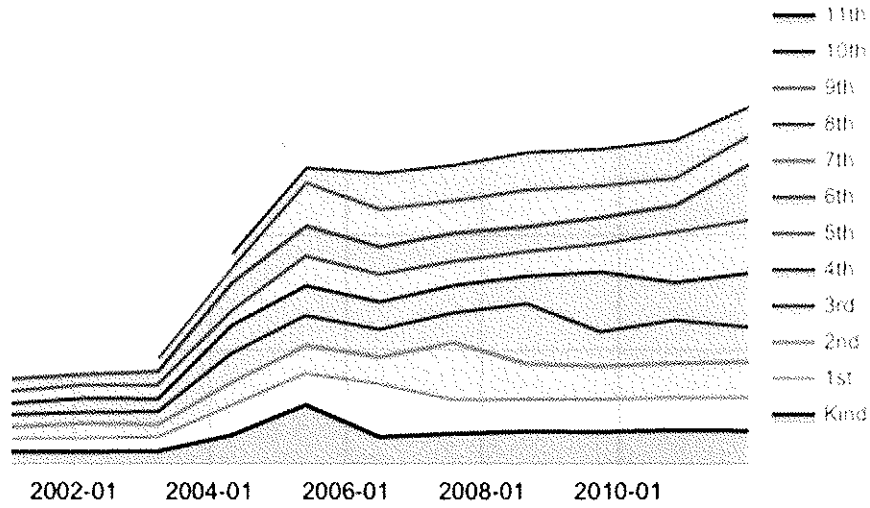
The table below shows the actual enrollment for the Schools from the inception of the Company through the 2016-17 school year. The projections for future years are based on current and past enrollment.

Table 5

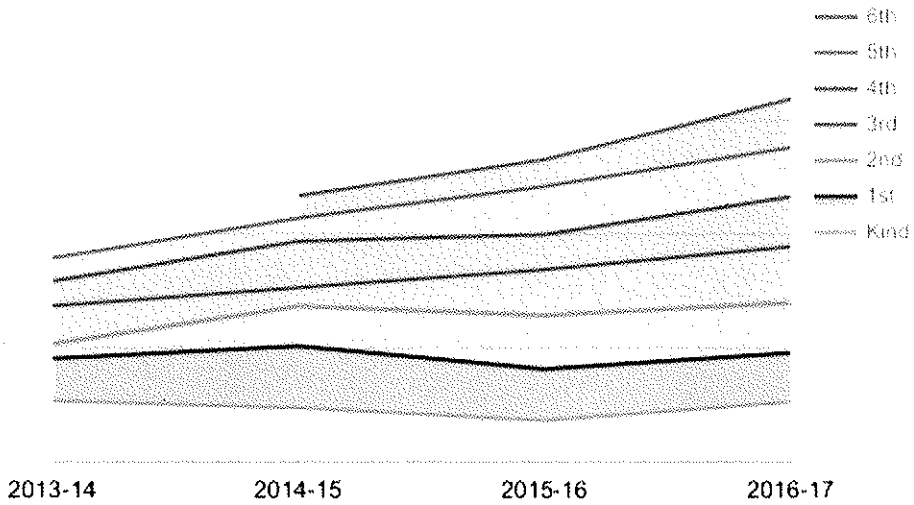
School Year	Elementary K-5 Enrolled	Middle School 6-8 Enrolled	High School 9-12 Enrolled	Totals
<i>Historical</i>				
2001-02	128	22	0	150
2002-03	139	19	0	158
2003-04	139	46	0	185
2004-05	268	99	0	367
2005-06	364	153	0	517
2006-07	332	176	0	508
2007-08	355	167	0	522
2008-09	372	172	0	544
2009-10	385	165	0	550
2010-11	406	159	0	565
2011-12	426	197	0	623
2012-13	449	313	0	762
2013-14	697	377	16	1,090
2014-15	765	366	43	1,174
2016-17	849	439	95	1,383
<i>Projected</i>				
2017-18	1002	490	611	2,103
2018-19	1056	490	661	2,207
2019-20	1090	512	711	2,313
2020-21	1124	512	736	2,372
2021-22	1124	512	736	2,372

The following charts provide a graphic representation of the enrollment growth at the Schools.

Odyssey Charter School



Odyssey Preparatory Charter Academy



Waiting List and Retention

When a charter school receives applications that exceed the capacity of a program, grade, class or building, applicants who apply prior to the annual lottery deadline are selected through a random selection process. Those who are not selected and those who apply after the lottery deadline are put on a waiting list. When seats become available, vacancies are filled with applicants from the waiting list, in the order they were added to the waiting list, contingent on review of the student’s specific special needs resource requirements (where applicable and required). The Schools fill vacancies as they occur, including prior to and after the start of the school year. The Schools make inquiries of students on its waiting list annually.

Enrollment numbers fluctuate throughout the year for most schools, including the Schools. In Florida, actual enrollment numbers are reported to the State of Florida in October and then again in February of each year. Actual revenue amounts are based on an average of these two counts, and this average is the reported attendance for each year. A waiting list is maintained throughout the year. The chart below shows the actual reported enrollment along with the number of students who returned from the previous year and the waiting list numbers at the start of each year based upon the Schools’ enrollment over the last five years.

**Table 6
Enrollment, Returning Students and Waiting List Data**

	Reported Enrollment			Students Returning			Waiting List A Year Start		
	K-5	6-8	9-12	K-5	6-8	9-12	K-5	6-8	9-12
2012-13	449	313	0	390	290	N/A	429	146	6
2013-14	697	377	16	681	348	14	487	172	12
2014-15	765	366	43	605	318	68	539	190	43
2015-16	794	403	95	687	299	43*	359	104	15
2016-17	856	460	173	695	340	44*	233	27	9

* The Jr/Sr High shows a lower returning student rate in comparison to the reported enrollment due to the addition of 10th grade in 2015-16 and 11th grade in 2016-17.

Guiding Principles and Curriculum

The School’s Guiding Principles are as follows:

- Provide a holistic approach to education that focuses upon healthy development of the whole child.
- Cultivate in each child a passion and enthusiasm for learning.

- Provide a unique learning environment, where the atmosphere is one of curiosity, exploration, discovery, and understanding.
- Provide an enriched curriculum and opportunities for students to progress at their own pace to internalize information.
- Provide hands-on materials for exploration.
- Offer an integration of compatible educational philosophies, methods, and instructional materials that have proven records of success in the classroom.
- Create lifelong learners.
- Encourage children to teach, collaborate, and help each other.
- Nurture the spirit and affirm the uniqueness of each child through respect and the attention to individual learning styles, interests, and needs.
- Share knowledge in a multi-sensory, multi-modal approach using a variety of intelligences.
- Encourage initiative and independence in learning and the development of self-discipline and responsible social behavior.
- Develop within children a global vision and respect for cultural diversity.
- Reinforce the importance of family as the center of each child's education through parental involvement in the learning process.
- Invest in our teachers through offering training in the latest educational techniques and methods.
- Create a supportive school culture for children, parents, and staff.

The mission of the Schools reflect the needs of whole children, while the educational program allows for individual expression and development, respect for life, and self-mastery of the **Florida Standards**. The Schools' educational program/model aligns with the mission and components of the model (Montessori, Nutrition Education, Professional Learning Communities, and Positive Discipline in the classroom), which assists with whole child development. The Schools' educational program allows for flexibility both in the teacher and the student, is research-based, and has imbedded a structure for accountability, both formative and summative. The Odyssey model encourages creativity and advancement in all facets of education. Thus, innovative learning methods such as the Montessori method of individualized and small group instruction as well as differentiated instructional methods based upon individual learning styles are encouraged through the integration of subjects and programs.

The Schools' primary strategy is to create the optimal environment and "leave no stone unturned" by considering all aspects of the learning environment to assist children in developing their unique and full potential by providing them a healthy, high performing "green" school campus, a wise nutrition and healthy lifestyles program, and high-quality, standards-based instruction that supports their individualized growth. Within the healthy school framework, the Schools' core holistic philosophy will be expressed through the Montessori Philosophy and Method and will include a blend of compatible approaches including constructivist and cognitive learning strategies to maximize students' potential for academic success.

These holistic educational programs align with the Schools' mission and form the foundation for innovation of the Schools, which includes the "Green Print" from the Green Schools National Network, the Montessori Method, Positive Discipline in the Classroom, Nutrition Education, and Professional Learning Communities. The Schools formed a "Green Team" to implement the Core Practices listed in the "Green Print", some of which include "Curriculum that Advances Environmental Literacy and Sustainability," "Stewardship and Service Learning," and "Health and Well Being." Through long-term commitment, the Schools utilize the "green" and healthy practices ensuring a strong educational foundation in health and environmental awareness for our students.

In addition to the Montessori curriculum in the lower grades, the Schools' curriculum is research based using programs such as Core Knowledge Language Arts, and research-based or state-approved math, social studies and science programs will be incorporated and used to teach the Florida standards in all subject areas. Odyssey Charter offers developmentally appropriate courses and programs to meet the unique needs of students in the middle grades and beyond such as Science, Technology, Engineering, Agriculture, and Math ("STEAM"), Global Citizenship and encouragement of disciplined thought on individual and global issues, skills in research, report writing, public speaking and debate, honors and advanced, accelerated programs.

School Grade and Accountability

The Schools are required to participate in Florida's State Accounting System testing. The FSA is part of Florida's overall plan to increase student achievement by implementing higher standards. The FSA, administered to students in grades 3-11, consists of criterion-referenced tests ("CRT") in mathematics, reading, science, and writing, which measure student progress toward meeting the Sunshine State Standards benchmarks.

Florida schools are assigned a grade based primarily upon student achievement data from the FSA. School grades communicate to the public how well a school is performing relative to State standards. School grades are calculated based on annual learning gains of each student, toward achievement of the Florida Standards, the progress of the lowest quartile of students, and the meeting of proficiency standards.

The following table sets forth data regarding the Schools' grades by school year:

Table 7
School Grades and Other Statistics

	Odyssey Charter				Odyssey Preparatory		
	2012-13	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
State Grade	A	B	A	A	F	C	C
% Meeting High Standards in Reading	66%	66%	60%	61%	51%	49%	48%
% Meeting High Standards in Math	61%	64%	62%	71%	42%	57%	54%
% Meeting High Standards in Writing	62%	43%	n/a	n/a	n/a	n/a	n/a
% Meeting High Standards in Science	56%	47%	66%	63%	32%	40%	41%
% Making Learning Gains in Reading	71%	68%	n/a	57%	47%	n/a	55%
% Making Learning Gains in Math	67%	66%	n/a	70%	33%	n/a	51%
% of Lowest 25% Making Learning Gains in Reading	71%	75%	n/a	49%	48%	n/a	67%
% of Lowest 25% Making Learning Gains in Math	73%	63%	n/a	66%	61%	n/a	30%
Points Earned	603	551	347	560	336	149	353
Percent Tested	100%	99%	99%	99%	100%	99%	100%
Free and Reduced Lunch	62%	66%	79%	74%	73%	94%	100%
Minority	52%	54%	54%	53%	n/a	57%	58%

The following table shows FCAT/FSA proficiency results for the Schools' students compared to the State averages and results of the Brevard County School District for the 2015-16 school year:

School Name	ELA	Math	Science	SS	Total Points Earned	Total Components	% of Total Possible Points	% Tested	Grade 2016	Informational Baseline Grade 2015
STATE OF FLORIDA	53	54	51	67						
BREVARD	60	60	62	72	669	11	61	98	B	A
ODYSSEY PREP ACADEMY	50	55	45		353	7	50	100	C	C
ODYSSEY CHARTER SCHOOL	63	72	63	83	560	9	62	99	A	A

Student Assessment

Odyssey Schools use a comprehensive student assessment system that allows for the progress monitoring of students every 6-9 weeks. Below is an overview of the assessment tools used at each site. In addition to these tools, Odyssey schools complete all of the required Florida Department of Education assessments for grades K-12. These include the Kindergarten readiness assessment, Florida Standards Assessments (FSA) for Mathematics in grades 3-8, Florida Standards Assessment (FSA) for English in grades 3-10, Florida Comprehensive Assessment (FCAT) for Science in grades 5 and 8, and the Florida End-of-Course Test (EOC) for Biology, Algebra I and II, Geometry, Civics, and US History.

Table 8
Comprehensive Student Assessment System
FY17 Assessment Agreements

Green Apple School Management
COMPREHENSIVE STUDENT ASSESSMENT SYSTEM

Assessment	Subject Area	Purpose/Description	Administration	Grade Levels	Coordinator/ Examiner	Window	Reliability Validity	How Results are Used
Study Island Cold Assessments	Math, Reading/ELA, Science, Civics, Biology, US History, World History	Common Formative Assessments delivered after short bursts of instruction to determine student mastery of a specific set of standards	Whole Group, Online	K-12	Classroom Teacher	Every 8-9 Weeks	Yes	Inform instruction; Plan for enrichment and intervention
Fountas and Pinnell BAS	Reading/ELA	To assess students independent and instructional reading levels based on a national normed scale	Individual	K-6	Classroom Teacher, Testing Team, Interventionists	BOY (1-6 grades), MOY, EOY	Yes	Identify grouping and text selection; lowest 25% intervention
Florida Ready Math/ELA and/or EOC Practice Materials	Math, Reading/ELA, Science, Civics, Biology, US History, World History	Pre and Post assessments delivered at the beginning of the school year and end of school year to measure academic growth	Whole Group, Paper Based	K-12	Classroom Teacher	BOY to EOY	Yes	Plan for the yearlong standards map; pacing; scope and sequence modification
Florida Kindergarten Readiness Screener (FLKRS) and Kindergarten Literacy Survey (KLS)	Basic skills assessments	Readiness assessment of skills learned in prekindergarten	Individual	K	Classroom Teacher, Testing Team	BOY to EOY	State Assessment	Use KLS for baseline data of K student skills; MTSS
FSA and EOC	Math, Reading/ELA, Science, Civics, Biology, History	Measure students' achievement of FL standards	Individual	3-12	Classroom Teachers	EOY	State Assessment	Place students in next grade/course

English Language Arts

- K-3rd grade: Fountas and Pinnell BAS (First four weeks)
- 4th-6th grade: Fountas and Pinnell BAS (First four weeks)
- 2nd-12th: Florida Ready ELA Assessment

Mathematics

- Kindergarten: Study Island Pre- and Post-Assessment
- 1st grade: Students take unit assessments at the end of each unit
- 2nd-12th are all using the Florida Ready Math Assessment 1 and/or EOC Practice Assessment

Science

- Grades 3 – 12: Study Island, 4 BOK Post-tests, Computer Based Tests

Progress Monitoring Plan

The Schools progress monitor students every 6-9 weeks through cold assessments in English (K-12), Reading (K-6), Mathematics (K-12), Science (4-11), and History (7-11). Cold

assessments are developed by the site-based instructional coach/leadership team and are designed to inform teacher planning. Questions are selected that mimic both assessments. The data is used to inform instructional strategy development, intervention, reteaching, and Multi-Tier System of Supports (MTSS). Data is reviewed at the student-level, class-level, teacher-level, grade-level, grade-cluster, and school-level. It is also reviewed by content area.

Parent Satisfaction

Odyssey parents and guardians are asked to complete a parent survey annually. The results of the data are used to develop school improvement plans and parent involvement plans at each site. Some of the highlights from last year's survey include 67% of our families noting that they always feel welcome at the school, 67% of the families feel that the mission of the school is important to them, 57% of the families noted that they selected Odyssey because of the health and nutrition instruction, and 63% of the parents stated that they are interested in volunteer opportunities in the school. In addition to the parent survey, all students in grades K-12 and all teachers/staff are given an annual survey to help in the development of strategic plans.

Description Of Current Facilities and Planned Improvements

Current Facilities. The Schools are operated on two sites, Wyoming and Eldron, as more particularly described below. Odyssey Charter (Jr./Sr. High) and Odyssey Preparatory are operated on the Wyoming site and Odyssey Charter (Elementary) is operated on the Eldron site.

Wyoming:

- (a) Street Address: 1350 Wyoming Dr. SE, Palm Bay, FL 32909
- (b) Number of Buildings: One (1)
- (c) General Description: A two-story freestanding building, which encompasses 90,000 square feet of habitable floor space. There is a total of two occupied floors that include 64 classroom sized spaces, offices, cafeteria and common areas.
- (d) Relative Location of Buildings to Each Other: N/A
- (e) Total Acreage of Land: 24.37 Acres
- (f) Type of Construction: Reinforced Concrete Frame; Stucco Exterior; Bar Joist Rigid
- (g) Building Student Capacity: 1217 (based on classroom configuration)
- (h) Year Built: 2006; 11-years old

Eldron:

- (a) Street Address: 1755 Eldron Blvd. SE, Palm Bay, FL 32903

- (b) Number of Buildings: One (1)
- (c) General Description: A one-story freestanding building, which encompasses 59,000 square feet of habitable floor space. The interior of the building is comprised of 27 classroom-sized spaces, along with offices, cafeteria and common areas.
- (d) Relative Location of Buildings to Each Other: N/A
- (e) Total Acreage of Land: 9.43 Acres
- (f) Type of Construction: Masonry Concrete, Metal frame; Stucco Exterior; Bar Joist Rigid, Steel Truss Rigid
- (g) Building Student Capacity: 768 (based on classroom configuration)
- (h) Year Built: 2004, 13-years old; Addition constructed in 2010, seven (7) years old

Planned Improvements. A portion of the proceeds of the Series 2017 Bonds will be used to (i) finance the acquisition of the Wyoming facility, (ii) refinance the acquisition, construction and installation of the Eldron facility, and (iii) finance certain improvements, fixtures, furnishings and equipment for the facilities located on the Wyoming and Eldron site, all as more particularly described below:

Project	Amount
Wyoming Purchase	\$ 8,400,000
Wyoming HVAC Replacement	300,000
Wyoming Perimeter Fence	75,000
Wyoming Phone System	31,000
Wyoming Camera System	1,800
Wyoming Front Office Security	13,000
Jr/Sr Locker Room Remodel	20,000
Jr/Sr Band Room Sound Proofing	8,000
Jr/Sr Basketball Court Resurfacing	42,000
Jr/Sr Basketball Court Cover	130,000
Odyssey Preparatory Playground Fence	8,000
Odyssey Preparatory Playground Shade Sails	5,650
Eldron Mortgage Prepayment	4,800,000
Eldron Lightning Protection	35,000
Eldron Ice Storage Tank	200,000
Eldron Parking Lot	150,000

Project	Amount
TOTAL	<u>\$14,219,450</u>

Environmental Due Diligence

The Company conducted typical real estate due diligence investigations of the Wyoming and Eldron sites, through its selected professional and other providers. In particular, the Company commissioned environmental site assessments from Florida Environmental Consulting, Inc. of the Wyoming and Eldron sites (the "Phase One Assessments"). The Phase One Assessments did not reveal the existence of any recognized environmental concerns, and did not recommend any further investigations.

See "RISK FACTORS – Environmental Conditions and Regulations" in the Limited Offering Memorandum. Copies of the Phase One Assessments is available as described under "MISCELLANEOUS – Additional Information" in the Limited Offering Memorandum.

Historical Financial Results

The following table sets forth certain historical financial results of the Schools for the prior four school years (2013-2016):

Table 9

Fiscal Year Ending June 30	2013 Audited	2014 Audited	2015 Audited	2016 [Un]Audited
ASSETS				
Current Assets:				
Cash	\$1,307,843	\$1,762,336	\$1,808,086	\$1,107,351
Accounts Receivable	675	121,640	3,166	75,889
Due from other charter schools	100,832	-	-	-
Due from other agencies	76,900	210,572	139,061	367,945
Prepaid expenses and other current assets	-	-	-	16,889
Deposits receivable	16,419	16,516	56,551	116,912
Total Current Assets	<u>\$1,502,669</u>	<u>\$2,111,064</u>	<u>\$2,006,864</u>	<u>\$1,684,986</u>
Due from other charter schools	\$ -	\$ 119,077	\$ 95,000	\$ 190,000
Capital Assets:				
Land	\$1,083,000	\$1,083,000	\$1,083,000	\$1,083,000
Capital assets, depreciable	8,888,680	9,446,998	9,657,935	10,486,794
Less: accumulated depreciation	<u>(2,452,541)</u>	<u>(2,843,369)</u>	<u>(3,289,343)</u>	<u>(3,844,762)</u>
Total Capital Assets	<u>\$7,519,139</u>	<u>\$7,686,629</u>	<u>\$7,451,592</u>	<u>\$7,725,032</u>
TOTAL ASSETS	<u>\$9,021,808</u>	<u>\$9,916,770</u>	<u>\$9,553,456</u>	<u>\$9,600,018</u>
LIABILITIES				
Current Liabilities:				
Salaries and wages payable	\$ 159,993	\$ 273,149	\$ 351,005	\$ 231,630
Accounts payable and accrued expenses	5,497	187,142	20,944	56,449
Accrued interest	21,098	25,672	25,672	15,614
Due to other charter school	-	4,078	-	51,206
Capital lease obligation payable within one year	9,680	60,311	27,847	22,239
Mortgage notes payable within one year	<u>89,668</u>	<u>95,052</u>	<u>133,499</u>	<u>212,081</u>
Total Current Liabilities	<u>\$ 285,936</u>	<u>\$ 645,404</u>	<u>\$ 558,967</u>	<u>\$ 589,219</u>

Fiscal Year Ending June 30	2013 Audited	2014 Audited	2015 Audited	2016 Un Audited
Long Term Liabilities:				
Due to other charter school, long term	\$ -	\$ 60,000	\$ 40,000	\$ 40,000
Capital lease obligation	36,240	151,339	21,486	4,577
Mortgage notes payable	5,044,240	4,956,748	4,937,920	4,861,290
Total Long Term Liabilities	<u>\$5,080,480</u>	<u>\$5,168,087</u>	<u>\$4,999,406</u>	<u>\$4,905,867</u>
TOTAL LIABILITIES	<u>\$5,366,416</u>	<u>\$5,813,491</u>	<u>\$5,558,373</u>	<u>\$5,495,086</u>
NET POSITION				
Invested in capital assets, net of related debt	\$2,339,311	\$2,489,975	\$2,392,038	\$2,779,120
Unrestricted	1,316,081	1,613,304	1,603,045	1,325,812
TOTAL NET POSITION	<u>\$3,655,392</u>	<u>\$4,103,279</u>	<u>\$3,995,083</u>	<u>\$4,104,932</u>

Table 10

Fiscal Year Ending June 30	2013 Audited	2014 Audited	2015 Audited	2016 Un Audited
Enrollment	762	1090	1174	1292
REVENUES				
State capital outlay funding	\$ 265,308	\$ 398,713	\$ 339,732	\$ 385,229
State passed through local	4,704,548	7,332,696	8,010,801	8,687,049
Federal sources	234,035	547,509	446,425	959,160
Local sources	22,500	15,454	7,124	37,890
Federal lunch program	274,520	505,625	516,886	632,530
Other revenue	7,875	555,411	533,278	595,254
Local and lunch fees	456,168	80,669	145,623	213,074
Total Revenues	\$ 5,964,954	\$ 9,436,077	\$ 9,999,869	\$11,510,186
EXPENDITURES				
Current:				
Instruction	\$ 2,880,807	\$ 4,300,704	\$ 4,851,996	\$ 5,124,697
Student support services				100,332
Instructional development	110,718	183,162	199,635	372,949
Instructional staff training services	56,998	36,938	53,424	47,479
Instructional media	91,190	94,042	47,135	49,332
Instructional related technology	46,140	153,876	142,004	280,458
School administration	925,774	1,382,445	1,790,651	2,047,496
Facilities acquisition	157,500	112,950		
Fiscal services	1,736	533,869	137,360	149,986
Food services	345,412	109,914	664,834	660,563
Pupil transportation services	191,910	315,126	336,768	354,538
Operation of plant	441,963	890,552	956,929	1,054,227
Maintenance of plant	63,280	109,113	102,715	99,950
Community services	59,639	53,850	96,636	294,527
Capital outlay:				
Other Capital Outlay	129,809	558,318	210,937	828,858
Debt Service:				
Repayment of Principal	85,480	138,828	161,177	18,643
Interest	316,715	320,821	282,004	208,384
Total Expenditures	\$ 5,905,071	\$ 9,294,508	\$10,034,205	\$11,692,419
Excess of Revenues Over Expenditures	\$ 59,883	\$ 141,569	(\$ 34,336)	(\$ 182,233)
Other Financing Sources (Uses)	-	-	-	-
Due to other charter school	-	60,000	-	-
Capital lease obligation	26,589	214,731	-	-
Transfers in and (out)	-	-	-	-
Long term advances to affiliates, net	-	(119,077)	24,077	(95,000)
Long term proceeds and repayments, net	-	-	-	-
Net Change in Fund Balance	\$ 86,472	\$ 297,223	(\$ 10,259)	(\$ 277,233)
Fund Balance, Start Fiscal Year	1,229,609	1,316,081	1,613,304	1,603,045
Fund Balance, End Fiscal Year	<u>\$ 1,316,081</u>	<u>\$ 1,613,304</u>	<u>\$ 1,603,045</u>	<u>\$ 1,325,812</u>

Projected Financial Results

The following table sets forth certain projected financial results of the Schools for the following four school years (2017-2021):

Table 11

Year	2017	2018	2019	2020	2021
Student Count	1630	1702	1772	1796	1796
Revenues					
Total Federal through State Funding	\$ 1,893,072	\$ 2,052,779	\$ 2,176,502	\$ 2,266,804	\$ 2,324,263
Total Revenue from State Sources	11,119,389	11,826,246	12,542,920	12,956,359	13,215,487
Total Other State Funding	537,269	572,542	609,754	640,481	665,439
Total Revenue from Local Sources	878,668	891,858	905,295	918,371	931,709
Total Revenues	\$ 14,428,398	\$ 15,343,425	\$ 16,234,471	\$ 16,782,015	\$ 17,136,897
Expenditures					
Total Basis Instruction	\$ 5,784,353	\$ 6,118,523	\$ 6,457,462	\$ 6,660,406	\$ 6,793,234
Total Exceptional Student Education	420,988	445,856	471,110	486,718	496,453
Total Pre School Program	229,929	234,527	239,218	244,002	248,882
Total Pupil Personnel Services	107,621	117,753	128,061	134,142	136,825
Total Instructional Media Services	26,561	27,092	27,634	28,187	28,750
Total Instruction and Curriculum Development Services	417,177	425,521	434,031	442,712	451,566
Total Instructional Staff Training Services	68,005	69,366	70,753	72,168	73,611
Total Instructional Related Technology	262,979	278,119	293,469	302,552	308,603
Total School Administration	2,482,608	2,581,870	2,680,357	2,733,845	2,759,786
Facilities Acquisition and Construction	2,040	2,081	2,122	2,165	2,208
Total Fiscal Services	156,111	162,846	169,713	174,911	178,409
Total Food Services	1,239,263	1,306,065	1,373,832	1,415,484	1,443,794
Total Pupil Transportation Services	485,140	515,220	546,029	568,738	583,208
Total Operation of Plant	799,918	821,849	844,251	861,335	878,562
Total Maintenance of Plant	151,633	154,666	157,759	160,914	164,133
Total Community Services	151,756	154,791	157,887	161,045	164,266
Total Debt Service	646,048	1,115,913	1,112,163	1,113,350	1,114,425
Total Expenditures	\$13,432,131	\$14,532,058	\$15,165,851	\$15,562,676	\$15,826,717
Excess of Revenues over Expenditures	\$ 996,267	\$ 811,368	\$ 1,068,620	\$ 1,219,339	\$ 1,310,180
Beginning Fund Balance	1,173,506	2,169,773	2,981,141	4,049,761	5,269,100
Ending Fund Balance	\$ 2,169,773	\$ 2,981,141	\$ 4,049,761	\$ 5,269,100	\$ 6,579,280

Pro Forma Debt Coverage

The following table sets forth the pro forma debt service coverage for the Schools for the following five school years (2017-2021):

Table 12

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Income Available for Debt Service					
Change in net assets	\$ 996,267	\$ 811,368	\$1,068,620	\$1,219,339	\$1,310,180
Debt Service Payment	<u>646,048</u>	<u>1,115,913</u>	<u>1,112,163</u>	<u>1,113,350</u>	<u>1,114,425</u>
Net Income Available for Debt Service (NIADS)	<u>\$1,642,315</u>	<u>\$1,927,281</u>	<u>\$2,180,783</u>	<u>\$2,332,689</u>	<u>\$2,424,605</u>
Projected Maximum Annual Debt Service on the Series 2017 Bonds	\$1,117,384	\$1,117,384	\$1,117,384	\$1,117,384	\$1,117,384
Proforma MADS D/S Coverage on Projected NIADS	1.47x	1.72x	1.95x	2.09x	2.17x
Projected Annual Debt Service on Series 2017 Bonds	\$ 646,048	\$1,115,913	\$1,112,163	\$1,113,350	\$1,114,425
Proforma Annual Debt Service Coverage on Projected NIADS	2.54x	1.73x	1.96x	2.10x	2.18x
Cash and cash equivalents	\$1,107,351	\$2,103,618	\$2,914,986	\$3,983,606	\$5,202,945
Days Cash on Hand	55.19	73.17	95.79	121.94	150.11

APPROVED

MAR 10 2017

OCS, Inc.
Board of Directors

APPENDIX G

STATE CHARTER SCHOOL FUNDING AND GENERAL INFORMATION
REGARDING FLORIDA CHARTER SCHOOLS

STATE CHARTER SCHOOL FUNDING

This section provides a brief overview of the State of Florida's (the "State or "Florida") current system for funding charter schools, such as the Schools (as defined in the forepart of the Limited Offering Memorandum). Prospective purchasers of the Series 2017 Bonds should note that the overview contained below is provided for the convenience of prospective purchasers but is not and does not purport to be comprehensive. Additional information regarding various aspects of charter school funding in Florida is available on various State-maintained websites and through other publicly available sources. Potential purchasers should note that the law applicable to charter schools in Florida has developed over time and is subject to further changes in the future. See "RISK FACTORS — Future Changes to Charter School Laws" in the Limited Offering Memorandum. See Odyssey Charter School, Inc.'s (the "Borrower") audited financial statements related to the Schools attached as APPENDIX B to the Limited Offering Memorandum, including the notes thereto, for other information concerning the Borrower's revenues. See "GENERAL INFORMATION REGARDING FLORIDA CHARTER SCHOOLS" below for additional information on charter schools in Florida.

In general, charter schools are eligible to receive funds from State, local, federal and private sources, though the vast majority of charter school funding comes from the State. Charter schools primarily receive funding under the "Florida Education Finance Program" ("FEFP"), which is described below. The sections that follow provide an overview of the general State funding framework for charter schools.

Overview of General State Funding Framework

The Florida Education Code provides that students enrolled in a charter school, regardless of the sponsorship, will be funded as if they were in a basic program or a special program, the same as students enrolled in other public schools in the school district. Each charter school must report its student enrollment to its sponsor. The sponsor must then include each charter school's enrollment in the sponsor's report of student enrollment. The School Board is the sponsor for the Schools. See Section 1002.33(17), Florida Statutes.

The basis for funding students enrolled in a charter school is calculated by:

- taking the sum of the school district's operating funds from the FEFP and the General Appropriations Act, including gross State and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy;
- *divided* by the total funded weighted full-time equivalent ("FTE") students in the school district; and
- *multiplied* by the weighted FTE students for the charter school.

Charter schools whose students or programs meet the eligibility criteria set forth in State law are also entitled to receive their proportionate share of categorical program funds included in the total funds available in the FEFP, including transportation. Total funding for each charter

school is recalculated during the year to reflect the revised calculations under the FEFP by the State and the actual weighted FTE students reported by the charter school during the FTE student survey periods which are designated by the Commissioner of Education. See Section 1002.33(17)(b), Florida Statutes. Additionally, qualifying charter schools are also eligible for capital outlay funds (“Capital Outlay Funds”) pursuant to Section 1013.62, Florida Statutes. See Section 1002.33(19), Florida Statutes and “- Charter School Capital Outlay Funds” below.

Charter school funds are distributed by the applicable district school board. District school boards are required to make timely and efficient payment and reimbursement to charter schools, including processing paperwork required to access special State and federal funding for which they may be eligible. The district school board may distribute funds to a charter school for up to three months based on the projected FTE student membership of the charter school. Thereafter, the results of FTE student membership surveys must be used in adjusting the amount of funds distributed monthly to the charter school for the remainder of the fiscal year. The payment to the charter school must be issued no later than ten working days after the district school board receives a distribution of state or federal funds. If a warrant for payment is not issued within ten working days after receipt of funding by the district school board, the school district must also pay to the charter school interest at a rate of 1% per month calculated on a daily basis on the unpaid balance from the expiration of the ten working days until the time the warrant is issued. See Section 1002.33(17)(e), Florida Statutes. Pursuant to Florida law, district school boards are authorized to charge an administrative fee of up to 5% of the amounts due to a charter school from FEFP funding and certain other related amounts required to be paid to the charter school. See Section 1002.33(20)(a)(2), Florida Statutes. The 5% administrative fee is capped at 250 students and charter schools with enrollments above 250 students are only permitted to use the difference between the amount of the administrative fee actually paid as a result of the cap and the amount of the administrative fee that would have been paid had there been no cap for capital costs, such as the purchase of real property, the construction of school facilities and certain other permitted capital costs expressly provided for by statute. See Section 1002.33(20)(a)(2), Florida Statutes. Currently, the School Board charges the Schools an administrative fee of 5% of such qualifying funds.

Florida Education Finance Program

General. For the 2015-16 school year, the State Legislature appropriated a total of approximately \$10.934 billion under the FEFP. For the 2016-17 school year, the State Legislature has appropriated a total of approximately \$11.311 billion under the FEFP, as reported in the Final Conference Report for House Bill 5001 dated March 8, 2016 (the “FEFP Conference Report”). Base funding equals the weighted FTE students multiplied by the base student allocation multiplied by the district cost differential. Additionally, weights are assigned to program cost factors for educational programs within the FEFP to recognize varying program costs. The following table summarizes the 2014-15, 2015-16 and 2016-17 school year program cost factors for educational programs within the FEFP:

**FLORIDA EDUCATION FINANCE PROGRAM
PROGRAM COST FACTORS**

2014-15 2015-16 2016-17

Basic K-3	1.126	1.115	1.103
Basic 4-8	1.000	1.000	1.000
Basic 9-12	1.004	1.005	1.001
Exceptional Student Education - Level 4	3.548	3.613	3.607
Exceptional Student Education - Level 5	5.104	5.258	5.376
Education for Speakers of Other Languages	1.147	1.180	1.194
Career Education	1.004	1.005	1.001

Source: *Fiscal Year 2014-15* - Final Conference Report for House Bill 5001, dated April 29, 2014; *Fiscal Year 2015-16* - Conference Report on SB 2500-A, dated June 16, 2015; *Fiscal Year 2016-17* - Final Conference Report for House Bill 5001, dated March 8, 2016.

If the annual allocation from the FEFP to each district for operation of schools is not determined in the general appropriations act or the bill implementing the general appropriations act, it will be determined as follows:

Basic Amount for Operation. The basic amount for current operation to be included in the FEFP for kindergarten through grade 12 for each district is the product of:

- (i) the FTE student membership in each program, multiplied by,
- (ii) the cost factor for each program, adjusted for the maximum allowed, multiplied by,
- (iii) the base student allocation. See Section 1011.62(1)(s), Florida Statutes.

Determination of full-time equivalent membership. During each of several school weeks, a program membership survey of each school will be made by each school district by aggregating the FTE student membership of each program by school and by district. See Section 1011.62(1)(a), Florida Statutes. A FTE student for FEFP purposes is one student in membership in one or more FEFP programs for a school year or its equivalent. For more information, see 2015-16 Funding for Florida School Districts, published by the Florida Department of Education (“FDOE”).

Determination of cost factors for programs. Cost factors based on desired relative cost differences between the programs mentioned below are established in the annual General Appropriations Act. The programs include: (i) basic program for grades K-3; (ii) basic program for grades 4-8; (iii) basic program for grades 9-12; (iv) program for exceptional students at Support Level IV; (v) program for exceptional students at Support Level V; (vi) secondary career education programs; (vii) and English for Speakers of Other Languages. See Section 1011.62(1)(c), Florida Statutes; see also “Overview of General State Funding Framework-Florida Education Finance Program” above.

Determination of base student allocation. The base student allocation for the FEFP for kindergarten through grade 12 is determined annually by the State Legislature and will be that amount prescribed in the current year’s General Appropriations Act. For the 2016-2017, 2015-16 and 2014-15 school years, the base student allocations were \$4,160.71, \$4,154.45 and \$4,031.77, respectively.

Annual allocation calculation. Each year, the FDOE is authorized and must review all district programs and enrollment projections and calculate a maximum total weighted FTE student enrollment for each district for the K-12 FEFP as set forth in Section 1011.62(d), Florida Statutes.

Additional funding and supplements may be available in areas such as the supplemental academic instruction categorical fund and the small, isolated high school supplement. Other factors also affect the overall funding school districts receive, some of which are described in the sections below. See Section 1011.62, Florida Statutes.

Determination of District Cost Differentials. The Commissioner of Education must annually compute for each district the current year's district cost differential to recognize differences in the cost of living among the school districts. The district cost differential is calculated by adding each district's price level index as published in the Florida Price Level Index for the most recent three years and dividing the resulting sum by three. The result for each district is multiplied by 0.008 and 0.200 is added to the resulting product, resulting in the cost differential for that district for that year. See Section 1011.62(2), Florida Statutes.

Computation of District Required Local Effort. The State Legislature will prescribe the aggregate required local effort for all school districts collectively as an item in the General Appropriations Act for each fiscal year. The amount that each district must provide annually toward the cost of the FEFP for kindergarten through grade 12 programs is calculated as provided in Section 1011.62(4), Florida Statutes. Each school board participating in the state allocation of funds for the current operation of schools must levy the millage set for its required local effort from property taxes. The School Board levied 5.839 mills as its required local effort for Fiscal Year 2014-15 and 5.775 mills as its required local effort for Fiscal Year 2015-16 and 5.416 mills as its required local effort for Fiscal Year 2016-17.

Categorical Funds. In addition to the basic amount for current operations for the FEFP described above, the State Legislature may appropriate categorical funding for specified programs, activities, or purposes. See Section 1011.62(6), Florida Statutes.

Adjustment for Decline in Full-Time Equivalent Students. In districts where there is a decline between prior year and current year unweighted FTE students, a percentage of the decline in the unweighted FTE students as determined by the State Legislature is multiplied by the prior year calculated FEFP per unweighted FTE student and shall be added to the allocation for that district. For this purpose, the calculated FEFP is computed by multiplying the weighted FTE students by the base student allocation and then by the district cost differential. See Section 1011.62(8), Florida Statutes.

Charter School Capital Outlay Funds

Under Sections 1002.33(19) and 1013.62 of the Florida Statutes, qualifying charter schools are eligible to receive State funds for capital purposes. The Borrower currently receives Capital Outlay Funds, after satisfying the requirements for qualification below.

If a charter school serves students in facilities not provided by the charter school's sponsor, the charter school may be eligible to receive funds appropriated for charter school

capital outlay purposes. To be eligible for such funding, a charter school must (i) have been in operation for two or more years, (ii) be governed by a governing board established in the State for three or more years which operates both charter schools and conversion charter schools within the State, (iii) be an expanded feeder chain of a charter school within the same district that is currently receiving Capital Outlay Funds, (iv) have been accredited by the Commission on Schools of the Southern Association of Colleges and Schools or (v) serve students in facilities that are provided by a business partner for a charter school-in-the-workplace pursuant to State law. The charter school must also have financial stability for future operation as a charter school based on an annual audit for the most recent fiscal year, satisfactory student achievement based on state accountability standards applicable to it, final approval from its sponsor for operation during that fiscal year and serve students in facilities that are not provided by the charter school's sponsor.

A charter school's governing body may use Capital Outlay Funds for the purchase of real property; construction of school facilities; purchase, lease-purchase or lease of permanent or relocatable school facilities; purchase of vehicles to transport students to and from the charter school or renovation, repair and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of five years or longer. See "GENERAL INFORMATION REGARDING FLORIDA CHARTER SCHOOLS – Capital Outlay Revenues" herein.

Federal Stimulus and Federal Charter School Funding

Charter schools must be included by the FDOE and the district school board in requests for federal stimulus funds in the same manner as district school board-operated public schools and shall be entitled to receive such funds. See Section 1002.33(17)(d), Florida Statutes. Moreover, charter schools are eligible to participate in federal competitive grants that are available as part of the federal stimulus funds.

GENERAL INFORMATION REGARDING FLORIDA CHARTER SCHOOLS

Forming a Charter School

Charter schools are public schools that are granted limited autonomy by a school board in exchange for a time-limited "charter" or contract for student achievement. The charter contract serves as the mission statement and contains curriculum guidelines, governance policies and general goals. The character of "charter" legislation varies from state to state. The State first adopted its charter school legislation in 1996, which now is contained in Section 1002.33, Florida Statutes (as amended, the "Charter School Act"). Charter schools are considered part of the State's program of public education and are fully recognized as public schools.

Pursuant to the Charter School Act, charter schools in the State are intended to, in addition to improving academic achievement and promoting innovative teaching methods, encourage competition with traditional public schools, expand the capacity of the public school system, especially in areas with rapid growth in dwelling units, and create new opportunities for teachers, including ownership of the curriculum.

Possible charter school authorizers in the State include the district school board or a State university. Nearly all charter schools in the State are authorized by their district school board. Authorizers are required to monitor and review the progress of their authorized charter school, and receive a maximum 5% of FEFP otherwise allocable to the charter school. There is no legislative cap on the number of charters that may be issued in the State.

Upon approval of a charter application, the initial startup date must commence with the beginning of the public school calendar for the district in which the charter is granted unless the school district board otherwise permits. The terms and conditions for the operation of a charter school are set forth in a written charter agreement between the governing body of the charter school and the authorizer. The charter shall be signed by the governing body of the charter school and the authorizer following a public hearing to ensure community input.

Generally, the initial term of a charter can be for four or five years. However, in order to facilitate access to long-term financial resources for charter school construction, charter schools operated by a municipality or other public entity as provided by law are eligible for up to a 15-year charter. In addition, charter schools operated by a private, not-for-profit corporation which is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code are eligible for up to a 15-year charter, subject to approval by the district school board. A charter may be renewed provided that a program review indicates that the criteria set forth in the statutes have been successfully accomplished and that none of the grounds for nonrenewal have been documented. In order to further facilitate long-term financing, charter schools operating for a minimum of three years and demonstrating exemplary academic programming (grades "A" or "B" in three of the four years prior) and fiscal management are eligible for a 15-year charter renewal. All charters are subject to annual review and may be terminated during the term of the charter in accordance with the terms thereof.

Eligible Students

Charter schools are open to any student covered in an interdistrict agreement or residing in the school district in which the charter school is located. Any eligible student shall be allowed interdistrict transfer to attend a charter school when based on good cause. Good cause shall include, but is not limited to, geographic proximity to a charter school in a neighboring school district.

A charter school is open to all eligible students that submit a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In such case, all applicants shall have an equal chance of being admitted through a random selection process. However, a charter school may give enrollment preference to a sibling of a student enrolled in the charter school, to the child of a member of the governing board of the charter school, to a child of an employee of the charter school, to a child of an employee of the business partner of a charter school-in-the-workplace or a resident of a municipality that operates a charter school-in-a-municipality, to students who have successfully completed a voluntary pre-kindergarten program provided by the charter school during the previous year, to a child of an active-duty member of any branch of the U.S. Armed Forces, or to students who attended or are assigned to failing schools.

A charter school may limit enrollment to target certain student populations including: students within specific age groups or grade levels; students considered at risk of dropping out of school or academic failure; students enrolling in certain charter programs; students residing within a reasonable distance of the charter school (subject to a random lottery and to certain racial/ethnic balance provisions); students who meet reasonable academic, artistic, or other eligibility standards established by the charter school and included in its application (subject to certain State law and anti-discrimination provisions); students matriculating from one charter to another pursuant to a matriculation agreement between the charter schools which has been authorized by the charter; and students living in a development in which a business entity provides the school facility and related property having an appraised value of at least \$10 million to be used as a charter school for the development, for which students living in the development shall be entitled to 50 percent of the student stations in the charter school (subject to a random lottery and to certain racial/ethnic balance provisions).

Operation of Charter Schools

In addition to an annual financial audit, the Charter School Act requires a charter school to submit an annual progress report to the School Board to be forwarded to the State Commissioner of Education which, at minimum, shall include, among other elements: student achievement performance data; demographic information; financial accountability information; documentation regarding current and planned facilities; and descriptive information about the charter school's personnel.

If a charter school receives a school grade of "D" or "F" from the FDOE, the charter school is required to submit to its authorizer a school improvement plan to raise student achievement. The charter school must continue to implement the strategies in the school improvement plan even if the charter school improves its letter grade.

If a charter school earns three consecutive grades of "D," two consecutive grades of "D" followed by a grade of "F," or two nonconsecutive grades of "F" within a three-year period, the charter school governing board must choose one of the following corrective actions and implement such action in the following school year: (i) contract for educational services to be provided directly to students, instructional personnel, and school administrators, as described in state board rule; (ii) contract with an outside entity that has a demonstrated record of effectiveness to operate the school; (iii) reorganize the school under a new director or principal who is authorized to hire new staff; or (iv) voluntarily close the charter school. The authorizer may annually waive a corrective action if it determines that the charter school is likely to improve a letter grade if additional time is provided to implement the intervention and support strategies prescribed by the school improvement plan. If the charter school improves by at least one letter grade, the charter school is no longer required to implement a corrective action plan but must continue to implement the strategies identified in the school improvement plan. A charter school implementing a corrective action that does not improve by at least one letter grade after two full school years of implementing the corrective action must select a different corrective action. Implementation of the new corrective action must begin in the school year following the implementation period of the existing corrective action, unless the authorizer determines that the charter school is likely to improve a letter grade if additional time is provided to implement the existing corrective action.

Notwithstanding the above paragraph, the authorizer shall terminate a charter if the charter school earns two consecutive grades of “F” unless: (a) the charter school was established to turn around the performance of a district public school; (b) for a charter school with three years of operation or fewer, the charter school serves a student population the majority of which resides in a school zone served by a district public school that earned a grade of “F” in the year before the charter school opened and the charter school earns at least a grade of “D” in its third year of operation; or (c) for a charter school in operation for less than five years the state board grants the charter school a waiver of termination, which may only be granted once.

Statutory Termination Procedure

Notwithstanding the previous section, the Charter School Act provides that at any point during and at the end of the term of the charter, the sponsor may choose to terminate or not to renew the charter for any of the following reasons: (i) failure to participate in the State’s education accountability system or failure to meet the requirements for student performance stated in the charter; (ii) failure to meet generally accepted standards of fiscal management; (iii) violation of law; and (iv) other good cause shown. An individual charter may contain additional grounds for termination or nonrenewal. For a discussion of the charter contracts for the Borrower (the “Charter Contracts”) and the additional grounds for termination contained therein, see APPENDIX A - “THE BORROWER AND THE SCHOOLS” in this Limited Offering Memorandum.

Pursuant to the Charter School Act, a charter school sponsor must provide written notification to the governing body of the charter school at least 90 days prior to not renewing or terminating a charter, describing the grounds for the proposed action. The governing body of the charter school may request an informal hearing within 14 calendar days after receiving the notice. The sponsor must then schedule a hearing within 60 days of the request by the charter school. The hearing may either (i) be conducted directly by the sponsor, decided by a majority vote, or (ii) be conducted by an administrative law judge assigned by the State’s Division of Administrative Hearings, which shall either be accepted, modified, or rejected by a majority vote of the sponsor. In either case, the sponsor shall issue a final order stating the specific reasons for the sponsor’s decision. The charter school’s governing body may appeal the decision to the FDOE within 30 days.

A charter may be terminated immediately if the sponsor sets forth in writing the particular facts and circumstances indicating that an immediate and serious danger to the health, safety, or welfare of the charter school’s students exists. The sponsor’s determination is subject to the procedures set forth above, except that the hearing may take place after the charter has been terminated. The sponsor shall notify in writing the charter school’s governing board, the charter school principal, and the FDOE if a charter is terminated immediately. The sponsor shall clearly identify the specific issues that resulted in the immediate termination and provide evidence of prior notification of issues resulting in the immediate termination when appropriate. Upon receiving written notice from the sponsor, the charter school’s governing board has ten calendar days to request a hearing. A requested hearing must be expedited and the final order must be issued within 60 days after the date of request. The sponsor shall assume operation of the charter school throughout the pendency of the hearing unless the continued operation of the charter school would materially threaten the health, safety, or welfare of the students. If the

sponsor fails to assume and continue operation of the charter school, reasonable costs and attorney's fees are awarded to the charter school if the charter school prevails on appeal.

Operating Revenues

Funding for charter schools is determined based on the number of FTE students enrolled at the charter school. Each charter school is required to periodically report its student enrollment to the school district. The district receives funds from the FEFP and the Florida General Appropriations Act, discretionary state lottery funds, funds from the school district's current discretionary millage levy, and other state and local funds. The district appropriates those funds to the charter school, based on the amount of FTE students enrolled at the school.

If the district receives funds from a federal program, any students eligible for such programs that are enrolled in charter schools in the district are provided federal funds on the same basis as students enrolled in traditional public schools in the district.

District school boards are required by law to make every effort to ensure that charter schools receive timely and efficient reimbursement, including processing paperwork required to access special state and federal funding for which the charter school may be eligible. The district school board may distribute funds to a charter school for up to three months based on the projected FTE student enrollment for the charter school. Thereafter, the results of FTE student membership surveys are used in adjusting the amount of funds distributed monthly to the charter school for the remainder of the fiscal year. The payment must be issued no later than ten working days after the district school board receives a distribution of state or federal funds, or the charter school is entitled to the payment plus interest.

A sponsor is required to provide certain administrative and educational services to charter schools, including contract management services; FTE and data reporting services; exceptional student education administration services; services related to the federal school lunch program; test administration services, including payment of the costs of state-required or district-required student assessments; processing of teacher certificate data services; and information services, including equal access to student information systems that are used by public schools in the district in which the charter school is located. Student performance data for each student in a charter school, including, but not limited to, FCAT scores, standardized test scores, previous public school student report cards, and student performance measures, shall be provided by the sponsor in the same manner provided to other public schools in the district. The sponsor is permitted to withhold a 5% administrative fee for enrollment up to 250 students. The permitted administrative fee is 2% for high-performing charter schools. For charter schools with a population of 251 or more students, the difference between the total administrative fee calculation and the amount of the administrative fee withheld may only be used for capital outlay purposes.

Capital Outlay Revenues

Capital outlay revenues are an additional state funding source to be used for capital expenditures, including: the purchase of real property; construction of school facilities; purchase, lease-purchase, or lease of permanent or relocatable school facilities; purchase of vehicles to

transport students to and from the charter school; renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of five years or longer; payment of the cost of premiums for property and casualty insurance necessary to insure the school facilities; purchase, lease-purchase, or lease of driver's education vehicles, motor vehicles used for the maintenance or operation of plants and equipment, security vehicles, or vehicles used in storing or distributing materials and equipment; and purchase, lease-purchase, or lease of certain new and replacement equipment, and certain enterprise resource software applications.

To be eligible for a capital outlay funding allocation, a charter school must have (i) been in operation for two or more years, (ii) be governed by a governing board established in the state for three or more years which operates both charter schools and conversion charter schools within the state, (iii) be an expanded feeder chain of a charter school within the same school district that is currently receiving charter school capital outlay funds, (iv) have been accredited by the Commission on Schools of the Southern Association of Colleges and Schools; or (v) serve students in facilities that are provided by a business partner for a charter school-in-the-workplace pursuant to State law. The charter school must also have financial stability for future operation as a charter school, have satisfactory student achievement based on state accountability standards applicable to the charter school, have received final approval from its sponsor for operation during that fiscal year, and serve students in facilities that are not provided by the charter school's sponsor.

High Performing Charter Schools

On June 27, 2011, Governor Rick Scott signed SB 1546 into law. The law creates a new class of "high-performing charter schools." A high-performing charter school is one that has received at least two school grades of "A" and no school grades below "B" in the past three years, and has received an unqualified opinion and no financial audits indicating a state of financial emergency in the past three years. A high-performing charter school is permitted to increase its student enrollment once per school year to more than the capacity identified in the school's charter (but not beyond the facility capacity), add additional grade levels not already served, submit quarterly, rather than monthly, financial statements to the sponsor, receive a modification or renewal of the school's charter to 15 years, and consolidate the charters of multiple high-performing schools under a single charter. High-performing charter schools are also permitted to expand by one school per year, if the new charter school substantially replicates its educational program. The legislation limits the ability of a sponsor to deny a high-performing charter school application by increasing the standard of proof required to deny the application. A high-performing charter school loses its ability to increase enrollment or expand grade levels following any year where the school receives a grade of "C" or below. If the school receives a grade of "C" or below in any two years during the term of the charter, it loses its high-performing charter school status and must qualify again.

The law also creates high-performing charter school systems, which must operate at least three high-performing charter schools in the State, operate a system in which at least 50 percent of the charter schools are high-performing with no schools that received a grade of "D" or "F", and not operate any charter schools with a financial audit indicating a state of financial emergency. A high performing charter school system has the ability to open one new school per

year under the more generous standard of review outlined above. The Borrower has maintained a high performing charter school designation for Odyssey Charter (as defined in the forepart of this Limited Offering Memorandum) since 2011 [Confirm].

Class Size Restrictions

In 2002, citizens approved an amendment to the Florida Constitution setting limits for the maximum number of students in a classroom by the start of the 2010-2011 calendar school year. These limits, set forth under Section 1003.03, Florida Statutes, apply at the individual classroom level so that no classroom in which a core course is taught may contain more students than allowed by the constitutional limits. Since the class size amendment's enactment, however, there has been considerable confusion regarding whether charter schools were subject to its provisions. To reduce that confusion, on May 28, 2010, Governor Charlie Crist signed HB 5101 into law. HB 5101 establishes that charter schools must comply with Section 1003.03, Florida Statutes, relating to maximum class size, except that calculation for compliance is to be measured by the average at the school level rather than at the individual classroom level.

HB 5101 provides that pursuant to s. 1, Art. IX of the Florida Constitution, the average number of students at the school level assigned to each teacher who is teaching core curricula courses in public school classrooms for prekindergarten through grade 3 may not exceed 18 students. The average number of students at the school level assigned to each teacher who is teaching core curricula course in public school classrooms for grades 4 through 8 may not exceed 22 students. The average number of students at the school level assigned to each teacher who is teaching core curricula courses in public school classrooms for grades 9 through 12 may not exceed 25 students. Thus, to be in compliance, a charter school must meet the class size school level average by grade groups; i.e., 18 students in grades K-3; 22 students in grades 4-8 and 25 students in grades 9-12. Core curricula courses for class size reduction include the following areas: Mathematics, Language Arts/Reading, Science, Social Studies, Foreign Language, English for Speakers of Other Languages, Exceptional Student Education, and courses taught in traditional self-contained elementary school classrooms.

Deteriorating Financial Conditions and Financial Emergencies

Section 1002.345, Florida Statutes, provides for expedited sponsor review of a charter school to determine if a deteriorating financial condition or a financial emergency exists. A "deteriorating financial condition" is defined as "a circumstance that significantly impairs the ability of a charter school or a charter technical career center to generate enough revenues to meet its expenditures" without causing the occurrence of a financial emergency. A "financial emergency" is defined as: (1) failure within the same fiscal year in which due to pay short-term loans or failure to make bond debt service or other long-term debt payments when due, as a result of a lack of funds; (2) failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of a lack of funds; (3) failure to transfer at the appropriate time, due to lack of funds (i) taxes withheld on the income of employees or (ii) employer and employee contributions for federal social security or any pension, retirement, or benefit plan of an employee; or (4) failure for one pay period to pay, due to lack of funds the wages and salaries owed to employees or retirement benefits owed to former employees.

Expedited review is triggered if one of four conditions are met: (1) the charter school fails to provide the annual audit required under Florida law; (2) the charter school fails to comply with reporting requirements under the Charter School Act; (3) a deteriorating financial condition is identified through an annual audit or a monthly financial statement (or in the case of high-performing charter schools, a quarterly financial statement); or (4) notification that a financial emergency has occurred or will occur if action is not taken. The authorizer shall notify the charter school and the Commissioner of Education if one of the conditions is met within seven business days of discovering the condition, after which the charter school and the authorizer have 30 business days to prepare a corrective action plan. If the charter school and the authorizer are unable to agree on a plan, the Commissioner of Education shall determine the components of the plan. If the charter school fails to comply with the plan after one year, the FDOE shall prescribe any steps necessary for the charter school to comply with state requirements.

If a financial audit discovers a financial emergency, the auditor shall notify the charter school, the authorizer, and the Commissioner of Education within seven business days after the finding is made. If the Commissioner of Education makes a determination of financial emergency, the charter school shall submit a financial recovery plan to the authorizer and the Commissioner of Education within 30 days. In the Charter Contracts, if the Borrower is determined to be in a financial emergency, it constitutes "good cause" to terminate or not renew the Charter Contracts.

APPROVED

MAR 10 2017

OCS, Inc.
Board of Directors

LOAN AGREEMENT

between

CAPITAL TRUST AGENCY,
as Issuer

and

ODYSSEY CHARTER SCHOOL, INC.
as Borrower

[\$[PAR]]
Capital Trust Agency
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects)
Series 2017A

[\$[PAR]]
Capital Trust Agency
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects)
Taxable Series 2017B

Dated as of _____ 1, 2017

Pursuant to the Indenture (as defined herein), the Issuer has granted, bargained, sold, alienated, pledged, set over and confirmed to the Trustee (as defined herein) for the benefit of the Registered Owners (as defined herein), all rights and interests of the Issuer in this Loan Agreement, as amended from time to time, except for the Issuer's Unassigned Rights (as defined herein).

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of _____ 1, 2017 (this "Loan Agreement"), is between **CAPITAL TRUST AGENCY** (the "Issuer"), a public body corporate and politic of the State of Florida (the "State"), and **ODYSSEY CHARTER SCHOOL, INC.**, a Florida not for profit corporation (the "Borrower").

WITNESSETH:

WHEREAS, the Borrower has applied for the financial assistance of the Issuer in order to (1) finance the acquisition of an existing educational facility and the site therefor, located on approximately ~~24~~ acres at 1350 Wyoming Drive SE, Palm Bay, Florida ~~32909~~,32909 (the "Wyoming Site"), which is currently being leased to the Borrower and operated by the Borrower as a ~~junior and senior high charter school~~ two public charter schools known as Odyssey Charter School and Odyssey Preparatory Academy, (2) refinance an existing loan of the Borrower, which financed the acquisition, construction and installation of an educational facility and the site therefor, located on approximately ~~9~~ acres at 1755 Eldron Boulevard, Palm Bay, Florida ~~32909~~,32909 (the "Eldron Site"), which is currently owned and operated by the Borrower as an ~~elementary charter school~~, (3) ~~fund a debt service reserve fund and~~ (4) a public charter school known as Odyssey Charter School, (3) finance certain improvements, fixtures, furnishings and equipment for such facilities located at the Wyoming Site and the Eldron Site, (4) fund certain reserves and (5) pay costs of issuance relating to the Bonds (collectively, the "Series 2017 Project");

WHEREAS, the financing or refinancing of the Series 2017 Project will provide gainful employment, will promote commerce and economic development within the State of Florida, and will serve a public purpose by providing educational facilities within the meaning of the Act and advancing the economic prosperity and the general welfare of the State of Florida and its people;

WHEREAS, the Issuer has authorized the issuance of its Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017A, in an aggregate principal amount not to exceed _____ dollars (\$_____) (the "Series 2017A Bonds") and its Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B, in an aggregate principal amount not to exceed _____ dollars (\$_____) (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds"), to finance or refinance the Series 2017 Project;

WHEREAS, the Issuer and the Borrower have each duly authorized the execution, delivery and performance of this Loan Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Indenture Definitions. All terms defined in Article I of the Indenture and not otherwise defined herein shall have the same meaning in this Loan Agreement.

~~**Section 1.02 Additional Definitions.** The following terms shall have the respective meanings set forth below:~~

~~“Accountant” means any independent certified public accounting firm licensed to practice in the State (which may be the firm of accountants that regularly prepares or audits the books and accounts of the Borrower) from time to time selected by the Borrower.~~

~~“Book Value” means, when used in connection with property of a Person, the value of such property, net of accumulated depreciation, as it is carried on the books of such Person and in conformity with Generally Accepted Accounting Principles.~~

~~“Borrower Documents” means this Loan Agreement, the Mortgage, the Series 2017 Promissory Note, the Bond Purchase Agreement, the Continuing Disclosure Undertaking, the Tax Certificate and the Deposit Account Control Agreement, and each of the other agreements, certificates, contracts or instruments to be executed by the Borrower in connection with the issuance of the Series 2017 Bonds or the financing of a portion of the expenses associated with the Series 2017 Project.~~

~~“Charter School Contracts” means the Charter School Contract for the Elementary School and the Charter School Contract for the High School, each between the Borrower and the School Board.~~

~~“Costs of the Project” in connection with the Series 2017 Project, means any cost incurred or estimated to be incurred by the Borrower that is reasonable and necessary for carrying out all works and undertakings in completing such Series 2017 Project for the Borrower, including the acquisition of real property and any buildings thereon, the cost of equipment and furnishings, the acquisition, construction, renovation, improvement or equipping, as applicable, of the buildings and other structures, the cost of necessary studies, surveys, plans and specifications, architectural, engineering, legal or other special services, development, construction and reconstruction necessary or useful in connection with the Series 2017 Project, the reasonable cost of financing incurred by the Borrower or the Issuer in connection with the execution of this Loan Agreement or in the course of completion of the Series 2017 Project, including capitalized interest on amounts disbursed in stages, and the cost of such other items as may be reasonable and necessary for the completion of the Series 2017 Project as permitted under the Act.~~

~~“Days Cash on Hand” means (i) the sum of cash, cash equivalents, liquid investments and unrestricted marketable securities (valued at the lower of cost or market) of the Borrower, as shown on the audited financial statements of the Borrower for the Fiscal Year, divided by (ii) the~~

quotient of Operating Expenses, as shown on the audited financial statements of the Borrower for such Fiscal Year, divided by 365.

~~“Debt Service Coverage Ratio” means, for any Fiscal Year, the ratio obtained by dividing the Net Income Available for Debt Service for such Fiscal Year by the Debt Service Requirement for such Fiscal Year.~~

~~“Debt Service Requirement” means, for any period of time for which such determination is made, the principal and interest payment requirements (net of any Debt Service Reserve Fund balance to be applied in the year of final maturity of the Bonds) with respect to all Bonds Outstanding and any Indebtedness secured by the Pledged Revenues and/or the Facilities on a parity with the Bonds.~~

~~“Deposit Account Control Agreement” means, any and all agreements, whether there be one or more, among the Borrower, the Trustee and a depository bank, pursuant to which the Borrower agrees to grant a security interest in its operating account(s) in order to secure its obligations hereunder.~~

~~“Elementary School” means Odyssey Charter School, a public elementary charter school operating pursuant to the Charter School Act.~~

~~“Environmental Laws” means, collectively, the following statutes: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Sections 9601 et seq.; the federal Hazardous Materials Transportation Law, 49 U.S.C. Sections 5101 et seq.; the Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901 et seq.; the Clean Water Act, 33 U.S.C. Sections 1251 et seq. and the Clean Air Act, 42 U.S.C. Sections 7401 et seq.~~

~~“Environmental Report” means, collectively, the Phase I Environmental Site Assessment, prepared by _____ and dated _____ and the Phase I Environmental Site Assessment, prepared by _____ and dated _____.~~

~~“Event of Default” means those defaults specified in Section 10.01 hereof and in Section 8.01 of the Indenture.~~

~~“Facilities Consultant” means a firm having the skill and experience to render the report with respect to the physical condition of the Facilities pursuant to this Loan Agreement.~~

~~“Fiscal Year” means the fiscal year of the Borrower, which currently begins on July 1 and ends on June 30 of each calendar year.~~

~~“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.~~

~~“Hazardous Substances” means any substance or material at the level defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous or toxic chemical, a hazardous, toxic or radioactive substance, petroleum or other similar term, by any federal, State or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time, including, but not limited to, the Environmental Laws.~~

~~“High School” means Odyssey Charter School, a public junior and senior high charter school operating pursuant to the Charter School Act.~~

~~“Indebtedness” has the meaning set forth in the Indenture.~~

~~“Independent Consultant” means an Independent management consultant or certified public accountant experienced in the management and operations of charter schools in Florida.~~

~~“Insurance Consultant” means an Independent insurance consultant and/or risk management firm or an insurance broker or an insurance agent (which may be a consultant, firm, broker or agent with whom the Borrower or the Issuer regularly transacts business) selected by the Borrower.~~

~~“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.~~

~~“Issuer Indemnified Party” or “Issuer Indemnified Parties” means the Issuer, the City of Gulf Breeze, Florida, and the Town of Century, Florida, and the City of Palm Bay Florida, and their respective past, present, and future directors, officers, employees, counsel, advisors and agents, as applicable.~~

~~“Issuer’s Unassigned Rights” means the rights of the Issuer to (a) inspect books and records and the Facilities, (b) give or receive notices, approvals, consents, requests, and other communications, (c) receive payment or reimbursement for its Issuer’s Annual Fee, and other payments and expenses of the Issuer, (d) immunity from and limitation of liability, (e) indemnification from liability by the Borrower, and (f) security for the Borrower’s indemnification obligation.~~

~~“Liabilities” means any causes of action (whether in contract, tort or otherwise), claims, costs, damages, demands, judgments, liabilities, losses, suits and expenses (including, without limitation, reasonable costs of investigation, and attorney’s fees and expenses) of every kind, character and nature whatsoever.~~

~~“Lien” means any mortgage or pledge of, security interest in, or lien or encumbrance on, any property that secures any Indebtedness or other obligation of the Borrower relating to the Facilities, excluding liens applicable to property in which the Borrower has only a leasehold interest unless the lien secures Indebtedness.~~

~~“Loan” means the loan by the Issuer to the Borrower of the proceeds from the sale of the Series 2017 Bonds pursuant to this Loan Agreement.~~

~~“Loan Payments” means those payments required to be paid by the Borrower pursuant to Section 5.01 hereof.~~

~~“Maximum Annual Debt Service” has the meaning set forth in the Indenture.~~

~~“Net Income Available for Debt Service” means, for any period of determination thereof, the Pledged Revenues for such period, plus the interest earnings on moneys held in the Debt Service Reserve Fund established under the Indenture minus the total Operating Expenses for such period but excluding (i) any profits or losses that would be regarded as extraordinary items under Generally Accepted Accounting Principles, (ii) gain or loss in the extinguishment of Indebtedness, (iii) proceeds of the Series 2017 Bonds and any other Indebtedness permitted by this Loan Agreement, and (iv) proceeds of insurance policies, other than policies for business-interruption insurance, maintained by or for the benefit of the Borrower, proceeds of any sale, transfer or other disposition of the Facilities, and any condemnation or any other damage award received by or owing to the Borrower.~~

~~“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.~~

~~“Net Series 2017A Bond Proceeds” means Series 2017A Bond Proceeds less the portion thereof deposited in the Debt Service Reserve Fund.~~

~~“Offering Statement” means the Limited Offering Memorandum, dated _____, 2017, prepared in connection with the sale of the Series 2017 Bonds.~~

~~“Operating Expenses” means fees and expenses of the Borrower, including maintenance, repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (including taxes), the cost of materials and supplies used for current operations of the Borrower, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Borrower, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but that are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Borrower; provided, however, “Operating Expenses” shall not include depreciation, amortization, expenses or other amounts paid into and from the Repair and Replacement Fund or other non-cash expenses or those expenses that are actually paid from any revenues of the Borrower that are not Pledged Revenues, expenses characterized as extraordinary under Generally Accepted Accounting Principles or payments for improvements to the Facilities that are capitalized for accounting purposes.~~

~~“Opinion of Counsel” means an opinion in writing of legal counsel, who may be counsel to the Issuer, the Trustee or the Borrower, reasonably acceptable to the addressees thereof.~~

~~“Permitted Encumbrances” has the meaning set forth in the Indenture.~~

~~“Person” includes an individual, association, corporation, partnership, limited liability company, joint venture or a government or an agency or a political subdivision thereof.~~

~~“Pledged Revenues” has the meaning set forth in the Indenture.~~

~~“Private Business Use” means use, directly or indirectly, by any Private Person other than use as a member of, and on the same basis as, the general public.~~

~~“Private Person” means any person other than a “governmental unit” within the meaning of Section 150(a)(2) of the Code.~~

~~“Rebate Amount” means the Rebate Amount with respect to the Series 2017 Bonds determined in accordance with Section 3.14 of the Indenture.~~

~~“Rebate Analyst” means an Independent certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and retained by the Borrower and compensated by the Borrower to make the computations and give the directions required under Section 3.14 of the Indenture.~~

~~“Rebate Fund” means the Rebate Fund created in Section 3.02 of the Indenture.~~

~~“Rebate Year” means, as to the Series 2017A Bonds, the period beginning on the date of issuance of the Series 2017A Bonds and ending on June 30, 2017, and for all other Rebate Years, the one year period beginning on the day after the end of the preceding Rebate Year and ending on the following June 30, unless the Borrower, the Issuer and the Trustee are advised by the Rebate Analyst that another period is required by law; provided, however, that the last Rebate Year for the Series 2017A Bonds shall end on the date the Series 2017A Bonds are no longer Outstanding.~~

~~“Registered Owner” means the Person or Persons in whose name or names a particular Bond is registered on the registration records maintained for that purpose pursuant to Section 2.05 of the Indenture.~~

~~“Regulations” means the temporary or final Income Tax Regulations applicable to the Tax Exempt Bonds issued pursuant to Sections 141 through 150 of the Code or Section 103 of the Internal Revenue Code of 1954. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Tax Exempt Bonds.~~

~~“Repair and Replacement Fund” means the Repair and Replacement Fund created in Section 3.02 of the Indenture.~~

~~“Repair and Replacement Fund Annual Deposit” means for any Fiscal Year, commencing with the Fiscal Year ending [June 30, 2017], four tenths of 1 percent (.004) of the budgeted Operating Expenses for that Fiscal Year, as set forth in the notice required to be given by the Borrower to the Trustee pursuant to Section 8.05(b)(iii) hereof.~~

~~“Repair and Replacement Fund Requirement” means, initially, \$ _____, and for any Fiscal Year, commencing with the Fiscal Year ending [June 30, 2017], 2 percent (.02) of~~

~~budgeted Operating Expenses for that Fiscal Year; provided, however, that such amount will be adjusted to the extent required pursuant to Section 8.14 hereof.~~

~~“Series 2017A Bond Financed Property” means the property financed with Net Series 2017A Bond Proceeds.~~

~~“Series 2017 Bond Proceeds” means all amounts actually or constructively received from the sale of the Series 2017 Bonds (including underwriter’s discount or compensation but excluding pre-issuance accrued interest) plus all investment earnings thereon.~~

~~“Series 2017 Promissory Note” means the Series 2017 Promissory Note executed by the Borrower and made payable to the Issuer and endorsed by the Issuer to the Trustee, in the aggregate principal amount of \$[PAR], the form of which is attached hereto as Exhibit A.~~

~~“Schools” means, collectively, the Elementary School and the High School.~~

~~“School Board” means The School Board of Brevard County, Florida.~~

~~“State” means the State of Florida.~~

~~“Tax and Insurance Escrow Payment” means (i) an amount equal to 1/12 of the greater of (A) real property taxes with respect to the Facilities paid during the preceding calendar year or (B) real property taxes with respect to the Facilities payable during the current calendar year based on the existing assessed value, unless the Borrower has received notice of its exemption from such real property taxes, in which case the amount shall be \$ 0 until such time as the Borrower is notified otherwise, at which time payments shall be made by the Borrower as herein provided; and (ii) an amount equal to 1/12 of the annual insurance premiums for all policies required to be maintained with respect to the Facilities pursuant to this Loan Agreement in accordance with the terms of such policies and as otherwise stated in a written instruction from the Borrower to the Trustee and ending on the day before the following _____ 1; provided from the date of delivery of the Series 2017 Bonds until _____, 20___, transfers shall be sufficient on a monthly pro rata basis to pay the taxes and/or premiums becoming due less than one year after the date of delivery of the Series 2017 Bonds. Credit for earnings in the Tax and Insurance Escrow Fund may be given annually to offset the amount of the payments to be made into such Fund for real property taxes and insurance premiums for the succeeding year.~~

~~“Tax Certificate” means the Tax Compliance Agreement between the Issuer and the Borrower, dated the date of issuance of the Series 2017 Bonds.~~

~~“Taxable Bonds” means those Bonds, including the Series 2017B Bonds, the interest on which, in includible in gross income of the Beneficial Owner thereof for federal income tax purposes.~~

~~“Tax Exempt Bonds” means those Bonds, including the Series 2017A Bonds, the interest on which, in the opinion of Bond Counsel delivered at the time of issuance thereof, is excludable from gross income of the Beneficial Owner thereof for federal income tax purposes.~~

~~“Title Policy” means an ALTA extended coverage lender’s policy of title insurance in a form acceptable to the Underwriter.~~

~~“Trustee” means U.S. Bank National Association, designated as paying agent, registrar and trustee under the Indenture, or any successor corporate trustee.~~

~~“Trustee Indemnified Parties” means the Trustee, its officers, directors, employees and agents, individually and collectively.~~

~~“Underwriter” means RBC Capital Markets, LLC.~~

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.01. Representations by the Issuer. The Issuer represents that:

(a) The Issuer is public body corporate and politic duly organized and existing under the laws of the State and is duly authorized to issue the Series 2017 Bonds and to perform its obligations under this Loan Agreement.

(b) All requirements have been met and procedures have occurred in order to authorize the execution and delivery of this Loan Agreement. The Issuer has taken all necessary action and has complied with all provisions of the law required to make this Loan Agreement a valid and binding limited obligation of the Issuer.

(c) The Series 2017 Bonds have been duly authorized, executed and delivered by the Issuer. Nothing in this Loan Agreement shall be construed as requiring the Issuer to provide any financing for the Series 2017 Project other than the proceeds of the Series 2017 Bonds or to provide sufficient moneys for all of the costs of financing or refinancing the Series 2017 Project.

Section 2.02. Representations by and Covenants of the Borrower. The Borrower represents and covenants that:

(a) The Borrower is a Florida ~~limited liability company whose Sole Member is a not~~ for profit corporation duly incorporated and in good standing under the laws of the State, it will maintain, extend and renew its corporate existence under the laws of the State, and it will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted.

(b) The Borrower is organized and operated with the ~~specific~~ power to acquire, develop, construct, renovate, operate, equip, and maintain, as applicable, the Series 2017 Facilities. The Borrower has been duly authorized to execute each of the Borrower Documents and consummate all of the transactions contemplated thereby, and the execution, delivery, and performance of the Borrower Documents will not conflict with or constitute a breach of or

default by the Borrower under any other instrument or agreement to which the Borrower is a party or by which its property is bound.

(c) The Borrower's execution, delivery, and performance of the Borrower Documents will not constitute a violation of any order, rule, or regulation of any court or governmental agency having jurisdiction over the Borrower.

(d) There are no pending or, to the Borrower's knowledge, threatened actions, suits, or proceedings of any type whatsoever affecting the Borrower, the Borrower's property, or the Borrower's ability to execute, deliver, and perform with respect to any of the Borrower's Documents, except as otherwise set forth in the Offering Statement.

(e) The Series 2017 Facilities financed or refinanced with proceeds of the Loan are or will be comprised of land, buildings, facilities, equipment and/or other items for "educational facilities" and are a "project" within the provisions of the Act.

(f) Neither the representations of the Borrower contained in the Borrower Documents nor any oral or written statement, furnished by or on behalf of the Borrower to the Issuer or the Underwriter in connection with the transactions contemplated hereby, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading. There are no facts that the Borrower has not disclosed to the Issuer or the Underwriter in writing that materially and adversely affect or in the future may (so far as the Borrower can now reasonably foresee) materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents or any documents or transactions contemplated hereby or thereby.

(g) The Borrower has obtained, or will obtain or cause to be obtained, before they are required, all necessary approvals of and licenses, permits, consents, and franchises from federal, State, county, municipal, or other governmental authorities having jurisdiction over the Series 2017 Facilities for the Borrower to acquire, construct, renovate, improve and equip and operate or cause to be operated, as applicable, the Series 2017 Facilities and for the Borrower to enter into, execute, and perform its obligations under this Loan Agreement and the other Borrower Documents.

(h) To the best of the Borrower's knowledge, the Series 2017 Facilities, as designed and as operated or caused to be operated by the Borrower and the use of the Series 2017 Facilities as a public charter school meets or will meet all material requirements of law, including requirements of any federal, State, county, city or other governmental authority having jurisdiction over the Series 2017 Facilities or their use and operation.

(i) There has been no material adverse change in the financial condition, results of operations, or business affairs of the Borrower or the feasibility or physical condition of the Series 2017 Facilities subsequent to the date on which the Issuer granted its resolution approving the issuance of the Series 2017 Bonds.

(j) The Borrower (i) understands the nature of the structure of the transactions related to the financing and refinancing of the Series 2017 Project; (ii) is familiar with all the provisions

of the documents and instruments related to such financing to which the Borrower or the Issuer is a party or of which the Borrower is a beneficiary; (iii) understands the risk inherent in such transactions, including, without limitation, the risk of loss of the Facilities; and (iv) has not relied on the Issuer or the Underwriter for any guidance or expertise in analyzing the financial consequences of such financing transactions or otherwise relied on the Issuer in any manner, except to issue the Series 2017 Bonds in order to provide funds for the Loan.

(k) The Borrower shall retain a Rebate Analyst if, as and when advised or required to do so under the Indenture, this Loan Agreement or the Tax Certificate.

Section 2.03. Tax Covenants.

(a) The Borrower represents and warrants that (i) it is an organization described in Section 501(c)(3) of the Code; (ii) it has received a determination letter from the Internal Revenue Service to that effect; (iii) such letter has not been adversely modified, limited or revoked; (iv) it is in compliance with all material terms, conditions and limitations, if any, contained in its respective letter; (v) the facts and circumstances that form the basis of such letter continue substantially to exist as represented to the Internal Revenue Service; (vi) it is not aware of any facts or circumstances that could cause a revocation of such letter; and (vii) it is exempt from federal income taxes under Section 501(a) of the Code, except for unrelated business taxable income under Section 511 of the Code and is not a private foundation under Section 509(a) of the Code.

(b) The Borrower will not take any action or omit to take any action, which action or omission will adversely affect the exclusion from gross income of the interest on the Series 2017A Bonds for federal income tax purposes or cause the interest on the Series 2017A Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code, and in the event of such action or omission, the Borrower will, promptly upon having such brought to its attention, take such reasonable actions based upon an opinion of Bond Counsel, and in all cases at the sole expense of the Borrower, as may rescind or otherwise negate such action or omission. The Borrower will not directly or indirectly, use or permit the use of any Series 2017A Bond Proceeds or any other funds of the Borrower, or take or omit to take any action, that would cause the Series 2017A Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) of the Code or to fail to qualify as qualified 501(c)(3) bonds within the meaning of Section 145(a) of the Code to the extent applicable to the Series 2017A Bonds or to fail to meet any other applicable requirement of Sections 141, 145, 147, 148, 149 and 150 of the Code or cause the interest on the Series 2017A Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. To that end, the Borrower will comply with all requirements of Sections 141, 145, 147, 148, 149 and 150 of the Code to the extent applicable to the Series 2017A Bonds. In the event that at any time the Borrower is of the opinion that, for purposes of this Section 2.03, it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee or otherwise, the Borrower shall so instruct the Trustee in writing.

(c) The Issuer and the Borrower hereby covenant and agree that they shall not enter into any arrangement, formal or informal, pursuant to which the Borrower or the Sole Member

(or any “related party,” as defined in Regulations Section 1.150-1(b)) shall purchase the Series 2017 Bonds. This covenant shall not prevent the Borrower from purchasing Bonds in the open market for the purpose of tendering them to the Trustee for purchase and retirement.

(d) With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that prior to final payment of the Series 2017 Bonds:

(i) The Series 2017A Bond Financed Property is, or upon completion of acquisition or construction will be, owned by a 501(c)(3) Organization or a governmental unit (within the meaning of Section 150(a)(2) of the Code and Regulations §1.103-1(a)).

(ii) The Borrower has used or will use, as applicable, the Series 2017A Bond-Financed Property in such a manner that at least 95 percent of the Net Series 2017A Bond Proceeds will be treated as used, directly or indirectly, by the Borrower in its activities that do not constitute a Private Business Use and not more than 5 percent of the Net Series 2017A Bond Proceeds will be treated as used, directly or indirectly, in a Private Business Use. For this purposes, proceeds of the Series 2017A Bonds used to pay costs of issuing the Series 2017A Bonds shall be treated as a Private Business Use.

The Borrower may depart from the covenants in this subparagraph (ii) only if and to the extent that an opinion of Bond Counsel is delivered, at the expense of the Borrower, to the Trustee that (A) is based on Section 145 of the Code, (B) states the extent to which the Borrower may depart from such covenants, and (C) states that such departure from such covenants will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2017A Bonds or cause the interest on the Series 2017A Bonds or any portion thereof to become an item of tax preference for purposes of alternative minimum tax imposed on individuals and corporations under the Code.

(iv) The Borrower will not secure directly or indirectly more than 5 percent of either the principal of or the interest on the Series 2017A Bonds by (A) any interest in property used or to be used for any Private Business Use or (B) payments in respect of property used or to be used for any Private Business Use. The Borrower will not cause or permit more than 5 percent of either the principal of or the interest on the Series 2017A Bonds to be derived directly or indirectly from payments (whether or not to the Issuer or to the Borrower) in respect of property, or borrowed money, used or to be used for any Private Business Use. Series 2017A Bond Proceeds used to pay costs of issuing the Series 2017A Bonds shall be treated as a Private Business Use.

(v) Except as permitted by Section 149(b)(3) of the Code, the Borrower will not permit the Series 2017 Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code.

(vi) The Borrower will not permit costs relating to the issuance of the Series 2017A Bonds, including any underwriters’ discount withheld therefrom, paid from or financed by the Series 2017A Bond Proceeds, to exceed 2 percent of the Series 2017A Bond Proceeds within the meaning of Section 147(g) of the Code.

(vii) The weighted average maturity of the Series 2017A Bonds does not exceed 120 percent of the weighted average reasonably expected economic life or the remaining economic life, as applicable, of the Series 2017A Bond-Financed Property, determined in accordance with Section 147(b) of the Code. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the date such property was placed in service or, if later, the date of issuance of the Series 2017A Bonds. In addition, the cost of financing the acquisition of land shall not be taken into account in determining the reasonably expected economic life of property financed by the Series 2017A Bonds unless 25 percent or more of the Net Series 2017A Bond Proceeds were used to finance the cost of acquiring land, in which case such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of the Series 2017A Bond-Financed Property.

(viii) None of the Series 2017A Bond Proceeds will be used to provide any airplane, skybox or other private luxury box, or health club facility (except any health club facility related to the Section 501(c)(3) purpose of the ~~Sole Member Borrower~~ under the Code), any facility primarily used for gambling or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(ix) None of the Series 2017A Bond Proceeds will be used directly or indirectly to provide residential rental property for family units within the meaning of Section 145(d) of the Code.

(x) At least 95 percent of the Series 2017A Bond Proceeds are to be used to finance or refinance capital expenditures incurred after August 5, 1997.

(xi) The statements concerning the Series 2017A Bonds and the application of the Series 2017A Bond Proceeds required by Section 149(e) of the Code, and approved by the Borrower on behalf of the Issuer, are true and complete for the purposes for which intended. The Borrower shall prepare and submit, or cause to be submitted, true and complete amendments of, or supplements to, those statements if in an opinion of Bond Counsel such amendments or supplements are deemed to be necessary or advisable.

(xii) No changes will be made in the Series 2017A Bond-Financed Property or in the use of such facilities that will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2017A Bonds or will cause the interest on the Series 2017A Bonds, or any portion thereof, to constitute an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. The Borrower will use the Series 2017A Bond-Financed Property or cause such Bond-Financed Property to be used so long as the Series 2017A Bonds remain unpaid so as to constitute a "project" within the meaning of the Act.

(xiii) No Net Series 2017A Bond Proceeds will be used to reimburse the Borrower for any expenditure made by the Borrower more than 60 days prior to a qualifying declaration of intent, which is approved by Bond Counsel, except for planning costs and other preliminary expenditures within the meaning of Regulations Section

1.150-2(f)(2) not in excess of 20 percent of the issue price of the Series 2017 Bonds and de minimis expenses within the meaning of Regulations Section 1.150-2(f)(1).

(xiv) The Borrower will not make any investment or deposit in Investment Obligations or that involves the payment or agreement to pay to a party other than the United States of America an amount that is required to be paid to the United States of America by entering into a transaction that reduces the Rebate Amount payable to the United States of America or results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Series 2017 Bonds not been relevant to either party to the transaction.

(e) Use of Series 2017A Bond-Financed Property.

(i) General. For purposes of this Loan Agreement, the use by a Private Person of the Series 2017A Bond-Financed Property pursuant to a Qualified Service Contract (as hereafter defined) shall not be treated as a Private Business Use by such Private Person of such Series 2017A Bond-Financed Property or of funds used to finance or refinance such Series 2017A Bond-Financed Property.

(ii) Qualified Service Contracts. An arrangement under which services are to be provided by a Private Person ("Service Provider") involving the use of all or any portion of, or any function of, the Series 2017A Bond-Financed Property (for example, management services for an entire facility or a specific department of a facility) ("Service Contract") is a "Qualified Service Contract" if all of the following conditions are satisfied:

(A) the compensation for services provided pursuant to the Service Contract is reasonable;

(B) none of the compensation for services provided pursuant to the Service Contract is based on net profits from operation of the Series 2017A Bond-Financed Property or any portion thereof;

(C) the compensation provided in the Service Contract satisfies one of the following subparagraphs:

(I) At least 95 percent of the compensation for each annual period during the term of the Service Contract is based on a periodic fixed fee and the term of the Service Contract, including all renewal options, does not exceed the lesser of 80 percent of the reasonably expected useful life of the Series 2017A Bond-Financed Property and 15 years. For purposes of this subparagraph (C), a "periodic fixed fee" means a stated dollar amount for services rendered for a specified period of time that does not increase except for automatic increases pursuant to a specified, objective external standard that is not linked to the output or efficiency of the Series 2017A Bond-Financed Property (e.g., the Consumer Price Index) and a "renewal option" means a provision under which either party

to the Service Contract has a legally enforceable right to renew the Service Contract; or

(II) At least 80 percent of the compensation for each annual period during the term of the Service Contract is based on a periodic fixed fee and the term of the Service Contract, including all renewal options, does not exceed the lesser of 80 percent of the reasonably expected useful life of the Series 2017A Bond-Financed Property and ten years; or

(III) At least 50 percent of the compensation for each annual period during the term of the Service Contract is based on a periodic fixed fee, the term of the Service Contract, including all renewal options, does not exceed five years, and the Service Contract is terminable by the Borrower on reasonable notice, without penalty or cause, at the end of the third year of the Service Contract term; or

(IV) All of the compensation for services is based on a capitation fee or a combination of a capitation fee and a periodic fixed fee, the term of the Service Contract, including all renewal options, does not exceed five years, and the Service Contract is terminable by the Borrower on reasonable notice, without penalty or cause, at the end of the third year of the Service Contract term. A “capitation fee” means a fixed periodic amount for each person for whom the Service Provider assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of service actually provided to covered persons varies substantially; or

(V) All of the compensation for services is based on a per-unit fee or a combination of a per-unit fee and a periodic fixed fee, the term of the Service Contract, including all renewal options, does not exceed three years and the Service Contract is terminable by the Borrower on reasonable notice, without penalty or cause at the end of the second year of the Service Contract term. A “per-unit fee” means a fee based on a unit of service provided; or

(VI) All of the compensation for services is based on a percentage of fees charged or a combination of a per-unit fee and a percentage of revenue or expense fee, the term of the Service Contract, including all renewal options, does not exceed two years and the Service Contract is terminable by the Borrower on reasonable notice, without penalty or cause at the end of the first year of the Service Contract term. This subparagraph (VI) applies only to (a) Service Contracts under which the Service Provider primarily provides services to third parties, or (b) Service Contracts involving the Series 2017A Bond-Financed Property during an initial start-up period for which there has been insufficient operations to establish a reasonable estimate of the amount of the annual gross revenues (or gross expenses in the case of a Service Contract based

on a percentage of gross expenses) (e.g., a Service Contract for general management services for the first year of operations), in which case, the compensation for services may be based on a percentage of gross revenues, adjusted gross revenues (i.e., gross revenues less allowances for bad debts and contractual and similar allowances) or expenses of the Series 2017A Bond-Financed Property, but not more than one.

For purposes of this subparagraph (e)(ii)(C), a Service Contract is considered to contain termination penalties if the termination limits the right of the Borrower to compete with the Service Provider, requires the Borrower to purchase equipment, goods, or services from the Service Provider, or requires the Borrower to pay liquidated damages for cancellation of the Service Contract. Another contract between the Service Provider and the Borrower (for example, a loan or guarantee by the Service Provider), is considered to create a contract termination penalty if that contract contains terms that are not customary or arm's-length that could operate to prevent the Borrower from terminating the Service Contract. A requirement that the Borrower reimburse the Service Provider for ordinary and necessary expenses, or restrictions on the hiring by the Borrower of key personnel of the Service Provider are not treated as contract termination penalties;

(D) The Service Provider has no role or relationship with the Borrower directly or indirectly, that, in effect, substantially limits the ability of the Borrower to exercise its rights under the Service Contract, including cancellation rights;

(E) The Service Provider and its directors, officers, shareholders and employees possess in the aggregate, directly or indirectly, no more than 20 percent of the voting power of the governing body of the Borrower;

(F) No individual who is a member of the governing body of the Service Provider and the Borrower is the chief executive officer of the Borrower or the Service Provider or the chairperson of the governing body of the Borrower or the Service Provider; and

(G) The Borrower and the Service Provider are not "related parties" (within the meaning of Regulations Section 1.150-1(b)).

(iii) Exceptions. The Borrower may treat a Service Contract that does not comply with one or more of the criteria of subparagraph (e)(ii)(C) as not resulting in Private Business Use of Series 2017A Bond-Financed Property if it delivers to the Trustee, at its expense, an opinion of Bond Counsel to the effect that to do so would not adversely affect the exclusion from gross income of the interest on the Series 2017A Bonds or cause the interest on the Series 2017A Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. Furthermore, a Service Provider that is a 501(c)(3) Organization of which the charitable purpose includes provision of the services

it is proving to the Borrower shall not be treated as a Private Person for purposes of evaluating a Service Contract.

(f) The Borrower covenants to comply with the covenants and procedures set forth in Section 3.14 of the Indenture and to deposit in the Rebate Fund such amount as may be necessary to maintain the deposit in the Rebate Fund at the Rebate Requirement.

(g) All covenants and obligations of the Borrower contained in this Section 2.03 shall remain in effect and be binding upon the Borrower until all of the Series 2017A Bonds have been paid, notwithstanding any earlier termination of this Loan Agreement or any provision for payment of principal of and premium, if any, and interest on the Outstanding Series 2017A Bonds and Loan Payments and release and discharge of the Indenture.

(h) Notwithstanding any provision of this Section 2.03, if the Borrower provides, at its own expense, to the Trustee and to the Issuer an opinion of Bond Counsel to the effect that any action required under this Section or Section 3.14 of the Indenture is no longer required, or to the effect that some further action is required, to maintain the exclusions from gross income of interest on the Series 2017A Bonds pursuant to Section 103(a) of the Code, the Borrower, the Issuer and the Trustee may rely conclusively on such opinion in complying with the provisions hereof and Section 3.14 of the Indenture, and the covenants hereunder shall be deemed to be modified to that extent.

(i) The Borrower agrees that ~~none of the Borrower~~ it will not take any action or omit to take any action or cause or permit any circumstance to arise or continue if such action or circumstance or omission would cause any revocation or adverse modification of such federal income tax status, unless it obtains, at its own expense, an opinion of Bond Counsel, addressed to the Trustee that such revocation or modification will not adversely affect the exclusion from gross income under Section 103(a) of the Code of interest paid on the Series 2017A Bonds or cause the interest on the Series 2017 Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code.

(j) The following obligation to make payments is subject to the limitations in subsection (iii) below.

(i) To Correct Underpayments. If the Borrower shall be notified by the Issuer, the Rebate Analyst or the Trustee as of any date that any payment made to the United States Treasury in respect of the Series 2017A Bonds pursuant to the rebate provisions of the Indenture shall have failed to satisfy any requirement of Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Borrower), the Borrower shall (1) pay to the Trustee (for deposit to the Rebate Fund) the correct amount in respect thereof, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations, and (2) in the event that the Borrower has any knowledge of the reason for such failure, deliver to the Trustee and the Issuer a brief written explanation of such failure and any basis for concluding that such failure was not due to willful neglect.

(ii) **Preservation of Accounting Records.** The Borrower shall retain, and on written request of the Rebate Analyst or the Trustee, provide to any such person copies of all of the accounting records of the Borrower relating to the Funds, for at least six years after the later of the final maturity (whether at stated maturity or earlier prepayment) of the Series 2017A Promissory Note or the first date on which no Series 2017A Bonds are Outstanding.

(iii) **Limitation.** The Borrower shall not have responsibility or liability to the Issuer or any other person for, and shall not be obligated to make payments in respect of, any rebate obligation other than as specifically stated herein, and then only to the extent of the Rebate Amount relating to funds held under the Indenture and any further Rebate Amount owed as a result of the actions or omissions of the Borrower.

Section 2.04. Continuing Disclosure and Post Issuance Compliance. (a) The Borrower hereby covenants to enter into the Continuing Disclosure Undertaking for the benefit of the holders of the Series 2017 Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, Section 240.15c2-12) contemporaneously with the issuance of the Series 2017 Bonds.

(b) The Borrower hereby covenants and agrees that it will comply with and carry out all of the provisions of the Post-Issuance Compliance Policies & Procedures of Capital Trust Agency as attached hereto as Exhibit I.

Section 2.05. Environmental Matters.

(a) To the best of its knowledge, and after due inquiry (which inquiry consists solely of reviewing the Environmental Report ~~and from having had control thereof, since before the date of the Environmental Report related thereto~~), except as set forth in the Environmental Report, the Borrower has not been informed of, nor does the Borrower have any knowledge of (i) the presence of any Hazardous Substances in violation of Environmental Laws on any of the Series 2017 Facilities, or (ii) any spills, releases, threatened releases, discharges or disposals of Hazardous Substances that have occurred or are presently occurring on or onto any of the Series 2017 Facilities or any properties adjacent to any of the Series 2017 Facilities, or (iii) any spills or disposals of Hazardous Substances in violation of Environmental Laws that have occurred or are presently occurring on any other properties as a result of any construction on or operation and use of the Series 2017 Facilities.

(b) In connection with the construction on or operation and use of any of the Series 2017 Facilities, the Borrower represents that it will comply with any applicable local, state or federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, treatment, recycling, reuse, sale, storage, handling, transport and disposal of any Hazardous Substances.

(c) The Borrower represents and warrants that it has not ~~given any release or waiver of liability that would impair any claim based upon Hazardous Substances to a previous owner of the Series 2017 Facilities or to any party who may be potentially responsible for the presence of Hazardous Substances thereon nor has it made promises of indemnification regarding Hazardous~~

Substances on or associated with the Series 2017 Facilities to any person other than the Issuer, the Issuer Indemnified Parties, the Trustee or the Trustee Indemnified Parties.

(d) In the event that the Borrower becomes aware of the release of any Hazardous Substances on, or other environmental condition or liability with respect to, the Series 2017 Facilities in violation of the Environmental Laws, the Borrower agrees to promptly notify the Issuer and the Trustee in writing of such condition. The Borrower further agrees to take actions required by the Environmental Laws to investigate and clean up the release of any Hazardous Substances on, or other environmental condition, problem or liability affecting, the Series 2017 Facilities, promptly after the Borrower becomes aware of any such condition and to keep the Issuer and the Trustee advised of all such actions taken by the Borrower.

(e) The representations and warranties set forth in this Section 2.07 shall survive the expiration or termination of the Borrower Documents, the payment of the Series 2017 Bonds, and the discharge of any obligations owed by the parties to each other and will survive any transfer of title to the Series 2017 Facilities, whether by foreclosure, or otherwise and shall not be affected by any investigation by or on behalf of the Issuer or the Trustee or any information which the Issuer or the Trustee may have or obtain with respect thereto.

ARTICLE III

TERM OF LOAN AGREEMENT

Section 3.01. Term of Loan Agreement. This Loan Agreement shall remain in full force and effect from the date of delivery hereof until such time as all of the payments on the Series 2017 Promissory Note shall have been fully paid or provision is made for such payment pursuant to Section 11.01 hereof and the Indenture and all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Series 2017 Promissory Note, all fees and expenses of the Issuer accrued and to accrue through final payment of the Series 2017 Promissory Note and all other liabilities of the Borrower accrued and to accrue through final payment of the Series 2017 Promissory Note under this Loan Agreement and the Indenture have been paid or provision is made for such payments pursuant to Section 11.01 hereof and the Indenture; provided, however, notwithstanding any other provision hereof (a) the indemnification provisions of Section 8.06 hereof and agreements contained in Section 10.04 hereof shall survive after the termination of the term of this Loan Agreement and, with respect to the Trustee, its resignation or removal; (b) all agreements, representations and certifications by the Borrower as to the exclusion from gross income of interest on the Series 2017A Bonds shall survive termination of the term hereof until the expiration of statutes of limitation applicable to the liability of the Registered Owners of the Series 2017A Bonds for federal and state income taxes with respect to interest on the Series 2017A Bonds; and (c) upon the defeasance of the Indenture, all such indemnification provisions shall be enforceable by the Issuer Indemnified Parties and the Trustee Indemnified Parties, and all such agreements, representations and certifications regarding the exclusion from gross income of the interest on the Series 2017A Bonds shall be enforceable by the Registered Owners of the Series 2017A Bonds, directly against the Borrower.

ARTICLE IV

THE SERIES 2017 PROJECT; ISSUANCE OF THE SERIES 2017 BONDS

Section 4.01. Agreement to Issue Series 2017 Bonds. In order to provide funds to make the Loan, the Issuer will sell and cause to be delivered to the Underwriter the Series 2017 Bonds and will make such Loan and direct the Trustee to make the deposits from or apply the proceeds of the Series 2017 Bonds as set forth in Section 3.02(b) of the Indenture.

Section 4.02 Disbursements from the Project Fund.

(a) The Issuer has, in the Indenture, authorized and directed the Trustee to disburse the moneys in the Project Fund to pay Costs of the Project. The Trustee shall disburse amounts set forth on Exhibit G attached hereto to the parties listed on such exhibit upon receipt of an invoice therefor. In addition, the Trustee shall transfer moneys in the Project Fund to pay Costs of the Project no more often than twice per month within five days of receipt by the Trustee of a completed requisition, in the form attached hereto as Exhibit B, signed by an Authorized Representative of the Borrower.

(b) When the acquisition, construction, installation and equipping of a Project shall have been completed, the Borrower shall deliver a certificate of the Borrower stating the fact and date of such completion and stating that all of the Costs of the Project have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the Project Fund is to be maintained in the full amount of such claims until such dispute is resolved) and directing the Trustee to transfer any remaining balance in the related account of the Project Fund to the corresponding subaccount of the Interest Account.

Section 4.03. [Reserved].

Section 4.04. Disbursements from the Cost of Issuance Fund.

(a) The Issuer has, in the Indenture, authorized and directed the Trustee to make payments from the Cost of Issuance Fund for the payment of issuance expenses as provided in this Section. Payments shall be made from the Cost of Issuance Fund only for paying the costs of legal, accounting, organization, marketing, trustee or other special services and other fees and expenses, incurred or to be incurred by or on behalf of the Issuer or the Borrower in connection with the issuance of the Series 2017 Bonds. The Issuer does not make any warranty either express or implied that the moneys in the Cost of Issuance Fund available for payment of the foregoing costs will be sufficient to pay such costs in full, and the Borrower agrees to pay such costs in excess of the amount in the Cost of Issuance Fund from any moneys legally available for such purpose. The Borrower shall not be entitled as a result of paying the issuance expenses pursuant to this Section to any reimbursement therefor from the Issuer, the Trustee, the Registered Owners or the Beneficial Owners, 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. Each payment out of the Cost of Issuance Fund shall be made only upon receipt by the Trustee of an invoice and a valid Form W9 or W8 as applicable from each payee in amounts

not to exceed those as set forth in Exhibit H attached hereto or otherwise authorized by the Borrower. ~~The Issuer and the Borrower acknowledge that the Trustee cannot process such disbursement request until the Custodian is in receipt of a valid Form W-9 or Form W-8, as applicable, in accordance with Internal Revenue Service regulations and the Foreign Account Tax Compliance Act.~~

(b) Any amounts remaining on deposit in the Cost of Issuance Fund 90 days after the Bond Closing Date for the Series 2017 Bonds shall be transferred by the Trustee to the Bond Fund.

Section 4.05. Disbursements from Tax and Insurance Escrow Fund. The Issuer has, in the Indenture, authorized the Trustee to make payments from the Tax and Insurance Escrow Fund for the payment of (a) real property or ad valorem taxes with respect to the Facilities, or (b) premiums for the insurance policies required to be maintained by the Borrower pursuant to this Loan Agreement. Each payment out of the Tax and Insurance Escrow Fund shall be made only upon receipt by the Trustee of a completed requisition, in the form attached hereto as Exhibit C, signed by an Authorized Representative of the Borrower; provided, that the Trustee may nevertheless act in accordance with Section 3.12(d) of the Indenture notwithstanding the Borrower's failure to deliver such requisition.

Section 4.06. Obligation of the Borrower to Furnish Documents to Trustee. The Borrower agrees that the requisitions and invoices referred to in Sections 4.02, 4.04, 4.05 and 4.10 hereof must be furnished to the Trustee before the Trustee will disburse funds held under the Indenture, except as provided in the proviso to the last sentence of Section 4.05 hereof. The Trustee may conclusively rely upon such requisitions and invoices.

Section 4.07. Reserved.

Section 4.08. Tax Covenant. The Borrower covenants, represents and warrants that it will comply with the procedures set forth in the Tax Certificate implementing the covenants in Section 2.03 to the extent necessary under the Code to maintain the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes or to avoid the application of any penalties under the Code, subject to any applicable statute of limitations.

Section 4.09. Title Insurance; Security Interest.

(a) On the date of issuance of the Series 2017 Bonds, the Borrower will provide the Trustee with an irrevocable, binding commitment of a title company acceptable to the Underwriter to issue a Title Policy insuring the Trustee's interest in and Lien against the Series 2017 Facilities, subject to any Permitted Encumbrances, in an amount not less than the Outstanding principal amount of the Series 2017 Bonds (less any amount deposited into the Debt Service Reserve Fund on such date). Each such policy shall be in the form of a standard ~~or extended~~ American Land Title Association Policy, ~~as applicable, and may not permit the title insurer to purchase any Series 2017 Bonds in lieu of providing payment under the policy unless, upon purchase, such Series 2017 Bonds are cancelled.~~ The Mortgage shall be recorded in the real property records of Brevard County, Florida, and provide the Trustee with a perfected first position Lien interest in the Series 2017 Facilities, subject to any Permitted Encumbrances.

(b) Upon the execution by the Borrower of the Mortgage and its subsequent recording, and upon the filing of the UCC financing statement related to the Mortgage on the date of issuance of the Series 2017 Bonds, the Trustee will have a valid first-position Lien on the Mortgaged Estate (as defined in the Mortgage) and a valid security interest in the personal property subject to no Liens, charges or encumbrances other than the Permitted Encumbrances, and the Borrower will take all necessary actions, including filing continuation statements, to preserve such Lien and security interest.

Section 4.10. Disbursements from the Repair and Replacement Fund. The Issuer has, in the Indenture, authorized and directed the Trustee to make payments from the Repair and Replacement Fund as provided in this Section. Payments shall be made from the Repair and Replacement Fund upon receipt by the Trustee of a written requisition from an Authorized Representative of the Borrower, in the form set forth as Exhibit D hereto setting forth the amount and the payee for the purpose of paying the cost of ~~capital~~ expenditures related to maintenance, improvements and replacements which may be required for the Facilities, including, but not limited to replacement of equipment, replacement of any roof or other structural component, exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment.

ARTICLE V

PAYMENT PROVISIONS

Section 5.01. Loan Payments and Other Amounts Payable.

(a) During the term of this Loan Agreement, the Borrower shall pay or cause to be paid as repayment of the Loan until the principal of and premium, if any, and interest on the Series 2017 Promissory Note have been paid or provision for the payment thereof otherwise has been made in accordance with this Loan Agreement, into the Revenue Fund monthly no later than the second business day preceeding the last day of each month, (i) until such time as the principal of and interest on the Bonds shall have been paid in full, or provisions made for such full payment in accordance with the provisions of the Indenture, an amount equal to the aggregate amount of interest payable by the Issuer on the then Outstanding Bonds, at the applicable interest rates, on the next succeeding Interest Payment Date, or such amount as necessary for the accumulation of funds necessary to pay such interest on such Interest Payment Date, all in accordance with the provisions of Section 3.20 of the Indenture; and (ii) until such time as the principal of and interest on the Bonds shall have been paid in full, or provisions made for such full payment in accordance with the provisions of the Indenture, an amount equal to that portion of the principal amount of the Bonds payable by the Issuer or such amount as necessary for the accumulation of funds necessary to pay the principal of the Bonds on ~~each~~ the next succeeding Principal Payment Date, all in accordance with the provisions of Section 3.20 of the Indenture.

(b) On or before the redemption date specified in any notice of redemption sent pursuant to Section 5.08(c) of the Indenture, the Borrower shall pay or cause to be paid as repayment of the Loan for deposit into the Bond Fund an amount of money that, together with the payments made by the Borrower on its Series 2017 Promissory Note then on deposit in the

Bond Fund, is sufficient to pay the principal of and premium, if any, and interest accrued to the redemption date on the Series 2017 Bonds called for redemption.

(c) During the term of this Loan Agreement, the Borrower shall pay or provide for the payment of all taxes and assessments, general or special, concerning or in any way related to the Facilities or any part thereof, and any other governmental charges and impositions whatsoever related to the Facilities, and premiums for insurance policies maintained on the Facilities as required by this Loan Agreement. In furtherance thereof, the Borrower shall pay to the Trustee each month for deposit into the Tax and Insurance Escrow Fund an amount equal to the Tax and Insurance Escrow Payment.

(d) The Borrower agrees to pay or cause to be paid to the Trustee the reasonable and necessary fees and expenses of the Trustee incurred in performing its duties related to the Series 2017 Bonds, including its attorney fees and expenses, as and when the same become due, upon submission of a statement therefor; provided that the Borrower may, without creating a default hereunder, contest in good faith any such fees or expenses.

(e) The Borrower shall pay or cause to be paid to the Trustee for deposit to the Rebate Fund all amounts required to be deposited in the Rebate Fund pursuant to Section 3.14 of the Indenture. The Borrower shall also pay to the Trustee an amount necessary to pay the fees and expenses of the Rebate Analyst when due.

(f) The Borrower shall (i) pay or cause to be paid to the Trustee for account of the Issuer the Issuer's Annual Fee, and (ii) pay directly to the Issuer promptly upon billing, any and all costs and expenses of the Issuer related to the issuance of the ~~Bond Bonds~~ or any of the related documentation, or the later modification, amendment or interpretation of the ~~Bond Bonds~~, if any (including, but not limited to, the fees, costs, and expenses of the Issuer's counsel or of Bond Counsel). If the Issuer has not received the Issuer's Annual Fee on or before [October] 1 of any year, the Issuer shall provide written notice to the Borrower of its failure to make payment of such fee. If the Issuer has not received the full amount of the Issuer's Annual Fee within 30 calendar days of the due date, the Borrower shall pay a late charge to the Issuer in the amount of 1-1/2% per month of the overdue Issuer's Annual Fee. The Borrower will also pay the reasonable expenses of the Issuer related to the issuance of Bonds and any and all ongoing costs and expenses for any continuing duties or obligations of the Issuer related in any respect to the Bonds, this Loan Agreement, the Bond Purchase Agreement or any other documents executed in connection therewith after the issuance of the Bonds.

(g) In the event of a Determination of Taxability and mandatory redemption resulting therefrom as set forth in Section 5.04 of the Indenture, the Borrower agrees to prepay the Series 2017 Promissory Note and pay all premiums required by such redemption in full.

(h) The Borrower shall pay or provide for the payment of the required amount into the Debt Service Reserve Fund upon notice of any deficiency therein in accordance with Section 3.24 of the Indenture. If the Trustee determines that the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, whether because of a decreased value of the Investment Obligations therein or a transfer to cure a shortfall in the Bond Fund, the Borrower agrees pursuant to this Section 5.01 to pay to the Trustee the amount of such deficiency

in not more than one year in substantially equal monthly installments beginning on the first day of the month after the month in which such deficiency occurs; provided that no such installment shall be less than \$5,000.

(i) On the Bond Closing Date, the Borrower shall pay, or cause to be paid, to the Trustee other legally available moneys equal to the Repair and Replacement Fund Requirement and monthly thereafter, the Borrower shall pay, or cause to be paid, to the Trustee an amount of money equal to 1/12 of the Repair and Replacement Fund Annual Deposit or such lesser amount as is necessary to cause the aggregate amount in the Repair and Replacement Fund to equal the Repair and Replacement Fund Requirement.

(j) In the event the Borrower should fail to make or fail to cause to be made 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 subsections (a), (b), (d), (e) and (f) of this Section 5.01, to pay interest at the highest rate of interest borne by any of the Series 2017 Bonds, or the maximum rate permitted by law if less than such rate.

Section 5.02. Pledge By Borrower.

In fulfillment of its obligations hereunder, the Borrower hereby pledges to the Issuer to secure the payment of the Loan and the Series 2017 Promissory Note securing such Loan, the following:

(i) all of the Borrower's right, title and interest in and to the Facilities, including all related additions, replacements, substitutions and proceeds for the purposes of securing such Loan;

(ii) all Pledged Revenues; and

(iii) 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 for the Loan by the Borrower or by anyone on its behalf.

Section 5.03. Operating Account. Notwithstanding anything to the contrary contained herein, ~~The~~ the Borrower agrees that, as long as any of the Bonds remain Outstanding or any payments hereunder remain unpaid, all of the ~~Gross~~ Pledged Revenues shall be deposited as soon as practicable upon receipt thereof in ~~one or more~~ operating account (the "Operating Account") which the Borrower has established and maintains, and shall continue to maintain, in an account or accounts at an accredited, federally insured banking institution or institutions, as the Borrower shall from time to time designate in writing to the Trustee for such purpose; provided, however, that (i) the Borrower shall cause any funds transferred by the School Board to the Borrower for the Schools to be deposited directly into the Operating Account, (ii) any funds transferred to the Trustee on behalf of the Borrower pursuant to the Indenture shall not be deposited in the Operating Account and (iii) any funds representing operating revenues of any other charter schools operated by the Borrower which are not part of the Schools shall not be deposited in the

Operating Account. Subject to the provisions of this Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Borrower hereby pledges, and to the extent permitted by law, grants a security interest to the Trustee, as assignee of the Issuer (for the benefit of the Holders), in the Operating Account and all of the ~~GrossPledged~~ Revenues to secure the payment of the Loan Payments and all additional payments due hereunder and the performance by the Borrower of its other obligations under this Loan Agreement. The Borrower shall cause to be filed such Uniform Commercial Code financing statements, and execute and deliver such other documents (including, but not limited to, account control agreements and continuation statements), as may be necessary in order to perfect or to at all times maintain as perfected the Trustee's security interest in the ~~Academy Revenue Fund~~ Operating Account.

The Borrower shall apply the moneys in the Operating Account to the payment of Loan Payments and all additional payments due hereunder, and only after the payment of such amounts then due, the Borrower may withdraw amounts from the Operating Account to pay Operating Expenses, except as otherwise provided in the Deposit Account Control Agreement.

In the event that the Borrower is delinquent for more than one Business Day in the payment or required prepayment of any Loan Payment, the Trustee shall notify the Issuer and the Borrower of such delinquency and shall take such action as directed by the Indenture and as permitted by the Deposit Account Control Agreement. Any amounts received by the Trustee pursuant to the Deposit Account Control Agreement are subject to the provisions of ~~the Deposit Account Control Agreement, including the requirement of the Trustee to repay certain amounts under certain circumstances set forth in the Deposit Account Control Agreement.~~

Section 5.04. Obligations of Borrower Hereunder Unconditional. Except as provided herein, the obligations of the Borrower to make the payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional. The Borrower (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for herein, (b) will perform and observe all of its other agreements contained in this Loan Agreement, the Mortgage and the Series 2017 Promissory Note, and (c) except as provided in Article XI hereof, will not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure to complete the Series 2017 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 or any political subdivision of either, any failure of the Issuer 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 Issuer, prosecute or defend any action or proceeding or take any other action involving third persons that the Borrower deems reasonably necessary in order to secure or protect the rights of the Borrower to possession, occupancy and use of the Facilities.

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

Section 6.01. Maintenance and Modifications of Facilities by Borrower. The Borrower agrees that during the term of this Loan Agreement the Borrower shall operate and maintain the Facilities, in compliance with all governmental laws, building codes, ordinances, and regulations and zoning laws as shall be applicable to such Facilities, unless the same are being contested in good faith by appropriate proceedings. The Borrower agrees that during the term of this Loan Agreement the Borrower will (a) keep the Facilities in as safe of a condition as required by law 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 all of which shall be accomplished in a workmanlike manner in accordance with all applicable laws. The Borrower may dispose of portions of the Facilities that the Borrower determines to be obsolete or not useful to operations of the Facilities. The Borrower, at its own expense, also may 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 its value; provided that all such additions, modifications and improvements made by the Borrower that are affixed to the Facilities shall become a part of the Facilities and subject to the Mortgage. The Borrower will not permit the removal of any personal property from the Facilities unless such personal property is obsolete, sold for fair market value or will be replaced with personal property of an equal or greater value.

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 Facilities. However, if no Event of Default has occurred and is continuing, and after notifying the Trustee of its intention to do so, the Borrower may permit the Liens to remain undischarged and unsatisfied while the Borrower is diligently prosecuting, in good faith and at its own expense, a contest of any mechanics' or other Liens filed or established against the Facilities, including any appeal therefrom. The right of the Borrower to contest a Lien shall not apply, however, if 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 Issuer will, at the expense of the Borrower, cooperate fully with the Borrower in any such contest.

In the event that the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower under this Loan Agreement, which amount the Borrower agrees to pay on demand together with interest thereon at a rate that shall be 3 percent per annum above the highest rate of interest borne by any of the Series 2017 Bonds or the maximum rate permitted by law if less than such rate.

Section 6.02. Taxes, Other Governmental Charges and Utility Charges.

(a) The Borrower will pay or cause to be paid, as the same become due, (i) 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 that, 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, (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities and (iii) 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.

(b) The Borrower may, at its own expense, but only if no Event of Default (excluding the issue being contested hereunder) has occurred and is continuing, diligently prosecute and 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 if, in the Opinion of Counsel, the Facilities shall not be subject to loss or forfeiture. In the event that the Borrower is not able to obtain such Opinion of Counsel, the Borrower shall pay such taxes, assessments or charges promptly or secure the payment by posting a bond with the Trustee in form satisfactory to the Trustee. The Issuer, at the expense of the Borrower, shall cooperate fully with the Borrower in any such contest. In the event that the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower payable to the one making the advance, which amount the Borrower agrees to pay on demand together with interest thereon at a rate that

shall be 3 percent per annum above the highest rate of interest borne by the Series 2017 Bonds or the maximum rate permitted by law if less than such rate.

Section 6.03. Insurance Required.

(a) Throughout the term of this Loan Agreement, the Borrower shall provide, maintain and keep in force, or cause to be provided, maintained and kept in force, the following insurance coverages relating to the Facilities and the operations of the Borrower, paying as the same become due and payable all premiums with respect thereto:

(i) A lender's title insurance policy or policies in an aggregate amount as required by Section 4.09 hereof.

(ii) Insurance against loss or damage to the portion of the Facilities comprising buildings and all improvements therein (including, during any period of time when the Borrower is making alterations, repairs or improvements to such buildings, improvements and betterments coverage), 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.

(iii) Commercial comprehensive 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 \$1,000,000 per occurrence and \$2,000,000 in aggregate.

(iv) Business interruption insurance equal to one-half of Maximum Annual Debt Service plus six months' Operating Expenses of the Borrower. [David's note to Odyssey: need to price and discuss]

(v) Such other forms of insurance as are customary in the industry or as the Borrower is required by law to provide with respect to the Facilities or the operations of the Borrower, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

(b) All the insurance coverage required by this Section may be subject to deductible clauses in such amounts as are customary for facilities of similar size, type and character within the State. On or before _____April 1, 2019 and at least every three years thereafter, the Borrower shall employ the Insurance Consultant to review the insurance coverage required by this Section and to render to the Issuer and the Trustee a report as to the adequacy of such coverage and as to its recommendations, if any, for adjustments thereto. The insurance coverage required by this Section may be reduced or otherwise adjusted by the Borrower without the consent of the Trustee or the Issuer, provided that all coverages after such reduction or other adjustment are certified by the Insurance Consultant to be adequate and customary for facilities of like size, type and character, 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 fees, rentals and charges for the use of the Facilities of the Borrower.

(c) The insurance coverage required by this Section shall be increased or otherwise adjusted by the Borrower if as a result of such review the Insurance Consultant finds that the existing coverage is inadequate, 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 costs and charges of the Borrower for its services. The insurance coverage required by this Section, and modification thereof permitted or required by this paragraph, shall at all times be adequate and customary for facilities of like size, type and character, and the Borrower shall request that the Insurance Consultant so certify in the report required by this Section. The Borrower shall pay any fees charged by such Insurance Consultant and any expenses incurred by the Issuer and the Trustee.

(d) All policies maintained (or caused to be maintained) by the Borrower pursuant to this Section shall be taken out and maintained with generally recognized, responsible insurance companies rated not less than "A" by A.M. Best, authorized in the State, which may include "captive" insurance companies or governmental insurance pools, selected by the Borrower. The insurance policies required by subsections (a)(i) and (a)(ii) of this Section shall name the Trustee, the Issuer and the Borrower as insureds as their respective interests may appear (provided that with respect to insurance maintained pursuant to subsection (a)(ii) of this Section and Section 4.09 hereof, the Trustee shall also be named as a mortgagee under the terms of a standard Florida mortgagee loss payable endorsement), and the Trustee shall also be named as an additional insured on the policies required by subsections (a)(iii) and (a)(iv) of this Section, and, provided further that all insurance proceeds for losses, and except for worker's compensation, fidelity insurance, business interruption insurance and liability insurance, shall be paid directly to the Trustee.

(e) The Borrower shall deliver to the Trustee within 90 days after the end of each Fiscal Year, 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, and if requested by the Issuer, certificates of insurance for such policies.

Section 6.04. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to subsections (a)(i) and (a)(ii) of Section 6.03 hereof shall be applied as provided in Article VII hereof. The Net Proceeds of insurance carried pursuant to subsections (a)(iii), (a)(iv) and (a)(v) of Section 6.03 hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid.

Section 6.05. Advances by Issuer or Trustee. In the event the Borrower shall fail to maintain the full insurance coverage required by this Loan Agreement or shall fail to keep the Facilities in the condition required hereby (except as otherwise herein permitted), the Issuer or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same, or make the required repairs, renewals and replacements; and all amounts advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower under this Loan Agreement to the one making the advance, which amounts the Borrower agrees to pay on demand together with interest thereon at a rate that shall be 3 percent

per annum above the highest interest rate borne by any of the Series 2017 Bonds or the maximum rate permitted by law if less than such rate.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01. Damage, Destruction and Condemnation.

(a) In the event of a casualty or condemnation with respect to the Facilities, and so long as no Event of Default exists and is continuing, the Net Proceeds from any insurance policy or the Net Proceeds of any condemnation award resulting from such casualty or condemnation shall be paid as follows :

(i) Whenever such Net Proceeds from any insurance policy or condemnation award are less than or equal to the greater of \$2,000,000 or 10% of the Book Value of the Facilities, such Net Proceeds shall be paid directly to the Borrower and used for the repair, replacement or restoration of the Facilities to substantially the same condition as existed prior to such damage, destruction or condemnation.

(ii) Whenever such Net Proceeds from any insurance policy or condemnation award are greater than the greater of \$2,000,000 or 10% of the Book Value of the Facilities, such Net Proceeds shall be paid to the Trustee and held in a special trust account to be applied to repair, replace or restore the Facilities unless the Loan is to be prepaid as provided in Section 7.02 hereof.

In such event, the Trustee shall have the right to hire a construction monitor for the repair, replacement or restoration of the Facilities at the expense of the Borrower.

(b) If the Borrower directs the Trustee in writing that the proceeds are to be used to repair, replace or restore the Facilities, the proceeds in such special trust account shall be disbursed by the Trustee for the repair, restoration or replacement of the Facilities upon the receipt by the Trustee from the Borrower of (i) a certificate of an Authorized Representative of the Borrower that substantially states that such repairs, replacements or restorations will restore the Facilities to substantially their original condition, will be completed in accordance with plans and specifications previously provided to the Trustee and that such repairs, replacements or restorations when completed in accordance with the plans and specifications previously furnished to the Trustee will comply with all applicable statutes, codes and regulations; (ii) a certificate of an Authorized Representative of the Borrower stating that sufficient moneys are available in such special trust account to pay for such repair, restoration or replacements to be completed, together with available business interruption insurance and other available Pledged Revenues, to pay debt service on the Series 2017 Bonds and Operating Expenses during the restoration period and, if at any time during the restoration, the insurance or casualty proceeds are less than the estimated costs to restore, repair or replace the Facilities, the Borrower shall provide the Trustee with cash or cash equivalents in an amount equal to the shortfall; (iii) requisitions from the Borrower in a form acceptable to the Trustee; (iv) applicable Lien waivers; and (v) a construction contract. If such Net Proceeds are in excess of the greater of \$2,000,000 or 10% of the Book Value of the

Facilities, in addition to those requirements listed in (i) through (v) above, the Borrower also shall deliver to the Trustee: (A) an endorsement to the applicable title insurance policy insuring the continued priority of the Lien of the Mortgage; (B) an opinion of Bond Counsel to the effect that neither such repairs, replacements nor restorations nor such use of such casualty or condemnation proceeds adversely affects the exclusion from gross income for federal income tax purposes of interest on the Series 2017 Bonds; (C) evidence that the Borrower has acquired all permits and licenses necessary for such construction; and (D) evidence of the existence of performance and payment bonds therefor. The Trustee shall retain ten percent (10%) of the requested disbursements until the repairs, replacements, restorations or improvements are at least fifty percent (50%) complete as certified by an Authorized Representative of the Borrower and five percent (5%) of the requested disbursements until final completion of the repairs, replacements, restorations or improvements as certified by an Authorized Representative of the Borrower and receipt of certificates of occupancy, waivers of Liens and an endorsement to the title policy for the Facilities insuring the continued priority of the Mortgage. If at any time during the restoration, the insurance or casualty proceeds are less than the estimated costs to restore, repair or replace the Facilities, the Borrower will provide the Trustee with cash or cash equivalents in an amount equal to the shortfall. If after completion of any such repairs, replacements, or improvements any funds remain in said special trust fund, the remaining funds shall be transferred by the Trustee to the Revenue Fund and used to make any disbursements required by Section 3.20, FIRST through SEVENTH of the Indenture that have not otherwise been made and any excess shall be applied in accordance with Section 3.20, EIGHTH of the Indenture. ~~Notwithstanding the above provisions, all~~ All proceeds of business interruption insurance shall be paid to the Trustee and deemed to be Pledged Revenues for purposes of this Loan Agreement, including, without limitation, Section 5.01 hereof, and used in accordance with Section 6.04 hereof.

Section 7.02. Mandatory Prepayment from Insurance or Condemnation Proceeds.

If the Net Proceeds of any insurance policy or condemnation award with respect to the Facilities are in excess of 10% of the Book Value of the Facilities, the Loan and the Series 2017 Promissory Note securing the Loan are subject to mandatory prepayment as a whole or in part at the principal amount thereof plus accrued interest thereon to the date of prepayment, but without premium, from such Net Proceeds, if any of the events set forth below shall occur:

(a) The Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a certificate of an Authorized Representative of the Borrower filed with the Trustee, (i) the Facilities cannot reasonably be restored to the condition thereof immediately preceding such damage or destruction within a period of thirteen consecutive months or the commencement of the immediately following school year, whichever is later, (ii) the Borrower is prevented from carrying on its normal operations for a period of six consecutive months, or (iii) the cost of restoration thereof would exceed the sum of the Net Proceeds of insurance carried thereon ~~pursuant to the requirements of Section 6.03 hereof~~ together with other funds of the Borrower made available for such purposes;

(b) Title to, or the temporary use for a period of six months or more of, all or substantially all 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; or

(c) As a result of any changes in the Constitution of the State or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, this Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in this Loan Agreement.

Section 7.03. 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 under the Mortgage.

Section 7.04. 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 7.05. Investment of Net Proceeds. Any Net Proceeds of any insurance payments or condemnation awards with respect to the Facilities held by the Trustee pending restoration, repair or rebuilding shall be invested in Investment Obligations 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.

Section 7.06. Continuation of Operation in Event of Casualty. In the event of any damage to or destruction of the Facilities or any part thereof by fire, lightning, vandalism, malicious mischief and extended coverage perils, the Borrower shall make all diligent and reasonable efforts to continue operation of the Schools and ensure due and timely payment of the Loan Payments.

ARTICLE VIII

SPECIAL COVENANTS

Section 8.01. No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the Facilities or that they will be suitable for the purposes or needs of the Borrower or that the proceeds of the Series 2017 Bonds will be sufficient to pay the costs of the Series 2017 Project.

Section 8.02. Consolidation, Merger, Sale or Conveyance. The Borrower agrees that during the term of this Loan Agreement, the Borrower will not merge or consolidate with, or sell or convey, except as provided in Section 8.11 hereof, all or substantially all of its interest in the Facilities to, any Person unless (i) no Event of Default has occurred and is continuing, (ii) it first acquires the written consent of the Issuer to such transaction, (iii) it provides to the Trustee notice of its intent at least 90 days in advance of such consolidation, merger, sale or conveyance, and

(iv) the acquirer of the interest in the Facilities or the corporation with which it shall be consolidated or the resulting corporation in the case of a merger:

(a) shall assume in writing the performance and observance of all covenants and conditions of this Loan Agreement;

(b) shall provide the Trustee with evidence that such merger, consolidation, sale or conveyance will not cause the rating agency to lower or withdraw any rating(s) then in effect on Outstanding Series 2017 Bonds;

(c) shall provide the Trustee with an opinion of Bond Counsel acceptable to the Issuer to the effect that such merger, consolidation, sale or conveyance will not adversely affect the validity of any of the Series 2017 Bonds or the exclusion from gross income for federal income tax purposes of interest on the Outstanding Series 2017 Bonds;

(d) shall provide the Issuer and the Trustee with an Opinion of Counsel to the Borrower (which may be rendered in reliance upon the Opinion of Counsel to such other corporation), stating that none of the other entities that are a party to such consolidation, merger or transfer has any pending litigation other than that arising in the ordinary course of business or has any pending litigation that might reasonably result in a substantial adverse judgment. For the purposes of the preceding sentence, the term "substantial adverse judgment" shall mean a judgment that materially adversely affects the ability of the resulting, surviving or transferee corporation to continue operations in a manner to generate sufficient revenues to make all payments required under this Loan Agreement immediately after the consummation of such consolidation, merger or transfer and after giving effect thereto;

(e) shall deliver to the Trustee within 30 days of the close of such transaction, copies of all documents executed in connection therewith, one document of which shall include an Opinion of Counsel that all conditions herein have been satisfied and that all liabilities and obligations of the Borrower under the Borrower Documents shall become obligations of the new entity; provided, however, the Borrower shall not be released from same until all of the conditions of this Section 8.02 shall have been met; and

(f) in the case of a consolidation, merger, sale or conveyance of the Borrower, shall provide evidence to the Issuer that the entity can continue to operate the Schools as charter schools in accordance with the Charter School Act.

Section 8.03. Further Assurances. The Issuer 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 Loan Agreement, subject, however, to the terms and conditions of Article X of the Indenture.

Section 8.04. Audits. The Borrower agrees that it will have its books and records audited annually, commencing with the Fiscal Year that ends June 30, 2017, by an Accountant as soon as practicable after the close of such Fiscal Year.

Section 8.05. Financial Records and Statements; Financial Covenants; Reports.

(a) **Maintenance of Books and Accounts.** 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 and will make available such other data and information as may be reasonably requested by the Issuer and the Trustee from time to time.

(b) **Escrow Reports.**

(i) At least ~~30~~five days prior to the renewal date of the insurance required pursuant to this Loan Agreement, the Borrower shall provide to the Trustee a certificate signed by an Authorized Representative of the Borrower certifying as to the amount of each of the Tax and Insurance Escrow Payments relating to such insurance for the following year.

(ii) At least 30 days prior to the Tax and Insurance Escrow Payment due in November of each year during the term of this Loan Agreement, the Borrower shall provide to the Trustee a certificate signed by an Authorized Representative of the Borrower (which certificate may be in the form of Exhibit C) certifying as to the amount of each of the Tax and Insurance Escrow Payments relating to real property taxes due on the Facilities for the following year.

(iii) At least 30 days prior to January 1 of each Fiscal Year, commencing January 1, 2018, the Borrower shall provide to the Trustee a certificate signed by an Authorized Representative of the Borrower in the form of Exhibit E attached hereto, certifying as to the amount of the budgeted Operating Expenses for the Fiscal Year for purposes of determining the Repair and Replacement Fund Annual Deposit for such Fiscal Year.

(c) **Quarterly Reports of the Borrower.** Not later than 45 days following each calendar quarter ending September 30, December 31 and March 31, and not later than 90 days following each calendar quarter ending June 30, commencing with the calendar quarter ending June 30, 2017, the Borrower shall deliver to the Trustee and the Dissemination Agent a report relating to each calendar quarter (the "Quarterly Report") and cause the Dissemination Agent file the Quarterly Report with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access service. The Borrower, in its sole discretion, shall have the right to modify the contents of the Quarterly Reports from time to time. The Quarterly Reports initially will contain or incorporate by reference the following:

(i) For Quarterly Reports relating to the calendar quarters ending on September 30, December 31 and March 31:

(A) The Borrower's balance sheet;

(B) The Borrower's Revenue and Expenditure Statement, showing year to date information and comparing year to date with budgeted information;

(C) Copies of any written reports of an Independent Consultant engaged by the Borrower in accordance with its covenants in this Loan Agreement.

(ii) For Quarterly Reports relating to the calendar quarter ending on June 30:

(A) The Borrower's annual budget, ~~together with a quarterly division of such budget for the upcoming fiscal year~~ **[confirm available by this date]**;

(B) The Borrower's balance sheet;

(C) The Borrower's Revenue and Expenditure Statement, showing year to date information and comparing year to date with budgeted information;

(D) An officer's certificate or other form of annual certification in the form of Exhibit F attached hereto to the effect that no events of default have occurred and/or are continuing, and the Borrower is in compliance with all covenants, insurance and other requirements under the Loan Agreement, the Continuing Disclosure Undertaking and the Tax Certificate; and

(E) Copies of any written reports of an Independent Consultant engaged by the Borrower in accordance with its covenants in this Loan Agreement;

(F) ~~Information on teacher retention from the prior Fiscal Year;~~ and

(G) ~~Test results and State label/report card (if any).~~

(d) Debt Service Coverage Ratio. Within 30 calendar days of the completion of the Borrower's annual audited financial statements, the Borrower will deliver to the Trustee and the Dissemination Agent a certificate showing the combined Debt Service Coverage Ratio for the Borrower, which evidence may be in the form of a certificate of an Accountant or included in the notes to the Borrower's annual audited financial statements. Commencing with the Debt Service Coverage Ratio first determined based upon the audited financial statements of the Borrower for the Fiscal Year ending June 30, 2017, 2017, ~~[confirm- requirement can be met by such date]~~, if such Debt Service Coverage Ratio certified to the Trustee is below 1.1 to 1, the Borrower shall retain at its own expense, not later than 60 days after such determination, an Independent Consultant to submit a written report and make recommendations with respect to revenues or other financial matters of the Borrower that are relevant to increasing the Debt Service Coverage Ratio to at least 1.1 to 1. The Borrower shall adopt and follow the recommendations of the Independent Consultant except when an opinion of counsel is obtained excusing such actions by the Borrower, or where the Borrower makes a good faith determination in a statement to the Issuer and the Trustee that the Independent Consultant's recommendations would violate state or federal law, the educational purpose of the ~~Guarantor~~ Borrower or the charter policy of the chartering authority.

(c) Days Cash on Hand Requirement. The Borrower covenants and agrees that the combined Days Cash on Hand, which shall be tested as of June 30 of each year, commencing June 30, 2017, shall be equal to or greater than ~~45 days~~(i) 30 days as of June 30, 2017 and (ii) 45 day as of each June 30 thereafter. On or before December 31 of each year, commencing December 31, 2017, the Borrower will deliver to the Trustee and the Dissemination Agent evidence of the Days Cash on Hand for the prior June 30, which evidence may be in the form of a certificate of an Accountant or included in the notes to the Borrower's annual audited financial statements. The foregoing is subject to the qualification that if applicable state or federal laws or regulations, or the rules and regulations of agencies having jurisdiction, shall not permit the Borrower to accumulate such level of Days Cash on Hand, then the Trustee shall conform to the then prevailing laws, rules or regulations.

If the Days Cash on Hand ~~for any testing date~~ is less than 30 days as of June 30, 2017 or less than 45 days for any other testing date (or such lesser amount required by prevailing laws, rules or regulations, as applicable), then, upon the written direction of Beneficial Owners of a majority of the principal amount of the Bonds, the Borrower shall promptly employ an Independent Consultant to review and analyze the operations and administration of the Borrower, submit to the Trustee and the Dissemination Agent written reports, and make such recommendations as to the operation and administration of the Borrower as such Independent Consultant deems appropriate, including any recommendation as to a revision of the methods of operation of the Borrower. The Borrower shall adopt and follow the recommendations of the Independent Consultant except when an opinion of counsel is obtained excusing such actions by the Borrower ~~or the Guarantor, as applicable~~, or where the Borrower makes a good faith determination in a statement to the Issuer and the Trustee that the Independent Consultant's recommendations would violate state or federal law, the educational purpose of the Borrower or the charter policy of the chartering authority.

(f) Contracts to Comply with Tax Covenants. Any contract entered into between the Borrower and any Independent Consultant engaged by the Borrower pursuant to this Section 8.05 must meet the requirements of this Loan Agreement, including but not limited to Section 2.03(c) of this Loan Agreement.

(g) Maintenance of Lien Position. On or before the date required by ~~laws~~law for continuation of the financing statements filed hereunder, the Borrower shall provide the Trustee with a certificate attaching a copy of the actual filed UCC continuation statement necessary to preserve the Lien on and security interest in the Mortgaged Property (as defined in the Mortgage) and the Lien on the Pledged Revenues. If the Borrower does not take the action necessary to preserve the Lien on and security interest in the Mortgaged Property and the Lien on the Pledged Revenues, the Trustee may take such action and, in such event, the Trustee shall be entitled to reimbursement from the Borrower of its fees and expenses pursuant to Section 5.01(d) hereof.

(h) Additional Documents Upon Request. The Borrower will provide the Issuer with any of the documents specified in this Section 8.05 upon request by the Issuer in a timely manner.

(j) Trustee Reliance. The Trustee may conclusively rely upon the financial records, statements, covenants and reports received by it in accordance with this Section and shall have

no duty to examine or determine the information therein. The Trustee's only duty is to hold such information in safekeeping.

Section 8.06. Release and Indemnification Covenants.

(a) The Borrower shall pay and shall protect, indemnify and hold harmless, the Trustee, the Issuer, the Sponsoring Political Subdivisions, the Local Agencies, the members of their boards of directors or commissioners and their respective officers, attorneys, accountants, financial advisors and staff from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees), causes of action, suits, claims, demands and judgments of any nature (collectively referred to herein as the "Liabilities") in any manner relating to and/or arising from or in connection with the Bonds (including the approval, issuance or non-issuance, and, if issued, the administration thereof) or: (i) any injury to or death of any person or damage to the ~~ProjectFacilities~~ in or upon ~~ProjectFacilities~~ or growing out of or connected with the use, nonuse, condition or occupancy of the ~~ProjectFacilities~~; (ii) violation or breach by the Borrower of any agreement or condition of this Loan Agreement or any of the Bond Documents; (iii) a violation by the Borrower of any contract, agreement or restriction relating to the ~~ProjectFacilities~~; (iv) any act, or failure to act, by the Borrower or negligence of the Borrower or any of its agents, contractors, servants, employees or licensees; (v) any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the ~~ProjectFacilities~~ during the period in which the Borrower is in possession or control of the ~~ProjectFacilities~~; (vi) a violation by the Borrower of any law, ordinance or regulation affecting the ~~ProjectFacilities~~ or the ownership, occupancy or use thereof; (vii) any statement or information contained in the Indenture, this Loan Agreement, the Tax Certificate, any other Bond Documents or any other documents or agreements relating to the Bonds and the proceedings relating to their issuance and sale, or any documents in connection with the Continuing Disclosure Agreement, if any, which is misleading, untrue or incorrect in any material respect, other than information furnished by the Issuer; (viii) the financing, refinancing, construction, acquisition, equipping and installation of the ~~ProjectFacilities~~ or the failure to construct, acquire, equip or install the ~~ProjectFacilities~~; (viii) any proceeding concerning the validity or enforceability of the Bonds or the tax-exemption of the Bonds or the interest thereon; (ix) to the extent not previously mentioned, any claims whatsoever asserting any of the foregoing, regardless of the lack of merit thereof; and (x) the costs incurred in connection with any claims, investigations, governmental or regulatory actions, proceedings or inquiries relating in any way to the Bonds or the transactions contemplated hereby or by the Indenture.

The Borrower also agrees to indemnify, protect, defend, and hold harmless the Trustee, the Issuer, the Sponsoring Political Subdivisions, the Local Agencies and the members of their boards of directors or commissioners, their officers, attorneys, accountants, financial advisors and staff from and against the Liabilities (i) in any manner whatsoever arising from or relating to the Bonds (including the approval, issuance or non-issuance, and, if issued, the administration thereof), or any errors or omissions in information provided to the Issuer in connection with any legal proceedings or other official actions of the Issuer pertaining to the Bonds, (ii) in any manner whatsoever arising from or relating to any fraud or misrepresentations or omissions contained in information provided to the Issuer or the Trustee in connection with the proceedings of the Issuer relating to the issuance of the Bonds or the Continuing Disclosure Agreement, (iii) in any way arising from or relating to the execution or performance of this Loan Agreement or other Bond

Documents by the Borrower, the issuance or sale of the Bonds, actions taken under the Indenture, actions taken under the Continuing Disclosure Agreement or any other cause whatsoever pertaining to the financing of the Project with the proceeds of the Bonds and the Issuer's approval under the Act, specifically including, but not limited to, the defense of the validity of the Bonds, compliance of securities laws, or tax exemption of the interest on the Bonds; or (iv) any statement or information relating to the Borrower, its business or properties contained in any final official statement or prospectus furnished to purchasers of any Bonds that is untrue or incorrect in any material respect and any omission relating to the Borrower, its business or properties from any official statement or prospectus of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statement in it not misleading in any material respect, if the final official statement of prospectus is approved in writing by the Borrower.

It is the intention of the parties hereto that the Issuer, the Trustee, the Sponsoring Political Subdivisions and the Local Agencies, and any of their officials, directors, commissioners, officers, agents, attorneys, and employees shall not incur pecuniary liability or expense (specifically including, but not limited to, expenses incurred in defending any claim, action, lawsuit, or administrative or other legal proceeding) by reason of, arising out of, or relating to the Bonds (including the approval, issuance or non-issuance, and, if issued, the administration thereof) or (i) the terms of this Loan Agreement or other Bond Documents, or (ii) by reason of, arising out of, or relating to the undertakings required of the Issuer, the Trustee, the Sponsoring Political Subdivisions and any of their officials, directors, commissioners, officers, agents and employees hereunder in connection with the issuance of the Bonds, the execution of the Indenture, the performance of any act required of the Issuer, the Trustee, the Sponsoring Political Subdivisions and any of their officials, directors, commissioners, officers, agents, attorneys and employees by this Loan Agreement or other Bond Document, as applicable, or the performance of any act requested of the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agencies and any of their officials, officers, directors, commissioners, agents, attorneys and employees by the Borrower or in any way arising from the transaction of which this Loan Agreement or any other Bond Document, as applicable, is a part or arising in any manner in connection with the Project; nevertheless, if the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agencies or any of their officials, officers, directors, commissioners, agents, attorneys and employees should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold harmless the Issuer, the Trustee, the Sponsoring Political Subdivisions, the Local Agencies or any of their officials, officers, directors, commissioners, agents, attorneys and employees against all claims by or on behalf of any Person, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer, the Trustee, the Sponsoring Political Subdivisions or any of their officials, officers, directors, commissioners, agents or employees, the Borrower shall defend such party, its officials, officers, directors, commissioners, agents or employees in any such action or proceeding.

Promptly after receipt by an indemnified party under this Section 8.06 of notice of the existence of a claim in respect of which indemnity hereunder may be sought or of the commencement of any action against the indemnified party in respect of which indemnity hereunder may be sought, the indemnified party shall notify the Borrower in writing of the

existence of such claim or commencement of such action (provided that a failure to so notify the Borrower will not excuse the Borrower from its obligations hereunder). In case any such action shall be brought against an indemnified party under this Section 8.06, the indemnified party shall notify the Borrower of the commencement thereof and the Borrower shall be entitled to participate in and to assume the defense thereof, with counsel reasonably satisfactory to the indemnified party, with full power to litigate, compromise or settle the same; provided that the indemnified party shall have the right to review and approve or disapprove any such compromise or settlement; provided, however, that if the indemnified party shall have been advised by independent counsel selected by the indemnified party that there may be legal defenses available to it which are adverse to or in conflict with those available to the Borrower or other indemnified parties which, in the opinion of such counsel, should be handled by separate counsel, the Borrower shall not have the right to assume the defense of such action on behalf of the indemnified party, but shall be responsible for the reasonable fees and expenses of the indemnified party in conducting its defense; and provided, further, that if the Borrower shall have failed to assume the defense of such action and shall have failed to employ counsel therefor reasonably satisfactory to the indemnified party within a reasonable time after notice of commencement of such action, such reasonable fees and expenses incurred by the indemnified party in conducting its own defense shall be borne by the Borrower.

The duty of the Borrower to defend each indemnified party under this Section 8.06 shall commence from the time the claim is known of, and such duty shall exist and continue regardless of the merits of the claim, and shall survive the payment or defeasance of the Bonds and the termination of any other provisions of the Indenture ~~the Master Indenture~~ and the Loan Agreement.

In addition, the Borrower agrees that if either party initiates any action, suit or other proceeding with respect to any claim, demand or request for relief, whether judicial, administrative, or other legal proceeding, in which the Issuer or any members of its board, its officers, attorneys, accountants, financial advisors or staff is named or joined as a party, the Borrower will pay to and reimburse to the Issuer the full amount of all reasonable fees and expenses incurred by the Issuer with respect to the Issuer's defense of or participation in such action, suit or other proceeding. All indemnified parties shall be deemed third party beneficiaries hereof, with full right to enforce the provisions hereof in respect of such indemnified party.

The provisions contained in this Section 8.06 pertaining to indemnification of the Issuer, the Sponsoring Political Subdivisions, and each of their respective members of their boards of directors or commissioners and their officers, attorneys, accountants, financial advisors and staff shall be in addition to any other indemnification provided to such indemnified parties in any other agreement by the Borrower in connection with the issuance and sale of the Bonds and all matters relating thereto.

Notwithstanding any other provision of this Section 8.06 to the contrary, the Borrower's indemnification obligations under this Section 8.06 shall not extend to the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents to the extent of any Liabilities arising from the negligence or willful misconduct of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents.

(b) ~~The~~Neither the Issuer nor the Trustee makes ~~no~~any warranty, either express or implied, as to the ~~ProjectFacilities~~ or the condition thereof, or that the ~~ProjectFacilities~~ will be suitable for the purposes or needs of the Borrower. The Issuer makes no representation or warranty, express or implied, that the Borrower will have quiet and peaceful possession of the ~~ProjectFacilities~~. The Issuer makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the ~~ProjectFacilities~~ or its suitability for the purposes of the Borrower.

(c) Notwithstanding anything to the contrary contained herein or in any of the Bonds, the Indenture, or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, (i) Issuer shall have no obligation to take action under this Loan Agreement, the Bonds, other Bond Documents or such other instruments or documents, unless Issuer is reasonably requested in writing by an appropriate person to take such action and is provided with indemnity and assurances satisfactory to it of payment of or reimbursement for any expenses (including attorneys' fees) in such action, (ii) neither Issuer nor any member of Issuer or any officer, agent relating to the Bonds or the ~~ProjectFacilities~~, or employee of Issuer shall be personally liable to the Borrower, the Trustee or any other person for any action taken by Issuer or by its officers, agents relating to the Bonds or the ~~ProjectFacilities~~, or employees or for any failure to take action under this Loan Agreement, the Bond, the other Bond Documents or such other instruments or documents, except that the Issuer agrees to take, or to refrain from taking, any action if so required by an injunction or if required to comply with any final judgment for specific performance; and (iii) any judgment rendered against the Issuer for breach of its obligations under this Loan Agreement, the Bonds, the other Bond Documents or such other instruments or documents, shall be payable solely from the Revenues derived from the ~~ProjectFacilities~~ by the Issuer under this Loan Agreement, the Indenture or other Bond Documents, as applicable, and no other personal liability, or charge payable directly or indirectly from the general funds of the Issuer, shall arise therefrom.

(d) Notwithstanding anything to the contrary contained herein or in any of the Bonds, or this Loan Agreement, the Indenture, other Bond Documents or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement, or obligation of any present or future member, officer, employee or agent of the Issuer, or of any incorporator, member, director, trustee, officer, employee or agent of any successor to the Issuer, in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or on any such stipulation, covenant, agreement, or obligation, against any such person, in his individual capacity, either directly or through the Issuer or any successor to the Issuer, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person, in his individual capacity, is hereby expressly waived and released.

(c) In the Issuer accepting the provisions for the Borrower to indemnify the Issuer and other indemnified parties from claims of third parties, and in the Borrower agreeing to make such indemnities, as provided herein, the Issuer (and all applicable indemnified parties) intend to retain, and do not waive, the limits and scope of Sovereign Immunity enjoyed by the Issuer (or any applicable indemnified party) as provided pursuant to State law with respect to such claims, as well as all other immunities, defenses, and privileges the Issuer (or any applicable indemnified party) may enjoy with respect to such claims under State or federal law. By the same token, it is intended that the Borrower be able, and the Borrower may assert, with respect to claims for which indemnity is provided by the Borrower to the Issuer, the Issuer's Sovereign Immunity under State law with respect to such claims, as well as all other immunities, defenses, and privileges the Issuer may enjoy with respect to such claims as may be provided under State or federal law.

Section 8.07. Authority of Authorized Representative of the Borrower. Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Borrower is required, or the Issuer 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 Authorized Representative of the Borrower unless otherwise specified in this Loan Agreement or the Indenture. The Issuer or the Trustee shall be authorized to act on any such approval or request and the Borrower shall have no complaint against the Issuer 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 Loan Agreement or the Indenture by an Authorized Representative of the Borrower shall be on behalf of the Borrower and shall not result in any personal liability of such Authorized Representative.

Section 8.08. Authority of Authorized Representative of the Issuer. Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Issuer is required, or the Borrower or the Trustee is required to take some action at the request of the Issuer, such approval or such request shall be made by the Authorized Representative of the Issuer unless otherwise specified in this Loan Agreement or the Indenture. The Borrower or the Trustee shall be authorized to act on any such approval or request and the Issuer shall have no complaint against the Borrower 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 Loan Agreement or the Indenture by an Authorized Representative of the Issuer shall be on behalf of the Issuer and shall not result in any personal liability of such Authorized Representative.

Section 8.09. Licenses and Qualifications. The Borrower will do, or cause to be done, all things necessary to obtain, renew and secure all permits, licenses and other governmental approvals and to comply, or cause its lessees to comply, with such permits, licenses and other governmental approvals necessary for operation of the Schools as charter schools (as defined in the Charter School Act).

Section 8.10. Right to Inspect. Following reasonable notice to the Borrower, at any and all reasonable times during business hours, the Trustee, the Issuer and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to

inspect the Facilities, including all books and records of the Borrower (excluding records the confidentiality of which may be protected by law), and to make such copies and memoranda from and with regard thereto as may be desired; provided, however, that they shall maintain these books and records in confidence unless required by applicable law to do otherwise and it is necessary to distribute the information to some other third party under applicable law, and they shall comply with all applicable rules of the Borrower, as required by the laws of the State, with respect to entrance and presence on the Facilities.

Section 8.11. Lease of the Facilities. The Borrower shall have the right to lease all or any part of the Facilities; provided, however, that the terms and provisions of any future leases will allow the Borrower to comply with the provisions of this Loan Agreement (including but not limited to those in Section 2.03 hereof) and contain the restrictions upon the use of the Facilities contained in Section 8.12 of this Loan Agreement; and provided further that any future leases will provide for rental payments to be made directly to the Trustee to the extent of then current payments required under Section 5.01(a) hereof. In addition: (i) no assignment or lease will relieve the Borrower from primary liability for any obligations under this Loan Agreement, and in the event of any such assignment or lease the Borrower will continue to remain primarily liable for payment of the amounts specified in this Loan Agreement and for performance and observance of the other agreements on its part provided to be performed and observed by the Borrower to the same extent as though no assignment or lease had been made; (ii) the assignee or lessee must assume the obligations of the Borrower under this Loan Agreement to the extent of the interest assigned or leased; (iii) the assignee or lessee must receive no greater interest in the Facilities than that held by the Borrower; in particular, any assignment or lease must be granted only subject to the rights of the Issuer and the Trustee under this Loan Agreement and the Indenture, and must terminate upon any foreclosure of the Borrower's rights under this Loan Agreement or under the Mortgage; and (iv) the Borrower must, at least ten days prior to the execution of such assignment or lease, furnish or cause to be furnished to the Issuer and the Trustee a true and complete draft copy of each assignment, assumption of obligation or lease, as the case may be, in form and substance acceptable to the Issuer and a form of opinion from Bond Counsel to the effect that the assignment or lease does not affect the tax-exempt status of the Outstanding Series 2017 Bonds, and a form of opinion from independent counsel that the assignment or lease has been accomplished in accordance with State law and this Loan Agreement and is enforceable against the assignee or transferee. Other than leases permitted by this Section or as provided in Section 8.02 hereof, the Borrower agrees that it will not sell or otherwise dispose of the Facilities.

Section 8.12 Limitations on Incurrence of Additional Indebtedness. (a) The Borrower will not incur any additional indebtedness secured in whole or in part by Liens on the Facilities or the Pledged Revenues that are senior to the Mortgage and the security interest in the Pledged Revenues granted by this Loan Agreement and the Indenture.

(b) Except as provided in this Section, the Borrower shall not incur any additional parity indebtedness ~~secured in whole or in part by the Facilities, the Pledged Revenues~~ (with the exception of (i) capital leases requiring annual lease payments not to exceed \$250,000, which leases are expressly permitted hereunder, ~~or~~ (ii) the securing of alternate financing that contemporaneously pays in full all obligations of the Borrower hereunder or (iii) indebtedness described in paragraph (d) below) without (x) obtaining the consent of the Registered Owners of

not less than a majority in aggregate principal amount of the Bonds then Outstanding or (y) without the need for any consent of the Registered Owners, provided that the Borrower has delivered evidence to the Trustee that either (A) the combined Net Income Available for Debt Service for the preceding Fiscal Year was equal to or greater than 120 percent of combined Maximum Annual Debt Service on the outstanding Indebtedness and the additional parity Indebtedness or (B) the projected combined Debt Service Coverage Ratio for the Fiscal Year in which the additional parity Indebtedness will be incurred and for one subsequent Fiscal Year, taking into account the additional Indebtedness, will be equal to or greater than 1.2 to 1. If the additional parity Indebtedness involves the issuance of Additional Bonds, the Borrower also shall be subject to and shall satisfy any additional requirements of Section 2.11 of the Indenture.

(c) The Borrower may incur Indebtedness subordinate to the obligations of the Borrower under this Loan Agreement and may create Liens on the Facilities and the Pledged Revenues, or other assets of the Borrower securing such subordinate Indebtedness, so long as such Indebtedness (i) is subordinate to the Mortgage and obligations under this Loan Agreement and (ii) does not exceed \$250,000 in annual payments.

(d) The Borrower covenants that except as specifically provided in this Loan Agreement, it shall not create, assume, incur or suffer to be created, assumed or incurred any Lien (other than Permitted Encumbrances).

(e) The Borrower may incur Indebtedness without regard to the limitations set forth in this Section if: (i) such Indebtedness is secured solely by a security interest in personal property financed with such Long-Term Indebtedness; (ii) the aggregate payments required to be made by the Borrower in each Fiscal Year with respect to all Indebtedness incurred as such purchase money ind ebtedness does not exceed five percent (5%) of the Gross Revenues of the Borrower, as defined in the most recent audited financial statements of the Borrower, determined as of the date such Indebtedness is to be incurred; (iii) such Indebtedness amortizes over a period of not more than sixty (60) months; and (iv) the Borrower certifies that the incurrence of such Indebtedness will not cause it to be in violation of this Loan Agreement.

(f) Nothing in this Section shall be construed as limiting the Borrower's ability to incur obligations or other ind ebtedness that does not constitute Indebtedness.

Section 8.13. Covenant to Comply with Indenture. The Borrower hereby acknowledges receipt of the Indenture, agrees to be bound by its terms and accepts all obligations and duties imposed thereby.

Section 8.14. Covenant to Engage Facilities Consultant. On or before _____April 1, 2021 and each fifth anniversary thereafter, the Borrower shall employ a Facilities Consultant who shall make (i) an examination of and report on the physical condition of the Facilities and (ii) recommendations as to the amounts to be accumulated in the Repair and Replacement Fund for the property maintenance and upkeep of the Facilities. To the extent that the Facilities Consultant recommends an amount to be accumulated in the Repair and Replacement Fund greater than the amount then on deposit, the Borrower covenants to fund the recommended amount in excess of the amount then on deposit in equal installments over the following five years, but in no event shall the amount to be funded each year exceed the Repair and

Replacement Fund Annual Deposit. To the extent that the Facilities Consultant recommends an amount to be accumulated in the Repair and Replacement Fund less than the amount then on deposit, the Trustee shall transfer the excess to the Revenue Fund at the written direction of the Borrower. The Borrower shall have the right to engage and accept the recommendations of another Facilities Consultant in the event the recommendations outlined in the initial report are deemed by the Borrower to be unreasonable and/or inconsistent with the Borrower's operation and maintenance practices with respect to the Facilities.

Section 8.15. Financial Covenants. The Borrower covenants:

- (a) To maintain books and records separate from any other person or entity;
- (b) To maintain its accounts separate from any other person or entity;
- (c) Not to commingle assets with those of any other entity;
- (d) To conduct its own business in its own name or in the names of its charter schools;
- (e) To maintain separate financial statements;
- (f) To pay its own liabilities out of its own funds;
- (g) ~~To observe all formalities of a limited liability company;~~
- (h) ~~To maintain an arm's length relationship with its affiliates;~~(i) To pay the salaries of its own employees and maintain a sufficient number of employees in light of its contemplated business operations;
- (jh) Not to guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;
- (k) ~~Not to acquire obligations or securities of its partners, members, or shareholders;~~
- (l) ~~To allocate fairly and reasonably any overhead for shared office space;~~(mi) To use separate stationery, invoices, and checks;
- (nj) Not to pledge its assets for the benefit of any other entity or make any loans or advances to any entity;
- (ok) To hold itself out as a separate entity;
- (pl) To correct any known misunderstanding regarding its separate identity; and
- (qm) To maintain adequate capital in light of its contemplated business operations.

Section 8.16. Prohibited Uses. No portion of the proceeds of the Bonds shall be used to finance or refinance any facility, place or building to be used (1) primarily for sectarian instruction or study or as a place for devotional activities or religious worship or (2) by a person

that is not a 501(c)(3) Organization or a Governmental Unit or by a 501(c)(3) Organization in an “unrelated trade or business” (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Bonds being treated as an obligation not described in Section 103(a) of the Code.

ARTICLE IX

ASSIGNMENT AND PLEDGE; REDEMPTION OF SERIES 2017 BONDS

Section 9.01. Assignment and Pledge by Issuer. The Issuer shall assign certain of its rights and interests in and under this Loan Agreement, including the Pledged Revenues, to the Trustee pursuant to the Indenture as security for payment of the principal of and premium, if any, and interest on the Series 2017 Bonds. The Borrower hereby consents to such assignment.

Section 9.02. Redemption of Series 2017 Bonds. Upon the agreement of the Borrower to deposit moneys into the Bond Fund in an amount sufficient to redeem Series 2017 Bonds subject to redemption, the Trustee, at the written request of the Borrower, shall forthwith take all steps permitted and necessary under the applicable redemption provisions of the Indenture to effect such redemption of the Series 2017 Bonds on the redemption date, but solely from the moneys deposited for such purpose by the Borrower.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default.

(a) The following shall be Events of Default under this Loan Agreement ~~hereunder~~ (subject to the notice requirements of Section 12.21 hereof) and the term Event of Default shall mean, whenever it is used in this Loan Agreement, any one or more of the following events:

(i) Failure by the Borrower to pay the Loan Payments required to be paid under Section 5.01(a) hereof on the due date thereof and continuation thereof for a period of five Business Days.

(ii) [Reserved].

(iii) Failure by the Borrower to observe or perform any other covenant, condition or agreement on its part to be observed or performed herein or in the Tax Certificate other than as referred to in subsections (i) or (ii) of this Section 10.01(a) for a period of 45 days after written notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by the Issuer or the Trustee; provided with respect to any such failure covered by this subsection (iii), no Event of Default shall be deemed to have occurred so long as a course of action adequate in the judgment of the Trustee to remedy such failure shall have been commenced within such 45-day period and shall thereafter be diligently pursued to completion and the failure shall be remedied within 90 days of such notification, unless said remedy cannot be performed within 90 days and the Borrower is actively working toward a remedy.

(iv) The dissolution or liquidation of the Borrower or failure by the Borrower to promptly contest and have lifted any execution, garnishment, or attachment of such consequence as will impair its ability to meet its obligations or to make any payments under this Loan Agreement. The phrase "dissolution or liquidation of the Borrower" as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Borrower resulting either from a merger or consolidation of the Borrower into or with another domestic corporation or a dissolution or liquidation of the Borrower following a transfer of all or substantially all of its assets under the conditions permitting such actions contained in Section 8.02 hereof.

(v) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Borrower in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Borrower or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

(vi) The commencement by the Borrower of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Borrower generally to pay its debts as such debts become due, or the taking of corporate action by the Borrower in furtherance of any of the foregoing.

(vii) The occurrence of an Event of Default under the Indenture or the Mortgage.

(viii) Any representation or warranty made by the Borrower herein or made by the Borrower in any statement or certificate furnished by the Borrower either required hereby or in connection with the execution and delivery of this Loan Agreement and the sale and the issuance of the Series 2017 Bonds, shall prove to have been untrue in any material respect as of the date of the issuance or making thereof and such representation or warranty has a material adverse effect on the Bonds or the security therefor.

(ix) Judgment for the payment of money in excess of \$1,000,000 (which amount shall be increased as of each January 1 by a percentage equal to the CPI Adjustment) (which is not covered by insurance) is rendered by any court or other governmental body against the Borrower, and the Borrower does not discharge same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within 60 days from the date of entry thereof, and within said 60-day period or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while

providing such reserves therefor as may be required under Generally Accepted Accounting Principles.

(x) A writ or warrant of attachment or any similar process shall be issued by any court against the Facilities, and such writ or warrant of attachment or any similar process is not released or bonded within 60 days after its entry.

(xi) The Debt Service Coverage Ratio computed pursuant to Section 8.05(e) hereof is less than 1.0 to 1 and the Borrower is unable to make the Loan Payments, or the Debt Service Coverage Ratio computed pursuant to Section 8.05(e) hereof is less than 1.0 to 1 for two consecutive years.

(xii) ~~AC charter~~ Either of the Charter School Contract expires ~~Contracts expire or is otherwise terminated for any reason, unless the enrolled students of another of the Schools are relocated to the applicable Facility such that enrollment at such Facility (for the next succeeding academic year) is not less than 85% of the enrollment prior to the expiration or other termination of such Charter School Contract.~~

(b) The foregoing provisions of subsection (a)(iii) 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 contained herein, ~~other than the obligations on the part of the Borrower contained in Article V and in Sections 6.02, 6.03 and 8.06 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; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Borrower. 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 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 judgment of the Borrower unfavorable to the Borrower.

Section 10.02. Remedies on Default.

(a) Whenever an Event of Default referred to in Section 10.01 hereof shall have occurred and is continuing, the Issuer, or the Trustee where so provided herein, may take any one or more of the following remedial steps:

(i) The Trustee (acting as assignee of the Issuer) or the Issuer (in the case of the Issuer's Unassigned Rights in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in Section 8.02(a)(i) of the Indenture, may declare the Loan Payments payable hereunder for the remainder of the term of this Loan

Agreement to be immediately due and payable, whereupon the same shall become due and payable.

(ii) The Trustee (acting as assignee of the Issuer) or the Issuer (in the case of the Issuer's Unassigned Rights in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may exercise the power of sale or foreclose under the Mortgage on the Facilities and may realize upon the security interest in the Pledged Revenues including without limitation the delivery of notice under the Deposit Account Control Agreement, if any, in order to affect exclusive control by the Trustee of the Pledged Revenues and the moneys therein and may exercise all the rights and remedies of a secured party under the Florida Uniform Commercial Code with respect thereto.

(iii) The Trustee (acting as assignee of the Issuer) or the Issuer (in the case of the Issuer's Unassigned Rights in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may 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 Loan Agreement.

(b) Notwithstanding the foregoing, prior to the exercise by the Issuer or the Trustee of any remedy that would prevent the application of this subsection, the Borrower may, at any time, pay all accrued payments hereunder (exclusive of any such payments accrued solely by virtue of declaration pursuant to subsection (a)(i) of this Section) and fully cure all defaults, and in such event, the Borrower shall be fully reinstated to its position hereunder as if such Event of Default had never occurred.

(c) 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.

(d) Whenever any Event of Default has occurred and is continuing under this Loan Agreement, the Trustee may, but except as otherwise provided in the Indenture shall not be obligated to, exercise any or all of the rights of the Issuer under this Article, upon notice as required to the Issuer. In addition, the Trustee shall have available to it all of the remedies prescribed in the Indenture. If the Trustee is not enforcing the Issuer's rights in a manner to protect the Issuer or is otherwise taking action that brings adverse consequences to the Issuer, then the Issuer may, without the consent of the Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Issuer's Unassigned Rights and to collect all sums then due and thereafter to become due to the Issuer under this Loan Agreement.

(e) Any amounts collected pursuant to action taken under the immediately preceding paragraph (other than sums collected for the Issuer on account of the Issuer's Unassigned Rights, which sums shall be paid directly to the Issuer), after reimbursement of any costs incurred by the Issuer or the Trustee in connection therewith shall be applied in accordance with the provisions of the Indenture.

(f) If the Issuer or the Trustee, shall have proceeded to enforce their rights under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Trustee, then and in every such case, the Borrower, the Issuer and the Trustee shall be restored to their respective positions and rights hereunder, and all rights, remedies and powers of the Borrower, the Issuer and the Trustee shall continue as though no such proceedings had been taken.

Section 10.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer 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 Loan 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 Issuer 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 as are given to the Issuer hereunder shall also extend to the Trustee, the Beneficial Owners and the Registered Owners, subject to the Indenture.

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses. Regardless of whether any action or proceeding is commenced, the Borrower shall pay all reasonable costs and expenses of the Issuer and the Trustee (including, without limitation, reasonable attorneys' fees and costs) incurred by the Issuer and the Trustee in: (a) collecting, compromising, and enforcing payment of the Loan Payments; (b) preserving, exercising, and enforcing the rights and remedies of the Issuer and the Trustee under this Loan Agreement and the other Borrower Documents; and (c) protecting, defending, and preserving the validity and priority of the Liens and security interests granted under the Mortgage and the other Borrower Documents. In addition, the Borrower shall pay all reasonable costs and expenses of the Issuer and the Trustee in connection with negotiating, preparing, executing, and delivering any and all amendments, modifications, and supplements of or to this Loan Agreement and any other Borrower Documents. All such amounts, along with any disbursements of the Loan made by Issuer pursuant to this Loan Agreement or any other Borrower Document, will be added to the Loan Payments, will be secured by all security interests and Liens securing the obligations, will bear interest at the highest rate then payable on any of the Loan Payments, and will be due and payable by the Borrower to the Issuer or the Trustee, as applicable, immediately upon demand. In the event of any court proceedings, attorneys' fees and costs will be set by the court and not by jury and will be included in any judgment obtained by the Issuer or the Trustee. The obligations of the Borrower arising under this Section shall continue in full force and effect notwithstanding the final payment of the Bonds or the termination of this Loan Agreement for any reason.

Section 10.05. Waiver. In the event any agreement contained in this Loan 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 Issuer's rights in and under this Loan Agreement to the Trustee under the Indenture, ~~the Mortgage or the Guaranty Agreement~~, the Issuer shall have no power to waive any Event of Default hereunder without the 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 2017 Bonds and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under this Loan 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 10.06. Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer, the Borrower or any other obligor upon the Series 2017 Bonds or the property of the Issuer, the Trustee (irrespective of whether the principal of the Series 2017 Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer and/or the Borrower for the payment of overdue principal or interest) shall be entitled and empowered, by intervention of such proceeding or otherwise, (i) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Series 2017 Bonds then Outstanding and, (ii) to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Registered Owners allowed in such judicial proceeding; and, (iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; ~~and (ii) any~~. Any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Registered Owner to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Registered Owners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel.

(b) So long as Series 2017 Bonds are Outstanding, the Trustee is appointed under the terms of the Indenture, and the successive respective Registered Owners of the Series 2017 Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney in fact of the respective Registered Owners of the Series 2017 Bonds, with authority to make or file, in the respective names of the Registered Owners of the Series 2017 Bonds or on behalf of all Registered Owners of the Series 2017 Bonds, as a class, any proof of debt, amendment to proof of debt, petition or other documents and to execute any other papers and documents and to do and perform any and all acts and things for and on behalf of all Registered Owners of the Series 2017 Bonds as a class, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claim of the Registered Owners of the Series 2017 Bonds against the Issuer, the Borrower or any other obligor allowed in receivership, insolvency, liquidation, bankruptcy or other proceeding, to which the Issuer, the Borrower or any other obligor, as the case may be, shall be a party. The Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 10.07. Treatment of Funds in Bankruptcy. The Borrower acknowledges and agrees that in the event Borrower commences a case under the United States Bankruptcy Code located at 11 U.S.C. Section 101 et. seq. (the "Bankruptcy Code") or is the subject of an

involuntary case that results in an order for relief under the Bankruptcy Code: (i) amounts on deposit in any of the Funds are not, nor shall they be deemed to be, property of the bankruptcy estate of the Borrower as defined by Section 541 of the Bankruptcy Code; (ii) that in no event shall the Borrower assert, claim or contend that amounts on deposit in any of the Funds are property of the bankruptcy estate of the Borrower; and (iii) that amounts on deposit in any of the Funds are held in trust solely for the benefit of the Registered Owners and the Beneficial Owners, shall be applied only in accordance with the provisions of the Indenture and the Borrower has no legal, equitable nor reversionary interest in, or right to, such amounts.

ARTICLE XI

PREPAYMENT OF THE LOAN

Section 11.01. General Option to Prepay the Loan. So long as no Event of Default pursuant to Section 10.01 hereunder exists, 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 representing the principal amount of and the premium, if any, and interest on the Loan to be paid at maturity, with respect to the Series 2017 Bonds, or prepaid to the date a corresponding amount of Series 2017 Bonds are redeemed. The exercise of the option granted by this Section shall not be cause for redemption of Series 2017 Bonds unless such redemption is permitted at that time under the provisions of the Indenture and the Borrower specifies the date for such redemption. Prior to the date the related Series 2017 Bonds are subject to redemption, the Series 2017 Promissory Note is prepayable at any time in an amount sufficient to defease a related amount of Series 2017 Bonds in accordance with Article VII of the Indenture. In the event the Borrower prepays all of the Loan pursuant to this Section, pays all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Series 2017 Bonds as a result of such prepayment, and all of its liabilities accrued and to accrue hereunder to the Issuer through final payment of the Series 2017 Bonds as a result of such prepayment, and all other amounts payable by the Borrower hereunder, including payments of any Rebate Amount, this Loan Agreement shall terminate except as otherwise provided herein.

Section 11.02. Prepayment Credits. In the event of prepayment by the Borrower of the Loan in whole, and premium, if any, the amounts then contained in the Debt Service Reserve Fund and the amounts of the payments of the Borrower on the Series 2017 Promissory Note contained in the Bond Fund shall be credited first to the Rebate Fund so that it is fully funded for the final payment to the United States Treasury and then against the prepayment obligation of the Borrower.

Section 11.03. Notice of Prepayment. In order to exercise the option granted by this Article, the Borrower shall give written notice to the Trustee specifying therein the date of making the prepayment, which date shall be not less than 45 days (unless a shorter notice shall be satisfactory to the Trustee) nor more than 90 days from the date the notice is mailed. In the case of any prepayment pursuant to this Article, the Borrower shall make arrangements with the Trustee for giving the required notice of redemption, if any, with respect to any Series 2017 Bonds to be redeemed and, if applicable, shall pay to the Trustee an amount of money sufficient

to redeem all of the Series 2017 Bonds to be called for redemption at the appropriate price prior to the redemption date.

Section 11.04. Use of Prepayment Moneys. By virtue of the assignment of the rights of the Issuer under this Loan Agreement 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 Issuer for its own account). The Trustee shall use the moneys so paid to it by the Borrower ~~(other than amounts to be paid to the Trustee for its own account)~~ as provided in this Loan Agreement and in the Indenture.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, facsimile (confirmed by certified mail) or overnight courier, or if electronically mailed as an attached scanned PDF document shall be deemed given on the first business day following accurately addressed and actually received electronic mail, addressed as follows:

If to the Issuer:

Capital Trust Agency
315 Fairpoint Drive
Gulf Breeze, Florida 32561
Attention: Executive Director
Telephone: (850) 934-4046
E-mail: edgray3@muniad.com

With a copy to:

Foley & Lardner LLP
1 Independent Drive, Suite 1300
Jacksonville, FL 32202
Attention: Emily Magee, Esq.
Telephone: (904) 359-2000
E-mail: emagee@foley.com

If to the Borrower:

Odyssey Charter School, Inc.
1755 Eldron Boulevard
Palm Bay, Florida 32909
Attention: _____
Telephone: (321) 733-0442
E-mail:

With a copy to:

Edwards Cohen
200 West Forsyth Street, Suite 1300
Jacksonville, Florida 32202
Attention: David Cohen, Esq.
Telephone: (904) 633-8010
E-mail: dcohen@edcolaw.com

If to the Trustee:

U.S. Bank National Association
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Services – Janice
Entsminger
Telephone: (407) 835-3810
E-mail: Janicejanice.entsminger@usbank.com

A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Borrower shall also be given to the Trustee. The Issuer, the Borrower or the Trustee may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower, and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.02, 9.01 and 12.10 hereof.

Section 12.03. Severability. In the event any provision of this Loan 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 12.04. Third Party Beneficiaries. Each of the Issuer Indemnified Parties (other than the Issuer), the Trustee Indemnified Parties and the Registered Owners of the Series 2017 Bonds are intended “Third Party Beneficiaries” of this Loan Agreement. Nothing in this Loan Agreement shall confer any right upon any Person other than parties hereto, and those specifically designated as Third Party Beneficiaries of this Loan Agreement.

Section 12.05. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds upon termination of this Loan Agreement, provided the Series 2017 Bonds have been fully retired and all amounts due hereunder have been paid in full, shall belong to and be paid to the Borrower by the Trustee, as provided in the Indenture.

Section 12.06. Amendments, Changes and Modifications. Except as otherwise provided in this Loan Agreement or in the Indenture, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Issuer.

Section 12.07. Execution in Counterparts. This Loan 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.

Section 12.08. Governing Law. This Loan Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to choice-of-law principles, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Issuer. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Loan Agreement against the Issuer shall be brought and maintained in the Circuit Court of the State of Florida in and for the County of Brevard, the United States District Court in and for the Middle District of Florida or any United States Bankruptcy Court in any case involving or having jurisdiction over the Borrower and the Facilities.

Section 12.09. Filing. The Borrower shall cause ~~the Lien on the Facilities granted by the Mortgage to be recorded in Brevard County. 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 Issuer, and the assignment of such security interest to the Trustee and the security interest in the Mortgage granted to the Trustee, to be perfected by the filing of financing statements that shall fully comply with the Florida Uniform Commercial Code in the office of the Secretary of State of Florida Secured Transactions Registry or the office of the recorder of Brevard County, Florida and in such other office as is at the time provided by law as the proper place for the filing thereof. The parties hereto further agree that all necessary continuation statements shall be filed by the Borrower, with copies provided to the Trustee, within the time prescribed by the Florida Uniform Commercial Code in order to continue such security interests.~~

Section 12.10. Cancellation at Expiration of Term of Loan Agreement. Upon the termination of this Loan Agreement, and provided the Series 2017 Bonds have been fully retired and all amounts due hereunder have been paid in full, the Issuer 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 Loan Agreement and the discharge of the Lien hereof and of the Mortgage.

Section 12.11. No Pecuniary Liability of Issuer or County. No provision, covenant, or agreement contained in this Loan Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer (except to the extent provided herein and in the Series 2017 Bonds) or of the County within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against the general credit of the Issuer (except to the extent provided herein and in the Series 2017 Bonds) or the County. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of the Loan Payments, revenues, income and all other property pledged and assigned as security for the Series 2017 Bonds as hereinabove provided.

Section 12.12. No Personal Liability of Officials of Borrower, Issuer or Trustee. None of the covenants, stipulations, promises, agreements and obligations of the Borrower, the Issuer or the Trustee contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any official, officer, agent or employee of the Borrower, the Issuer or the Trustee 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 2017 Bonds or for any claim based thereon or any claim hereunder against any official, officer, agent or employee of the Issuer, the

Borrower or the Trustee or any natural person executing any Bond, including any officer or employee of the Trustee.

Section 12.13. Special, Limited Obligation of Issuer.

(a) This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower and the Trustee for the benefit of the owners of the Series 2017 Bonds, and their respective successors and assigns, subject to the limitation that any obligations of the Issuer created by or arising out of this Loan Agreement shall be special, limited obligations of the Issuer, payable solely out of the revenues arising from the pledge and assignment of the Loan and the other funds held or set aside in trust under the Indenture and shall never constitute the debt or indebtedness of the Issuer, the State, or any political subdivision of the State within the meaning of any provision or limitation of the constitution or statutes of the State and shall not constitute nor (except for its fraud or intentional misrepresentation) give rise to a pecuniary liability of the Issuer, the State or any political subdivision of the State or a charge against the general credit or taxing powers, if any, of such entities. The Issuer has no taxing power.

(b) Anything in this Loan Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(c) No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Loan Agreement, any other Issuer Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Series 2017 Project or the issuance and sale of the Series 2017 Bonds, against any Issuer Indemnified Parties, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any Issuer Indemnified Party, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Issuer with the Borrower or the Trustee to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Issuer Indemnified Party~~is~~, by the execution of the Series 2017 Bonds, this Loan Agreement and the other Issuer Documents, and as a condition of, and as part of the consideration for, the execution of the Series 2017 Bonds, this Loan Agreement, and the other Issuer Documents, is expressly waived and released.

(d) No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Issuer in connection with the Series 2017 Facilities or the issuance, sale, and/or delivery of the Series 2017 Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the revenues pledged hereby for the payment of the Series 2017 Bonds and their application as provided in the Indenture. No failure of the Issuer to comply with any term, covenant, or agreement contained in the Series 2017 Bonds, this Loan Agreement or the

Indenture, or in any document executed by the Issuer in connection with the Series 2017 Facilities or the issuance and sale of the Series 2017 Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the revenues pledged for the payment of the Series 2017 Bonds or other revenues derived under this Loan Agreement. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Issuer, except as may be payable from the Trust Estate under the Indenture for the payment of the Series 2017 Bonds or other revenue derived under this Loan Agreement. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against its general credit. In making the agreements, provisions, and covenants set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of the Trust Estate under the Indenture for the payment of the Series 2017 Bonds or other revenues derived under this Loan Agreement or the Indenture.

(e) The Issuer shall have no liability or obligation with respect to the payment of the purchase price of the Series 2017 Bonds. None of the provisions of this Loan Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Trust Estate under the Indenture, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability that may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided as arranged by the Trustee or the Borrower. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Loan Agreement, the Indenture and any and every Bond executed, authenticated, and delivered under the Indenture; provided, however, that (i) the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or the Trustee, (ii) the Issuer shall have received the instrument to be executed, and (iii) any action or execution of any instrument requested of the Issuer shall be at the expense of the Borrower.

Section 12.14. No Warranty by Issuer. THE BORROWER RECOGNIZES THAT, BECAUSE THE COMPONENTS OF THE SERIES 2017 FACILITIES HAVE BEEN AND ARE TO BE SELECTED BY IT, THE ISSUER HAS NOT MADE AN INSPECTION OF THE SERIES 2017 FACILITIES, IF AND WHEN ACQUIRED, OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE SERIES 2017 FACILITIES OR

ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERIES 2017 FACILITIES OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 12.15. Prior Loan Agreements Superseded. This Loan Agreement, together with all agreements executed by the parties concurrently herewith or in conjunction with the initial issuance of the Series 2017 Bonds, shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Issuer and the Borrower relating to the Series 2017 Bonds, the lending of money and the Series 2017 Project.

Section 12.16. Covenant by the Borrower with Respect to Statements, Representations and Warranties. It is understood by the Borrower that all such statements, representations and warranties made in this Loan Agreement shall be deemed to have been relied upon by the Issuer as an inducement to issue the Series 2017 Bonds, and that if any such statements, representations and warranties were false at the time they were made or (with respect to those representations and warranties that are to continue) are breached during the term hereof, such misrepresentation or breach shall constitute a breach of this Loan Agreement that may give rise to an event of default hereunder, as provided in Section 10.01 hereof.

Section 12.17. Captions. The captions and headings in this Loan Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 12.18. Payments Due on Days Other Than 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 Loan Agreement, is not a Business Day such payments may be made or act performed or right exercised on the next succeeding Business Day unless otherwise provided herein, with the same force and effect as if done on the nominal date provided in this Loan Agreement.

Section 12.19. Provision of General Application. Any consent or approval of the Issuer required pursuant to this Loan Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed.

Section 12.20. Survival. Notwithstanding the payment in full of the Series 2017 Bonds, the discharge of the Indenture, and the termination or expiration of the Series 2017 Promissory Note and this Loan Agreement, all provisions in this Loan Agreement concerning (a) the tax-exempt status of the Tax-Exempt Bonds (including, but not limited to provisions concerning the payment of the Rebate Amount), (b) the interpretation of this Loan Agreement, (c) the governing law, (d) the forum for resolving disputes, (e) the Issuer's right to rely on facts or certificates, (f) the indemnity of the Indemnified Parties, the Issuer Indemnified Parties and the

Trustee Indemnified Parties, and (g) the Issuer's and Trustee's lack of pecuniary liability shall survive and remain in full force and effect.

Section 12.21. Notice of Change in Fact. The Borrower will notify the Issuer and the Trustee promptly after the Borrower becomes aware of (i) any change in any material fact or circumstance represented or warranted by the Borrower in this Loan Agreement or in connection with the issuance of the Series 2017 Bonds that would make any such representation or warranty false when made, (ii) any default or event that, with notice or lapse of time or both, could become an Event of Default under this Loan Agreement, the Indenture or any Borrower Document, specifying in each case the nature thereof and what action the Borrower has taken, is taking, and/or proposes to take with respect thereto (notice of which may be satisfied by the annual certificate required by Section 8.05(c)(i)(D)), (iii) any Internal Revenue Service audit of the Borrower or the Bonds, (iv) any material litigation affecting the Bonds, the Borrower or the Facilities, and (v) any default in any indebtedness of the Borrower.

~~Section 12.22~~ **12.22. Patriot Act Notice.** The Issuer and the Borrower acknowledge that the Trustee cannot process any disbursement request until the Trustee is in receipt of a valid Form W-9 or Form W-8, as applicable, in accordance with Internal Revenue Service regulations and the Foreign Account Tax Compliance Act.

~~Section 12.23~~ **12.23. Usury.** In no event shall the aggregate amounts contracted for, demanded, charged, or collected in connection herewith which are deemed "interest" exceed the Lawful Rate. The term "Lawful Rate" shall mean the highest lawful rate of interest applicable to the Notes pursuant to laws of the State of Florida. It is expressly stipulated and agreed to be the intent of the ~~Obligated Group Borrower~~ and the Issuer at all times to comply with the applicable law governing the Lawful Rate or amount of interest payable on or in connection with the Notes (or applicable United States federal law to the extent that it permits the Issuer to contract for, demand, charge, take, reserve, or receive a greater amount of interest than under law of the State). If the applicable law, as judicially interpreted from time to time, shall ever render usurious any amount called for under this Loan Agreement, the Notes, or under any of the other ~~Financing Instruments~~ the Borrower Documents, or contracted for, demanded, charged, taken, reserved, or received with respect to the Notes Borrower Documents, or if acceleration of the maturity of the Notes or if any prepayment by the ~~Obligated Group Borrower~~ results in the ~~Obligated Group Borrower~~ having paid any interest in excess of that permitted by law, then it is the ~~Obligated Group Borrower's~~ and the Issuer's express intent that all excess amounts theretofore collected by the Issuer be credited on the principal balance of the Notes (or, if the Notes have been or would thereby be paid in full, the excess refunded to the ~~Obligated Group Borrower~~), and the provisions of the Notes and the other ~~Financing Instruments~~ Borrower Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder. The right to accelerate maturity of Notes does not include the right to accelerate any interest which has not otherwise accrued on the date of acceleration, and the Issuer does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to the Issuer for the use, forbearance, or detention of the Indebtedness (as defined in the Master Indenture) evidenced hereby shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of such

Indebtedness until payment in full so that the rate or amount of interest on the account of such Indebtedness does not exceed the applicable usury ceiling. Notwithstanding any provision contained in the ~~Notes or in any other Financing Instruments~~ Borrower Documents that permit the compounding of interest, including, without limitation, any provision by which any accrued interest is added to the principal amount of the Notes, the total amount of interest that the ~~Obligated Group~~ Borrower is obligated to pay and the Issuer is entitled to receive with respect to the ~~Notes~~ Borrower Documents shall not exceed the amount calculated on a simple (i.e., noncompounded) interest basis at the Lawful Rate on principal amounts actually advanced to or for the account of the ~~Obligated Group~~ Borrower, so long as such advances remain outstanding, including all current and prior advances and any advances made pursuant to the ~~Financing Instruments~~ Borrower Documents (such as the payment of taxes, insurance premiums, and similar expenses or costs). This Loan Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

[Signature page follows.]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

CAPITAL TRUST AGENCY, as Issuer

By
Name:
Title:

**ODYSSEY CHARTER SCHOOL, INC., a
Florida not for profit corporation, as Borrower**

By
Name:
Title:

[SIGNATURE PAGE FOR LOAN AGREEMENT]

EXHIBIT A

FORM OF SERIES 2017 PROMISSORY NOTE

SERIES 2017 PROMISSORY NOTE

\$(PAR) _____, 2017

FOR VALUE RECEIVED, the undersigned, **ODYSSEY CHARTER SCHOOL, INC.**, a Florida ~~limited liability company~~ not for profit corporation (the "Borrower"), hereby promises to pay to the order of **CAPITAL TRUST AGENCY** (the "Issuer"), the principal sum of _____ (\$[PAR]), the principal sum set forth above in installments on the 1st day of each _____, and to pay interest on the unpaid principal balance hereof on the 1st day of each _____ and _____, in such installments and in such amounts as set forth on Schedule I attached hereto and incorporated herein.

The Borrower further agrees to pay as the premium hereon the amount of the premium due, if any, upon any prepayment hereof in accordance with the Loan Agreement.

This Note has been issued to evidence a loan made by the Issuer to the Borrower in accordance with that certain Loan Agreement, dated as of _____ 1, 2017 (the "Loan Agreement"), between the Borrower and the Issuer. Pursuant to the Loan Agreement, the Issuer has loaned the Borrower the proceeds of the Issuer's \$(PAR) aggregate principal amount of Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017-A and its \$(PAR) aggregate principal amount of Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B (collectively, the "Series 2017 Bonds"). The Series 2017 Bonds are issued by the Issuer pursuant to and in accordance with an Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement and the Indenture.

Payments of both principal and interest are to be irrevocably assigned by the Issuer to the Trustee pursuant to the Indenture. Such assignment is to be made as security for the payment of the Bonds of the Issuer to the extent provided in the Indenture. All of the terms, conditions and provisions of the Indenture are, by this reference thereto, incorporated herein as part of this Note.

Payments hereon are to be made in immediately available funds at the designated corporate trust office of the Trustee or at such other place as the Trustee may direct in writing, in accordance with the terms hereof and of the Indenture.

This Note is issued pursuant to the Loan Agreement and is entitled to the benefits and is subject to the conditions thereof. All the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note, and shall control in the interpretation and enforcement of this Note.

In addition to the foregoing, the Borrower hereby promises to pay to the full extent required by the Indenture and the Loan Agreement: (i) the Rebate Amount; (ii) all of the payments and additional charges set forth in Section 5.01 of the Loan Agreement; and (iii) all costs and expenses of collection incurred in connection with any default by the Borrower hereunder and all other payments required to be made by the Borrower pursuant to the Indenture and the Loan Agreement including without limitation those payments referred to in Section 8.06 of the Loan Agreement.

In the event the Borrower fails to make any of the payments required in this Note, such payment so 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 with interest thereon (to the extent legally enforceable) until paid.

The principal of this Note is subject to optional and mandatory prepayment by the Borrower from time to time as set forth in the Loan Agreement.

The Borrower shall have the option to prepay the unpaid balance hereof in whole or in part only as provided in and in accordance with the provisions of the Loan Agreement and the Indenture.

In the event a Payment Date under this Note is not a Business Day, such installment shall be due on the next succeeding Business Day.

The Borrower agrees that if, and as often as, this Note is placed in the hands of any attorney for collection or to defend or enforce any of the Issuer's, the Trustee's and/or the Registered Owner's rights hereunder, the Borrower will pay to the Issuer or the Trustee its reasonable attorney's fees, together with all court costs and other expenses actually paid or incurred by the Issuer and/or the Trustee.

The Borrower and all other persons who may become liable for all or part of this obligation severally waive presentation for payment, demand, notice of nonpayment and protest, all pleas of division and discussion and consent to any extension of time (whether one or more) or renewal hereof. Any such extension or renewal may be made without notice and without discharging liability hereunder.

Upon default in any of the terms or conditions of this Note or upon the occurrence and continuation of an "Event of Default" under the Loan Agreement, at the option of the holder hereof, the entire indebtedness hereby evidenced shall become due and payable then and thereafter as the holder may elect, regardless of the date of maturity hereof, but subject to the provisions of the Loan Agreement. Prior to the exercise of such option, the Trustee shall give written notice to the Borrower.

During the existence of any such Event of Default, the Trustee may apply any payments received on any amount due hereunder or under the terms of the Loan Agreement or the Indenture pursuant to and in accordance with the Loan Agreement and the Indenture.

The obligations of the Borrower to make payments hereunder, under the Indenture and the Loan Agreement and to perform and observe all agreements on its part contained herein and

therein shall be absolute and unconditional. Until this Note is terminated and paid in full and all amounts due or to become due under the Loan Agreement are paid in full and the Loan Agreement is terminated, the Borrower (i) will not suspend or discontinue any payments under the Loan Agreement or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Loan Agreement, the Mortgage and this Note, as applicable; and (iii) except as provided in the Loan Agreement, will not terminate the Loan Agreement, the Mortgage or this Note for any cause.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or arising under the Loan Agreement, the Mortgage or this Note or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of the Borrower, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Bonds.

The records of the Trustee shall be prima facie evidence of the amount owing on this Note.

This Note is to be construed according to the laws of the State of Florida without regard to any conflicts of law provisions contained therein.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the ____ day of _____, 2017.

Odyssey Charter School, Inc., a Florida not for profit corporation, as Borrower

By
Name:
Title:

[SIGNATURE PAGE FOR SERIES 2017 PROMISSORY NOTE]

PAY TO THE ORDER OF U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE,
WITHOUT RECOURSE AGAINST THE CAPITAL TRUST AGENCY, BUT WITH
RECOURSE AGAINST ODYSSEY CHARTER SCHOOL, INC.

CAPITAL TRUST AGENCY

By:
Chair

Schedule I to Promissory Note

[SIGNATURE PAGE FOR SERIES 2017 PROMISSORY NOTE]

EXHIBIT B

FORM OF PROJECT FUND REQUISITION CERTIFICATE

Request No. _____

PROJECT FUND REQUISITION

To: U.S. Bank National Association, as trustee (the "Trustee"), under the Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), between Capital Trust Agency (the "Issuer"), and the Trustee

Re: \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series ~~2017~~2017A and \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B, issued pursuant to the Indenture and the Loan Agreement, dated as of _____ 1, 2017 (the "Loan Agreement"), between the Issuer and Odyssey Charter School, Inc. (the "Borrower")

The undersigned Authorized Representative of the Borrower hereby requests that the following amounts be transferred to the following payees for the following Costs of the Project:

Payee*	Amount	Description	Wiring Instructions
--------	--------	-------------	---------------------

*** The Borrower has attached hereto a copy of each Payee's Form W-9 or Form W-8, as applicable (unless previously provided).**

The undersigned Authorized Representative of the Borrower hereby states and certifies that:

- (i) these Costs of the Project were properly incurred in connection with financing of the Series 2017 Project;
- (ii) these Costs of the Project are valid costs under the Act and no part thereof has been included in any other Requisition Certificate previously filed with the Trustee under the provisions of the Indenture or reimbursed to the Borrower from proceeds of the Series 2017 Bonds; and
- (iii) no Event of Default currently exists (or with the passage of time, will exist) with respect to the Borrower Documents.

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Indenture and the Loan Agreement.

Dated:

**Odyssey Charter School, Inc., a Florida ~~limited-liability company~~not for profit corporation, as
Borrower**

By
Name:
Title:

EXHIBIT C

**FORM OF TAX AND INSURANCE ESCROW FUND
REQUISITION CERTIFICATE**

TAX AND INSURANCE ESCROW FUND REQUISITION

To: U.S. Bank National Association, as trustee (the "Trustee"), under the Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), between Capital Trust Agency (the "Issuer"), and the Trustee

Re: \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series ~~2017~~,2017A and \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B, issued pursuant to the Indenture and the Loan Agreement, dated as of _____ 1, 2017 (the "Loan Agreement"), between the Issuer and Odyssey Charter School, Inc. (the "Borrower")

Pursuant to Section 4.05 of the Loan Agreement and Section 3.12(c) of the Indenture, please disburse funds for the payment of real property taxes/insurance (circle one) premiums due in connection with the Facilities located at: _____, as follows:

PAYABLE TO: _____ (The Borrower has attached hereto a copy of each Payee's Form W-9 or Form W-8, as applicable (unless previously provided)).

ADDRESS: _____

AMOUNT DUE: \$ _____

Attached are the following:

_____ Invoice

_____ Cancelled check (attach only if invoice is already paid)

The obligation(s) has (have) been properly incurred and is (are) a proper charge against the Tax and Insurance Escrow Fund and has (have) not been the basis of any previous withdrawal. The disbursement requested will be used to either (a) pay taxes or insurance with respect to the Facilities, or (b) reimburse the Borrower for payment of taxes or insurance premiums paid with respect to the Facilities.

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Indenture and the Loan Agreement.

Dated:

**Odyssey Charter School, Inc., a Florida limited-
liability company not for profit corporation, as
Borrower**

By

Name:

Title:

EXHIBIT D

**FORM OF REPAIR AND REPLACEMENT FUND
REQUISITION CERTIFICATE**

REPAIR AND REPLACEMENT FUND REQUISITION

To: U.S. Bank National Association, as trustee (the "Trustee"), under the Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), between Capital Trust Agency (the "Issuer"), and the Trustee

Re: \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017, 2017A and \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B, issued pursuant to the Indenture and the Loan Agreement, dated as of _____ 1, 2017 (the "Loan Agreement"), between the Issuer and Odyssey Charter School, Inc. (the "Borrower")

The undersigned, an Authorized Representative of the Borrower, hereby requests that the following amounts be disbursed from the Repair and Replacement Fund established under the Indenture:

Payee*	Amount	Description	Wiring Instructions
--------	--------	-------------	---------------------

*** The Borrower has attached hereto a copy of each Payee's Form W-9 or Form W-8, as applicable (unless previously provided).**

The undersigned hereby certifies to the Trustee that such amounts are required to pay the cost of extraordinary maintenance and replacements required to keep the portion of the Facilities located at _____ in sound condition. The undersigned acknowledges and agrees that, subsequent to such disbursement, the Repair and Replacement Fund shall be replenished in accordance with the requirements of Section 3.20 of the Indenture.

Dated:

**Odyssey Charter School, Inc., a Florida ~~limited-liability company~~not for profit corporation, as
Borrower**

By

Name:
Title:

EXHIBIT E

**FORM OF ANNUAL BUDGETED OPERATING
EXPENSES CERTIFICATE**

ANNUAL BUDGETED OPERATING EXPENSES CERTIFICATE

To: U.S. Bank National Association, as trustee (the "Trustee"), under the Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), between Capital Trust Agency (the "Issuer"), and the Trustee

Re: \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series ~~2017~~2017A \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B, issued pursuant to the Indenture and the Loan Agreement, dated as of _____ 1, 2017 (the "Loan Agreement"), between the Issuer and Odyssey Charter School, Inc. (the "Borrower")

The undersigned, an Authorized Representative of the Borrower, hereby certifies that the budgeted Operating Expenses ~~for Borrower~~ during the Fiscal Year that will commence _____ 1, 20____ and will end June 30, 20____ is \$_____.

Based on the above, the Repair and Replacement Fund Annual Deposit for such Fiscal Year is equal to \$_____ (four-tenths of 1 percent (.004) multiplied by the budgeted Operating Expenses listed in the previous paragraph), and the Repair and Replacement Fund Requirement is equal to \$_____ (2 percent (.02) multiplied by the budgeted Operating Expenses listed in the previous paragraph).

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Indenture or the Loan Agreement.

Dated: _____

**Odyssey Charter School, Inc. a Florida not for
profit corporation, as Borrower**

By _____
Name: _____
Title: _____

EXHIBIT F

FORM OF ANNUAL COMPLIANCE CERTIFICATE

ANNUAL COMPLIANCE CERTIFICATE

To: U.S. Bank National Association, as trustee (the "Trustee"), under the Indenture of Trust, dated as of _____ 1, 2017 (the "Indenture"), between Capital Trust Agency (the "Issuer"), and the Trustee

Re: \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series ~~2017~~2017A \$[PAR] Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Taxable Series 2017B, issued pursuant to the Indenture and the Loan Agreement, dated as of _____ 1, 2017 (the "Loan Agreement"), between the Issuer and Odyssey Charter School, Inc. (the "Borrower")

The undersigned, an Authorized Representative of the Borrower, hereby certifies that:

(i) A review of the activities of the Borrower during the Fiscal Year that began _____ 1, 20__ and ended June 30, 20__, and of performance under the Loan Agreement has been made under his or her supervision.

(ii) He or she is familiar with the provisions of the Loan Agreement, the Continuing Disclosure Undertaking and the Tax Certificate (the "Documents"), and to the best of his or her knowledge, based on such review and familiarity, [except as specified in paragraph (iii),] (a) no events of default have occurred and/or are continuing under any of the Documents and (b) the Borrower is in compliance with all covenants, insurance and other requirements under the Documents.

[(iii) IF THERE HAS BEEN A DEFAULT IN THE FULFILLMENT OF ANY SUCH OBLIGATION IN SUCH FISCAL YEAR, SPECIFY EACH SUCH DEFAULT KNOWN AND THE NATURE AND STATUS THEREOF AND THE ACTIONS TAKEN OR BEING TAKEN TO CORRECT SUCH DEFAULT.]

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Indenture or the Loan Agreement.

Dated:

Odyssey Charter School, Inc. a Florida not for profit corporation, as Borrower

By
Name:

Title:

EXHIBIT G

INITIAL DISBURSEMENTS FROM PROJECT FUND

PAYEE*	EXPENSE	AMOUNT
	TOTAL	

~~* The Borrower has attached hereto a copy of each Payee's Form W-9 or Form W-8, as applicable (unless previously provided).~~

EXHIBIT H
COSTS OF ISSUANCE PAYABLE AT CLOSING

See Closing Memorandum.

EXHIBIT I

Post-Issuance Compliance Procedures

Document comparison by Workshare Compare on Tuesday, February 21, 2017
5:02:09 PM

Input:	
Document 1 ID	\\foleylaw.com\userdata\home\ediaz\UserProfile\My Documents\NDEcho\Loan Agreement - CTA - Odyssey.docx
Description	\\foleylaw.com\userdata\home\ediaz\UserProfile\My Documents\NDEcho\Loan Agreement - CTA - Odyssey.docx
Document 2 ID	\\foleylaw.com\userdata\home\ediaz\UserProfile\My Documents\NDEcho\Loan Agreement - CTA - Odyssey(1).docx
Description	\\foleylaw.com\userdata\home\ediaz\UserProfile\My Documents\NDEcho\Loan Agreement - CTA - Odyssey(1).docx
Rendering set	Standard

Legend:	
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Deletion	
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Style change	
Format change	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	207
Deletions	268
Moved from	0
Moved to	0
Style change	0

Format changed	0
Total changes	475

Prepared by and after recording mail to:

Foley & Lardner LLP
One Independent Drive, Suite 1300
Jacksonville, FL 32202
Attn: Emily F. Magee, Esq.

Author
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Author
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APPROVED

MAR 10 2017

OCS, Inc.
Board of Directors

ASSIGNMENT OF MORTGAGE

CAPITAL TRUST AGENCY

for the benefit of

U.S. BANK NATIONAL ASSOCIATION

Dated as of _____ 1, 2017

Pertaining to:

\$ _____

CAPITAL TRUST AGENCY
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects)
Series 2017A and Taxable Series 2017B

TO RECORDER: PURSUANT TO CHAPTER 159, PART II, FLORIDA STATUTES, THIS ASSIGNMENT OF MORTGAGE IS NOT SUBJECT TO DOCUMENTARY STAMP TAXES OR INTANGIBLE TAXES.

ASSIGNMENT OF MORTGAGE

This ASSIGNMENT OF MORTGAGE (this "Assignment") is made and entered into as of the 1st day of _____, 2017, by the CAPITAL TRUST AGENCY, a legal entity duly created and a public agency duly organized and existing under the laws of the State of Florida (the "Issuer"), to U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States and having a corporate trust office located in Orlando, Florida, in its capacity as trustee (the "Trustee") under that certain Indenture of Trust dated as of _____ 1, 2017 (the "Indenture"), under which the Issuer issued those Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017A and Taxable Series 2017B (the "Bonds").

BACKGROUND FACTS

A. **ODYSSEY CHARTER SCHOOL, INC.**, a not for profit corporation created and existing under the laws of the State of Florida (the "Borrower"), has made, in favor of the Issuer, that certain Mortgage with Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of _____ 1, 2017, upon real property situated and being in City of Palm Bay, Brevard County, Florida, and more particularly described in **Exhibit "A"** attached hereto and made a part hereof, and recorded in the public records of Brevard County, Florida (the "Mortgage").

B. Pursuant to the Indenture and the Mortgage, the Issuer executes and delivers this Assignment to more fully and certainly vest in and confirm to the Trustee, and for purposes of recordation, all the right, title and interest of the Issuer in and to the Mortgage, subject to the Mortgage Reserved Rights (defined below).

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration paid by the Trustee at the time of execution hereof, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The background facts as set forth above are incorporated herein by this reference. Capitalized terms not otherwise defined herein are as defined in the Mortgage or the Indenture, as appropriate.

2. Notwithstanding anything in the Indenture, the Mortgage, or any other document related to the issuance of the Bonds, the rights reserved by the Issuer with respect to the Mortgage, as assigned hereby (collectively, the "Mortgage Reserved Rights"), shall be the "Reserved Rights" as defined in the Indenture, provided, however, that the Mortgage Reserved Rights shall not include the following: (a) rights of the Issuer (if any) to make determinations and grant approvals with respect to the Trustee's enforcement of rights and remedies under or with respect to the Mortgage; (b) rights of the Issuer (if any) to restrict transfer of ownership of the Project with respect to the Trustee's enforcement of rights and remedies under or with respect to the Mortgage; (c) rights of the Issuer (if any) to enforce the rights and remedies under or with respect to the Mortgage, including without limitation the rights and remedies under Section 3.02 of the Mortgage; and (d) any enforcement remedies of the Issuer with respect to the Mortgage.

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Author
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3. The Issuer does hereby grant, bargain, sell, assign, transfer and set over unto the Trustee, all of the Issuer's right, title, interest, claim and demand in and to the Mortgage (except for the Mortgage Reserved Rights), and all rights, remedies and incidents thereunto belonging.

4. This Assignment shall be binding upon and shall inure to the benefit of the Issuer and the Trustee and their respective successors, assigns, heirs and legal representatives.

[The remainder of this page is intentionally left blank; signature pages follow.]

Deleted: the Issuer

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Assignment to be executed by their duly authorized representatives as of the date first written above.

Author
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Author
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CAPITAL TRUST AGENCY

(SEAL)

ATTEST:

By: _____
Name: _____
Title: Chairman

Author
Deleted: Is:

Name: _____
Title: Secretary

Address: 315 Fairpoint Drive
Gulf Breeze, Florida 32561

STATE OF FLORIDA)
COUNTY OF SANTA ROSA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____ and _____ as Chairman and Secretary, respectively, of CAPITAL TRUST AGENCY, a Florida public agency, on behalf of said agency. Each such person is personally known to me or has presented a valid driver's license as identification.

Author
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NOTARY PUBLIC, STATE OF FLORIDA

Author
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(Name of Notary Public, Print, Stamp or Type as Commissioned)

Author
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**U.S. BANK NATIONAL
ASSOCIATION, as Trustee**

By: _____
Janice Entsminger, Vice President

Address:
Corporate Trust Services
225 E. Robinson Street, Suite 250
Orlando, Florida 32801

Author
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Author
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STATE OF FLORIDA)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by Janice Entsminger, Vice President of U.S. BANK NATIONAL ASSOCIATION, a national banking association, on behalf of said association. She is personally known to me or has presented a valid driver's license as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type
as Commissioned)

Author
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Author
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Author
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Author
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Exhibit A

Legal Description

Prepared by and after recording mail to:

Foley & Lardner LLP
One Independent Drive, Suite 1300
Jacksonville, FL 32202
Attn: Emily Magee, Esq.

APPROVED

MAR 10 2017

OCS, Inc.
Board of Directors

Author
Style Definition: Article5_L2: Tabs:Not at 2.63"

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MORTGAGE WITH ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

ODYSSEY CHARTER SCHOOL, INC.
a Florida not for profit corporation

for the benefit of

CAPITAL TRUST AGENCY

Dated as of _____ 1, 2017

Pertaining to:

\$ _____
CAPITAL TRUST AGENCY
Educational Facilities Revenue Bonds
(Odyssey Charter School Projects)
Series 2017A and Taxable Series 2017B

Author
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THIS INSTRUMENT IS TO BE FILED AND INDEXED IN THE REAL ESTATE RECORDS. THE NAMES OF THE DEBTOR AND THE SECURED PARTY, THE MAILING ADDRESS OF THE SECURED PARTY FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED, THE MAILING ADDRESS OF THE DEBTOR AND A STATEMENT INDICATING THE TYPES, OR DESCRIBING THE ITEMS, OF COLLATERAL, ARE AS DESCRIBED IN SECTION 4.14 HEREOF IN COMPLIANCE WITH THE REQUIREMENTS OF ARTICLE 9, SECTION 402 OF THE UNIFORM COMMERCIAL CODE, CHAPTER 679, FLORIDA STATUTES, AS AMENDED.

TO RECORDER: PURSUANT TO CHAPTER 159, PART II, FLORIDA STATUTES, THIS MORTGAGE IS NOT SUBJECT TO DOCUMENTARY STAMP TAXES OR INTANGIBLE TAXES.

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EXHIBIT A	LEGAL DESCRIPTION
EXHIBIT B	PERMITTED ENCUMBRANCES
EXHIBIT C	DESCRIPTION OF DEBTOR AND SECURED PARTY
EXHIBIT D	USE OF MORTGAGED PROPERTY

MORTGAGE WITH ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE WITH ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING dated as of _____ 1, 2017 (this "Mortgage"), is made by ODYSSEY CHARTER SCHOOL, INC., a Florida not for profit corporation ("Mortgagor"), for the benefit of the CAPITAL TRUST AGENCY, a legal entity duly created and a public agency duly organized and existing under the laws of the State of Florida (the "Issuer"). Mortgagor hereby acknowledges that simultaneously with the execution of this Mortgage, the Issuer has assigned its right, title and interest in this Mortgage pursuant to an Assignment of Mortgage (subject to certain reserved rights of the Issuer as described therein) to U.S. BANK NATIONAL ASSOCIATION, as trustee pursuant to the Indenture (as hereinbelow defined) (the "Trustee").

RECITALS:

WHEREAS, the Issuer is authorized by the provisions of Chapter 159, Part II, Chapter 163, Part I, Chapter 166, Part II, and Chapter 617, Florida Statutes, as amended; Ordinance No. 05-97, duly enacted by the City Council (the "City Council") of Gulf Breeze, Florida (the "City") on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11, duly enacted by the City Council on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance No. 2-00, duly enacted by the Town Council (the "Town Council") of Century, Florida (the "Town"), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11, duly enacted by the Town Council on May 7, 2001 and October 3, 2011, respectively; the Interlocal Agreement dated as of August 2, 1999, between the City and the Town, as amended and supplemented, particularly as amended and supplemented by Amendment No. ___ to the Interlocal Agreement dated _____, 20__ ; Resolution No. ___-___, duly adopted by the City on _____, 20__ ; Resolution No. ___-___, duly adopted by the Town on _____, 20__ ; Resolution Nos. ___-___, ___-___ and ___-___, duly adopted by the Issuer on _____, 20__ , _____, 20__ and _____, 20__ , respectively, and other applicable provisions of law (hereinafter collectively defined as the "Act"); to issue, sell and deliver its bonds for the purpose of financing or refinancing the cost of educational facilities, as defined in the Act;

WHEREAS, pursuant to the Act, the Issuer, and the Mortgagor have entered into that certain Loan Agreement, dated as of _____ 1, 2017, between the Issuer and the Mortgagor (the "Loan Agreement"), the terms of which are incorporated herein by this reference, under which the Issuer has agreed to extend a loan to the Mortgagor to: (1) finance the acquisition of an existing educational facility and the site therefor, located on approximately 24 acres at 1350 Wyoming Drive, Palm Bay, Florida 32909 as more particularly described in Exhibit A attached hereto and incorporated herein by this reference, which is currently being leased to the Mortgagor and operated by the Mortgagor as a junior and senior high charter school, (2) refinance an existing loan of the Mortgagor, which financed the acquisition, construction and installation of an educational facility and the site therefor, located on approximately 9 acres at 1755 Eldron Boulevard, Palm Bay, Florida 32909 as more particularly described in Exhibit A attached hereto and incorporated herein by this reference, which is currently owned and operated

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by the Mortgagor as an elementary charter school, (3) finance certain improvements, fixtures, furnishings and equipment for such facilities, (collectively, the "Project");

WHEREAS, in order to provide the funds with which to make the loan to the Mortgagor, the Issuer has authorized the issuance of those certain "\$_____ Capital Trust Agency Educational Facilities Revenue Bonds (Odyssey Charter School Projects), Series 2017A and Taxable Series 2017B (collectively, the "Series 2017 Bonds" and together with any Additional Bonds issued pursuant to the Indenture, the "Bonds") pursuant to that certain Indenture between the Issuer and the Trustee dated as of _____ 1, 2017 (the "Indenture"), the terms of which are incorporated herein by this reference;

WHEREAS, as security for the payments required to be made by the Mortgagor to the Issuer under the Loan Agreement and related loan documents, the Mortgagor has agreed to grant the Issuer a first and prior mortgage and security interest in and to the Estate (as hereinafter defined), all as more fully set forth in this Mortgage;

WHEREAS, the Issuer intends to assign its rights in the Loan Agreement and this Mortgage and other instruments securing payment of the amounts due under the Loan Agreement to the Trustee pursuant to the terms of the Indenture, subject to certain rights retained by the Issuer to enforce this Mortgage and such other instruments and to collect any fees, expenses and other amounts owed to the Issuer; and

WHEREAS, capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the Indenture or the Loan Agreement.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor does hereby give, grant, bargain, sell, mortgage, grant a security interest in and confirm unto the Issuer and its successors and assigns, its interest in all of that real property located in the City of Palm Bay, Brevard County, Florida and more particularly described on Exhibit A attached hereto and made a part hereof by this reference (the "Premises");

TOGETHER WITH any and all buildings, landscaping and other improvements now or hereafter erected in or on the Premises, including, without limitation (to the extent legally permissible), the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements (collectively, the "Improvements"), all of which shall be deemed and construed to be a part of the realty;

TOGETHER WITH any and all personal property owned by Mortgagor, located on the Premises and necessary to the use or operation thereof (collectively, the "Personal Property");

TOGETHER WITH all interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Premises, the Personal Property and the Improvements (all of the foregoing are sometimes collectively referred to herein as the "Mortgaged Property");

TOGETHER WITH all easements, rights-of-way and rights now owned or hereafter acquired by Mortgagor used in connection with the Mortgaged Property, or a means of access to

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the Mortgaged Property, including, without limiting the generality of the foregoing, all rights to the nonexclusive use of common drive entries, and all tenements, hereditaments and appurtenances thereof and thereto, and all water and water rights and shares of stock evidencing the same;

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TOGETHER WITH all right, title and interest now owned or hereafter acquired by Mortgagor in and to all options to purchase or lease the Mortgaged Property or any portion thereof or interest therein;

TOGETHER WITH all oil and gas and other mineral rights in or pertaining to the Premises, if any, and all royalty, leasehold and other rights of Mortgagor pertaining thereto;

TOGETHER WITH all rents, issues, profits, royalties, income and other benefits derived from the Mortgaged Property (collectively, the "Rents"), subject to the right, power and authority hereinafter given to Mortgagor to collect and apply such Rents;

TOGETHER WITH all project revenues derived from or relating to the Mortgaged Property, whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired;

TOGETHER WITH all leasehold estates, right, title and interest of Mortgagor in and to all leases or subleases covering the Mortgaged Property (the "Leases") or any portion thereof or interest therein now or hereafter existing or entered into, and all right, title and interest of Mortgagor thereunder including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of a similar nature (collectively referred to herein, together with all prepaid Rents and security deposits under all Leases as "Deposits");

TOGETHER WITH all right, title and interest now owned or hereafter acquired by Mortgagor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Premises, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Premises; and

TOGETHER WITH, subject to terms and provisions herein, all the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in the Mortgaged Property, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Mortgaged Property including, without limitation, any award resulting from a change of grade of streets and any award for severance damages (collectively, "Proceeds") (all of the aforesaid property and the interests hereby conveyed being hereinafter collectively referred to as the "Estate").

FOR THE PURPOSE OF SECURING:

(a) payment and performance of each and every obligation, covenant and agreement of Mortgagor contained in the Loan Agreement, and this Mortgage, including any amendment or

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supplement thereto or hereto, any extension or renewal thereof or hereof, or any replacement therefor or herefor, including, without limitation:

(i) payment of all amounts required to be paid by Mortgagor under the Loan Agreement, the final maturity of which is ; and

(ii) payment of all other sums agreed to be paid by Mortgagor hereunder;

(b) performance of every obligation, covenant and agreement of Mortgagor contained herein;

(c) payment of all other sums which may hereafter be loaned to Mortgagor, or its successors or assigns, by the Issuer, or its successors or assigns, pursuant to the Loan Agreement or this Mortgage; and

(d) payment of all sums that may become due and payable to or for the benefit of the Issuer pursuant to the terms of this Mortgage.]

The obligations contained in paragraphs (a) through (d) above are referred to herein as "Secured Obligations."

Notwithstanding anything contained herein to the contrary, the enforcement of this Mortgage is subject to the provisions of the Loan Agreement, and the assignment of the Issuer's rights thereto pursuant to the Indenture.

This Mortgage and any other mortgage, security agreement, guaranty or other instrument given to evidence or further secure the payment or performance of any obligation secured hereby and the Mortgagor's obligations under the foregoing documents are sometimes hereinafter collectively referred to as the "Security Documents." The Loan Agreement, the Indenture and any other instrument now or hereafter given in connection with the issuance of the Series 2017 Bonds, may hereinafter be collectively referred to as the "Bond Documents."²

TO PROTECT THE ESTATE AND THE SECURITY GRANTED BY THIS MORTGAGE, MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

Article I

COVENANTS AND AGREEMENTS

1.01. Payment of Secured Obligations. Mortgagor shall pay when due all of its payment obligations with respect to the Secured Obligations as provided herein.

1.02. Maintenance, Repair, Alterations.

¹ NTD: Clauses (b), (c) and (d) seem to fall within scope of clause (a).

² NTD: The terms "Security Documents" and "Bond Documents" seem to cover the same documents.

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(a) Mortgagor: (i) shall maintain, keep and preserve the Mortgaged Property in good condition and repair; (ii) subject to the rights of any existing or future tenants or of Mortgagor pursuant to existing or future leases, shall not remove, demolish or substantially alter any of the Improvements (other than (1) repairs in the ordinary course of business which serve to preserve or increase the value of the Mortgaged Property and (2) alterations that are required by law), in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld so long as the security hereof, the public purpose served by the Project and the value of the Mortgaged Property shall not be materially impaired thereby; (iii) shall complete promptly following commencement of construction and in a good and workmanlike manner any Improvement which may be now or hereafter constructed on the Premises and restore (unless expressly provided to the contrary in this Mortgage or any other Security Document) in like manner any Improvement which may be damaged or destroyed thereon from any cause whatsoever, and pay when due all claims for labor performed and materials furnished therefor, subject to the rights of any existing or future tenants or of Mortgagor pursuant to existing or future leases; (iv) shall comply with all applicable laws, ordinances, rules, regulations, covenants, conditions and restrictions now or hereafter affecting the Mortgaged Property or any part thereof or requiring any alteration or improvement to be made thereon or thereto provided, however, that Mortgagor shall have the right to contest any of the foregoing by appropriate legal proceedings; (v) shall not commit, suffer or permit any act to be done in, upon or to the Mortgaged Property or any part thereof in violation of any applicable law, ordinance, rule, regulation or order; (vi) shall not commit or permit any excessive waste or deterioration of the Mortgaged Property; (vii) shall keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; and (viii) subject to the rights of tenants under existing or future leases, shall not cause or permit any fixture or any article of Personal Property to be removed from the Premises without the prior written consent of the Issuer (which consent shall not be unreasonably withheld) unless the same shall be obsolete or shall have been replaced in the ordinary course of business by substantially equivalent property.

(b) Mortgagor hereby agrees that the Issuer and the Trustee may, but shall not be obligated to, upon not less than forty-eight (48) hours advance written notice delivered to Mortgagor, conduct from time to time and at any reasonable time, through representatives of their own choice, on-site inspections and observations of (i) the maintenance and repair of the Mortgaged Property, including a review of all maintenance and repair programs and practices and all reports and records, including the records of expenditures, relating thereto, and (ii) such other facilities, practices and records of Mortgagor relating or appropriate in order to monitor Mortgagor's compliance with the provisions of this Section 1.02.

1.03. Required Insurance. Mortgagor shall at all times provide, maintain, keep in full force and effect or cause to be provided, maintained, and kept in full force and effect, at no expense to the Issuer or the Trustee, policies of insurance in such form and amounts, with such deductibles, and covering such casualties, risks, perils and liabilities as required under the Loan Agreement.

1.04. [Reserved].

1.05. Casualties, Eminent Domain. Mortgagor shall give prompt written notice thereof to the Issuer and the Trustee upon (i) the happening of any casualty to, or in connection

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with, the Mortgaged Property which materially damages the Mortgaged Property, or any part thereof, whether or not covered by insurance, and (ii) receipt by Mortgagor of any notice of any proceedings under eminent domain with respect to the Mortgaged Property, or any part thereof, and shall deliver to the Issuer and the Trustee copies of every paper served in any such proceedings under eminent domain. So long as an Event of Default or a Default, as applicable, under the Security Documents or the Loan Agreement does not then exist and is not then continuing, in the event of any such casualty or condemnation, the insurance proceeds or condemnation awards received therefrom shall be disbursed by the Trustee to the Mortgagor in accordance with the Loan Agreement to restore the Mortgaged Property or, in the event the conditions set forth in the Indenture for redemption are met, to redeem the Series 2017 Bonds. So long as the value of the Issuer's lien is not impaired, (after such repair or replacement is completed), the proceeds of such condemnation shall be applied toward the repair or replacement of the damaged or destroyed portion of the Mortgaged Property. If the Mortgaged Property shall be sold at foreclosure of this Mortgage, the Issuer and the Trustee shall have the right to receive out of said awards or proceeds the difference between the proceeds derived from such sale and the amount of any sums due to the Issuer and the Trustee and secured by this Mortgage, plus all reasonable counsel fees, costs and disbursements incurred by the Issuer and/or the Trustee in the collection of such awards or proceeds.

1.06. Taxes and Impositions.

(a) Mortgagor shall pay, or cause to be paid prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including, without limitation, non-governmental levies or assessments such as maintenance charges, levies or charges resulting from covenants, conditions and restrictions affecting the Mortgaged Property, which are assessed or imposed upon the Mortgaged Property, or upon Mortgagor as owner or operator of the Mortgaged Property, or become due and payable, and which create, may create or appear to create a lien upon the Mortgaged Property, or any part thereof, or upon any Personal Property, equipment or other facility used in the operation or maintenance thereof (all of the above hereinafter referred to, collectively, as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments. Mortgagor may pay the same or cause it to be paid, together with any accrued interest on the unpaid balance of such Imposition, in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the Mortgaged Property in lieu of or in addition to the Impositions payable by Mortgagor pursuant to Section 1.06(a) hereof, or (ii) a license, fee, tax or assessment imposed on the Issuer and measured by or based in whole (or in part) upon the amount of the outstanding obligations secured hereby, then all (or said part of) such licenses, fees, taxes or assessments shall be deemed to be included within the term "Impositions" as defined in Section 1.06(a) hereof, and Mortgagor shall pay and discharge the same as herein provided with respect to payment of Impositions. Anything to the contrary herein notwithstanding, Mortgagor shall have no obligation to pay any franchise, estate, inheritance, income, excess profits or similar tax levied on the Issuer or on the obligations secured hereby.

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(c) Subject to the provisions of Section 1.06(d) hereof, Mortgagor shall deliver to the Trustee within thirty (30) days after the date upon which any such Imposition is due and payable pursuant to the provisions of this Mortgage or the Loan Agreement by Mortgagor copies of official receipts of the appropriate taxing authority evidencing the payment thereof.

(d) Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any such Imposition by appropriate legal proceedings, provided that no Event of Default exists and Mortgagor, in good faith, is diligently contesting the amount of validity of such Imposition, and further provided that Mortgagor shall post with the Trustee for the benefit of the holders of the Series 2017 Bonds cash or a bond in an amount equal to one hundred percent (100%) of the disputed amount (less any amounts deposited with the taxing authority as a condition to such contest), but this shall not be deemed or construed in any way as relieving, modifying or extending Mortgagor's covenant to pay any such Imposition at the time and in the manner provided herein, unless Mortgagor has given written notice to the Issuer and the Trustee of Mortgagor's intent to so contest or object to an Imposition, and unless (i) Mortgagor shall certify in writing that the legal proceedings shall conclusively operate to prevent the sale of the Mortgaged Property, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; or (ii) Mortgagor shall certify in writing that Mortgagor has provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale; or (iii) Mortgagor shall certify in writing that any such sale shall not occur until after the conclusion of the contest and that Mortgagor will then have the ability to pay such Imposition and that the making of such payment will prevent such sale; or (iv) Mortgagor shall certify in writing that the failure to have paid such Imposition does not adversely affect the lien of the Mortgage, adversely affect the excludability of interest on the Tax-Exempt Bonds for federal income tax purposes, cause any Event of Default under the Indenture, Default under the Loan Agreement or Default or Event of Default, as the case may be, under the other Security Documents, endanger such lien on the Mortgaged Property or any portion thereof or subject the Mortgaged Property to loss or forfeiture, in which event the Mortgagor shall promptly take such action with respect thereto as shall be necessary to pursue such contest.

(e) Mortgagor shall not suffer, permit or initiate the joint assessment of any real and personal property which may constitute all or a portion of the Estate or suffer, permit or initiate any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Estate as a single lien.

1.07. Utilities. Mortgagor shall pay or shall cause to be paid when due all utility charges which are incurred for the benefit of the Mortgaged Property or which may become a charge or lien against the Mortgaged Property for gas, electricity, water or sewer services furnished to the Mortgaged Property and all other assessments or charges of a similar nature, whether public or private, affecting or related to the Estate or any portion thereof, whether or not such taxes, assessments or charges are or may become liens thereon.

1.08. Defense of Actions and Costs. Mortgagor, at no cost or expense to the Issuer or the Trustee, shall appear in and defend any action or proceeding purporting to affect the security hereof, the other Security Documents, any additional or other security for the obligations

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secured hereby, the interest of the Issuer and the Trustee, or the rights, powers or duties of the Issuer or the Trustee hereunder. If the Issuer or the Trustee is made a party thereto or to any other action or proceeding, of whatever kind or nature, concerning this Mortgage, the Security Documents, the Estate or any part thereof or interest therein, or the occupancy thereof, Mortgagor shall indemnify, defend and hold the Issuer and the Trustee harmless from all liability, damage, cost and expense incurred by the Issuer and the Trustee by reason of said action or proceeding (including, without limitation, the reasonable fees of attorneys for the Issuer and the Trustee, and other reasonable expenses incurred by the Issuer or the Trustee as a result of such action or proceeding), whether or not such action or proceeding is prosecuted to judgment or decision. Upon demand therefor by the Issuer or the Trustee, Mortgagor shall pay thereto an amount equal to Mortgagor's liability to such person under this Section 1.08, and until paid, such sums shall be secured hereby.

1.09. Actions by the Issuer to Preserve Estate. Subject to the terms and conditions of the Indenture, if Mortgagor commits or suffers an Event of Default or a Default, as the case may be, to occur under any of the Security Documents, the Issuer, in its own discretion and without obligation so to do, may take such actions in such manner and to such extent as the Issuer may deem reasonably necessary to protect the Estate, without releasing Mortgagor from any obligation. In connection therewith (without limiting its general and other powers, whether conferred herein, in another Security Document or by law), the Issuer shall have and is hereby given the right, but not the obligation: (i) subject to the terms and provisions of existing and future leases, to enter upon and take possession of the Estate; (ii) subject to the terms and provisions of existing and future leases, to make additions, alterations, repairs and improvements to the Estate which the Issuer may consider necessary or proper to keep the Estate in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of the Issuer; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of the Issuer may affect or appears to affect the security of this Mortgage or to be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Mortgagor shall, immediately upon demand therefor by the Issuer, pay to the Issuer an amount equal to all reasonable out-of-pocket costs and expenses incurred by it in connection with the exercise by the Issuer of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, trustee's and reasonable attorneys' fees, costs and expenses, whether or not an action is actually commenced in connection therewith, and until paid, said sums shall be secured hereby.

1.10. Survival of Warranties. All representations, warranties and covenants of Mortgagor contained in any Security Document and the Bond Documents shall survive the execution and delivery hereof and shall remain continuing obligations, warranties and representations during any time when any portion of the Secured Obligations remain outstanding.

1.11. Additional Security. No other security now existing, or hereafter taken, to secure the Secured Obligations or the liability of any maker, surety, guarantor or endorser with respect to such obligations, or any of them, shall be impaired or affected by the execution of this Mortgage; and all additional security shall be taken, considered and held as cumulative. The taking of additional security, execution of partial releases of the security, or any extension of the

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time of payment of the indebtedness secured hereby shall not diminish the force, effect or lien of this Mortgage and shall not affect or impair the liability of any maker, surety, guarantor or endorser for the payment of said indebtedness. In the event the Issuer at any time holds additional security for any of the Secured Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently or after a sale is made hereunder.

1.12. Inspections. Upon not less than forty-eight (48) hours advance written notice delivered to Mortgagor and subject to the rights of tenants under valid and binding leases, the Issuer and its agents, representatives or workers are authorized to enter at any reasonable time upon or in any part of the Mortgaged Property for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform hereunder or under the terms of any of the Security Documents or the Bond Documents, in compliance with Mortgagor's security regulations for the protection of the safety of its students.

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1.13. Liens. The Mortgagor represents and warrants that, as of the date of execution of this Mortgage, there exists no lien, charge or encumbrance other than this Mortgage and any financing statements filed in connection therewith, and any other liens or encumbrances set forth on Exhibit B attached hereto and made a part hereof by this reference or liens permitted under Section 6.19 of the Loan Agreement (all of the foregoing encumbrances being hereinafter collectively referred to as the "Permitted Encumbrances"); provided that the existence of any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right thereto shall not constitute a violation of this Section 1.13 if payment is not yet due under the contract which is the foundation thereof or such lien is promptly released or discharged or evidence is provided to the Issuer that such lien will be contested and paid on final determination. Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided that no Event of Default exists and Mortgagor shall diligently proceed to cause such lien, encumbrance or charge to be removed and discharged or transferred to bond. If Mortgagor shall fail either to remove and discharge or transfer to bond any such lien, encumbrance or charge, then, in addition to any other right or remedy of the Issuer, the Issuer may, upon providing Mortgagor with notice in accordance with Section 4.04 hereof, but shall not be obligated to, discharge the same, without inquiring into the validity of such lien, encumbrance or charge nor into the existence of any defense or offset thereto, either by paying the amount claimed to be due, or by procuring the discharge of such lien, encumbrance or charge by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Mortgagor shall, upon demand therefor by the Issuer, pay to the Issuer an amount equal to all reasonable out-of-pocket costs and expenses incurred by the Issuer in connection with the exercise by the Issuer of the foregoing right to discharge any such lien, encumbrance or charge, and such amount shall be deemed to be approved by the Issuer and, until paid, such sums shall be secured hereby.

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1.14. Issuer's Powers. Without affecting the liability of any other person liable for the payment of any Secured Obligation, and without affecting the lien or charge of this Mortgage upon any portion of the Estate not then or theretofore released as security for the full amount of all unpaid Secured Obligations, the Issuer may, from time to time and without notice (i) release any person so liable upon payment in full of the Secured Obligation, (ii) extend the maturity or alter any of the terms of any such Secured Obligation, solely to the extent and in the manner

permitted under the Security Documents or the Bond Documents, (iv) subject to the terms and conditions of the Indenture and the Loan Agreement, release or reconvey, or cause to be released or reconveyed at any time any parcel, portion or all of the Estate, and (v) take any other or additional security for any Secured Obligation herein mentioned. By accepting payment or performance of any Secured Obligation after the payment or performance thereof is due or after the filing of a notice of default and election to sell, the Issuer shall not have thereby waived its right to require prompt payment or performance, when due, of all other Secured Obligations. The acceptance by the Issuer of any sum in an amount less than the sum then due shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due. Mortgagor's failure to pay the entire sum then due shall continue to be an Event of Default hereunder, notwithstanding the acceptance of partial payment, and until the entire sum then due shall have been paid, the Issuer shall at all times be entitled to declare an Event of Default and to exercise all the remedies herein conferred. No delay or omission of the Issuer in the exercise of any right or power hereunder shall impair such right or power or any other right or power nor shall the same be construed to be a waiver of any Event of Default or any acquiescence therein.

1.15. Transfer of Estate by Mortgagor. Mortgagor covenants and agrees that it will not sell, transfer or convey title to the Estate except as permitted under the Loan Agreement.

1.16. Payment of Future Advances. It is agreed that this Mortgage shall also secure such future or additional advances as may be made by the Issuer, at its option, to the Mortgagor, or its successor in title, for any purpose permitted under this Mortgage, provided that all those advances are to be made within twenty (20) years from the date of this Mortgage, or within such lesser period of time as may be provided hereafter by law as a prerequisite for the sufficiency of actual notice or record notice of the optional future or additional advances as against the rights of creditors or subsequent purchasers for valuable consideration, and provided that all such advances are made in accordance with the Indenture. The total amount of indebtedness secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed twice the principal amount of the Series 2017 Bonds, plus interest, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property with interest on such disbursements. If, pursuant to Section 697.04, Florida Statutes, the Mortgagor files a notice specifying the dollar limit beyond which future advances made pursuant to this Mortgage will not be secured by this Mortgage, then the Mortgagor shall, within one (1) day of filing such notice, notify the Issuer and their counsel by certified mail pursuant to the terms of this Mortgage. In addition, such a filing shall constitute an Event of Default hereunder unless approved by the Issuer.

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Article II

ASSIGNMENT OF LEASES, RENTS AND CONTRACTS

2.01. Leases, Rents, Contracts, Etc.

(a) As additional collateral and further security for the Secured Obligations, Mortgagor does hereby assign to the Issuer the Mortgagor's interest in any and all leases, tenant contracts, rental agreements, franchise agreements, management contracts, construction

contracts, and other contracts, licenses and permits now or hereafter affecting the Mortgaged Property, or any part thereof, and Mortgagor agrees to execute and deliver to the Issuer such additional instruments as may hereafter be reasonably required to further evidence and confirm said assignment; provided, however, that acceptance of any such assignment shall not be construed as a consent by the Issuer to any lease, tenant contract, rental agreement, franchise agreement, management contract, construction contract, or other contract, license or permit, or to impose upon the Issuer any obligation with respect thereto. Except in the ordinary course of business, without first obtaining on each occasion the written approval of the Issuer, Mortgagor shall not cancel or permit the cancellation of any such lease, tenant contract, rental agreement, franchise agreement, management contract, construction contract, or other contract, license or permit, or materially modify any of said instruments or accept, or permit to be made, any prepayment of any installment of rent or fees thereunder (except for security deposits and the usual prepayment of rent which results from the acceptance by a landlord on the first day of each month of the rent for that month); provided however, that the Mortgagor shall not be required to obtain such approval except with respect to those cancellations or modifications which could materially impair the security granted to benefit the owners of the Series 2017 Bonds. Mortgagor shall faithfully keep and perform, or cause to be kept and performed, all of the material covenants, conditions and agreements contained in each of said instruments, now or hereafter existing, on the part of Mortgagor to be kept and performed and shall at all times do all things reasonably necessary to compel performance by each other party to said instruments of all material obligations, covenants and agreements by such other party to be performed thereunder.

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(b) Mortgagor shall not execute an assignment of the income, rents, issues or profits, or any part thereof, from the Estate unless the Issuer shall first consent to such assignment (which consent shall be given only in the event the owners of a majority in aggregate principal amount of the outstanding Series 2017 Bonds shall have consented to such assignment) and unless such assignment shall expressly provide that it is subordinate to the assignment contained in this Mortgage and any assignment executed pursuant hereto or concerning the Secured Obligations.

(c) Mortgagor shall furnish to the Issuer, within thirty (30) days after a request by the Issuer to do so, a sworn statement setting forth, to the extent legally permissible, the names of all lessees and tenants of the Mortgaged Property, the terms of their respective leases, tenant contracts or rental agreements, the space occupied, and the rentals payable thereunder, and stating whether to the knowledge of the Mortgagor any defaults, off-sets or defenses exist under or in connection with any of said leases, tenant contracts or rental agreements.

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(d) Each lease, tenant contract and rental agreement pertaining to the Mortgaged Property, or any part thereof, shall provide that, in the event of the enforcement by the Issuer of the remedies provided by law or by this Mortgage, the lessee or tenant thereunder will, upon request of the Issuer or any other person or entity succeeding to the interest of the Issuer as a result of such enforcement, automatically become the lessee or tenant of the Issuer or said successor in interest, without change in the terms or other provisions of said lease, tenant contract or rental agreement; provided, however, that neither the Issuer nor any such successor in interest shall be bound by any payment of rental or additional rental for more than one (1) month

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in advance, except prepayments in the nature of security for the performance by said lessee or tenant of its obligations under said lease, tenant contract or rental agreement.

(c) Notwithstanding any other provision of this Mortgage, Mortgagor shall not hereafter enter into any lease, rental agreement, franchise agreement, management contract or other material contract affecting the Mortgaged Property, or any part thereof, except upon the following conditions: (i) each such instrument shall contain a provision that the rights of the parties thereunder are expressly subordinate to all of the rights and title of the Issuer under this Mortgage; (ii) any such instrument shall contain a provision whereby the parties thereunder expressly recognize and agree that, notwithstanding such subordination, the Issuer may sell the Mortgaged Property in the manner provided in this Mortgage, and thereby, at the option of the Issuer, sell the same subject to such instrument; and (iii) at or prior to the time of execution of any such instrument (excluding any lease, tenant contract or rental agreement), Mortgagor shall, as a condition to such execution, procure from the other party or parties thereto an agreement in favor of the Issuer, in form and substance satisfactory to the Issuer, under which such party or parties agree to be bound by the provisions hereof, regarding the manner in which the Issuer may foreclose this Mortgage.

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Article III

REMEDIES UPON DEFAULT

3.01. Events of Default. Any of the following events shall be deemed to be an event of default after the expiration of any applicable notice, grace and/or cure periods ("Event of Default") hereunder:

(a) the occurrence of an Event of Default (as such term is defined in any of the Security Documents or the Loan Agreement) under any of the Security Documents or the Bond Documents; or

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(b) to the extent not included within the events described in clause (a) of this Section 3.01, a breach of or default under any term, covenant, agreement, condition, provision, representation or warranty of Mortgagor contained herein or in any of the Security Documents or the Bond Documents which is not cured within thirty (30) days (or as otherwise permitted by such Security Document) following written receipt by Mortgagor of written notice from the Issuer describing such breach or default; provided, however, that in the event such breach or default cannot be cured within thirty (30) days, Mortgagor shall be entitled to such additional time as may be necessary to effect such cure so long as Mortgagor continues to prosecute diligently such cure.

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3.02. Acceleration Upon Default; Additional Remedies. Upon the occurrence of an Event of Default, the Issuer, without further notice to or demand upon Mortgagor or any other party having an interest in the Mortgaged Property, and without regard to the value of the Mortgaged Property held as security for the Secured Obligations or the solvency of any person liable for the performance of such obligations, may, subject to the terms of the Indenture, at its option, do any or all of the following:

(a) apply for and obtain the appointment of a receiver of the Mortgaged Property and the rents and profits thereof; such receiver shall be appointed without regard to the adequacy of any security held for the payment of the Secured Obligations or the solvency of any person or persons liable for the payment of such amounts; such receiver may also be granted such extended powers, duties and Issuer as would be necessary or useful in the management and operation of the Mortgaged Property, including, without limitation, the power to enter into, modify, terminate and enforce leases; pay taxes and other operating expenses, employ property managers; make payments of the Secured Obligations as the same become due; and to expend reasonable sums in repair and maintenance of the Mortgaged Property;

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(b) pay any sums in any form or manner deemed expedient by the Issuer to protect the security hereunder or to cure any Event of Default; make any payment hereby authorized to be made according to any bill, statement or estimate furnished or procured from the appropriate public officer or the party claiming payment without inquiry into the accuracy or validity thereof (the receipt of any such public officer or party in the hands of the Issuer shall be conclusive evidence of the validity and amount of items so paid), in which event the amounts so paid shall be secured hereby and be immediately due and payable to the Issuer; and the Issuer shall be subrogated to any such encumbrance, lien, claim or demand, and to all rights and securities for the payment thereof, paid or discharged with the principal sum secured hereby or by the Issuer under the provisions hereof, and any such subrogation rights shall be additional and cumulative security to this Mortgage;

(c) declare all indebtedness and obligations secured hereby to be immediately due, payable and collectible without any presentment, demand, protest or notice of any kind and regardless of the maturity date of the Secured Obligations and, in that event, the entire Secured Obligations shall become immediately due and payable and collectible, and thereupon the Issuer may foreclose this Mortgage pursuant to applicable law;

(d) enter and take possession of the Mortgaged Property and lease the same and receive all the rents, issues and profits thereof which are due, overdue or which thereafter become due, and to apply the same, after payment of all necessary charges and expenses, in reduction of the Secured Obligations, and said rents, issues and profits are, in such event, hereby assigned to the Issuer as further security for the payment of the Secured Obligations. Mortgagor or any other then owner of the Mortgaged Property, if it is the occupant of the Mortgaged Property or any part thereof, shall in such event, immediately surrender possession of the Mortgaged Property so occupied to the then holder of this Mortgage, and if such occupant is permitted to remain in possession, the occupant shall, on demand, pay monthly in advance to the holder of this Mortgage a reasonable rental for the space so occupied and, if in default hereof, such occupant may be dispossessed by summary proceedings. This section shall be effective either with or without any action of foreclosure, and with or without any application for a receiver of said rents, issues and profits; and

(e) exercise all other rights and remedies provided herein, in any Security Document, or any Bond Document, or provided by law.

If the Issuer shall acquire title to the Mortgaged Property, by virtue of a deed in lieu of foreclosure, a judicial sale thereof pursuant to proceedings under the Series 2017 Bonds, the

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Indenture, or this Mortgage, or otherwise, then all of the Mortgagor's estate, right, title and interest in and to all insurance policies, including unearned premiums thereon and the proceeds thereof, shall automatically vest in the Issuer.

3.03. Application of Funds After Default. Except as otherwise herein provided or in the Indenture, during any period in which an Event of Default hereunder has occurred and remains un cured, the Issuer may, at any time without any further notice, apply any or all sums or amounts received and held by the Trustee under the Indenture to pay insurance premiums, Impositions, or either of them, or may apply rents or income of the Estate, or insurance or condemnation proceeds, and all other sums or amounts received by the Issuer from or on account of Mortgagor or the Estate, or otherwise, upon any indebtedness or obligation of Mortgagor secured hereby, in such manner and order as the Issuer may elect, notwithstanding that said indebtedness or the performance of said obligation may not yet be due; provided, however, that the Issuer shall promptly thereafter provide to Mortgagor a detailed accounting with respect to all such applications of funds. The receipt, use or application of any such sum or amount shall not be construed to affect the maturity of any indebtedness secured by this Mortgage, or any of the rights or powers of the Issuer under the terms of the Security Documents, or any of the obligations of Mortgagor or any guarantor under the Security Documents; or to cure or waive any default or notice of default under any of the Security Documents; or to invalidate any act of the Issuer.

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3.04. Costs of Enforcement. If any Event of Default occurs, the Issuer and the Trustee may employ an attorney or attorneys to protect their rights hereunder. Mortgagor promises to pay to the Issuer and the Trustee, on demand, the reasonable legal fees and expenses of such attorneys and all other reasonable out-of-pocket costs of enforcing the Secured Obligations, including, without limitation, recording fees, the expense of a foreclosure sale, receivers' fees and expenses, and all other reasonable expenses, of whatever kind or nature, incurred by the Issuer and the Trustee and each of them, in connection with the enforcement of the Secured Obligations, whether or not such enforcement includes the filing of a lawsuit. Until paid, such sums shall be secured hereby.

3.05. Remedies Not Exclusive. Subject to the provisions of Section 3.07 hereof, the Issuer shall be entitled to enforce payment and performance of any Secured Obligation and to exercise all rights and powers under this Mortgage or under any Security Document or any Bond Document or any law now or hereafter in force, notwithstanding that some or all of the said Secured Obligations may now or hereafter be otherwise secured, whether by guaranty, mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to other powers herein contained, shall prejudice or in any manner affect the Issuer's right to realize upon or enforce any other security now or hereafter held by the Issuer in such order and manner as they may in their absolute discretion determine. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Security Documents to the Issuer or to which the Issuer may be otherwise entitled may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Issuer.

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3.06. Notice of Default. The Issuer shall cause a copy of any notice of an Event of Default and a copy of any notice of foreclosure hereunder to be mailed to Mortgagor at the address specified for Mortgagor in Section 4.04 hereof.

3.07. Non-Recourse, Limited Recourse and Recourse Provisions of Loan.

(a) Notwithstanding anything herein to the contrary in this Mortgage, the other Security Documents or the Bond Documents, the liability of the Mortgagor under this Mortgage, the other Security Documents and the Bond Documents shall be strictly and absolutely limited to the property encumbered by this Mortgage and the other Security Documents, and the leases, rents, profits and issues thereof and any other collateral securing the Loan, except as provided in paragraph (b) herein below. If a Default or Event of Default, under this Mortgage, under the Loan Agreement or under the Indenture shall occur, the Issuer and the Trustee shall not and may not seek any judgment for a deficiency against the Mortgagor or any members, managers, directors, officers or employees of the Mortgagor in any action to foreclose, or to confirm any foreclosure, or to exercise any other rights or powers under or by reason of this Mortgage or any other Security Document or any Bond Document; *provided, however*, that nothing herein shall prohibit judicial proceedings to foreclose this Mortgage or the other Security Documents securing the obligations of the Mortgagor hereunder. In the event any suit is brought on the Loan Agreement, or concerning the Loan or any amount secured by this Mortgage or the other Security Documents as part of judicial proceedings to foreclose the Mortgage lien and/or security interest, or to confirm any foreclosure thereunder, any judgment obtained in such suit shall constitute a lien on and will be and can be enforced only against, the property encumbered by this Mortgage and other Security Documents, and the terms of such judgment shall expressly so provide.

(b) Notwithstanding anything herein to the contrary in this Mortgage or any other Security Documents, the Mortgagor shall be personally liable for, and the Issuer and the Trustee shall have the right to seek a judgment for money damages (including a deficiency judgment) to enforce, payment of:

(i) The Annual Issuer's Fee, the Issuer's Fees and Expenses, the reasonable out-of-pocket fees and expenses of the Trustee, reasonable legal fees and out-of-pocket costs and expenses, of Bond Counsel, counsel to the Issuer and counsel for the Trustee incurred in connection with the enforcement of the Indenture, this Mortgage or the other Security Documents;

(ii) Indemnification under Section 3.05 of the Loan Agreement and under equivalent provisions of the other Security Documents;³

(iii) Liability under any guaranty or indemnity entered for the benefit of the Issuer or the Trustee;

(iv) Any rents, profits and issues from the Mortgaged Property collected during any period in which any payment Default occurs and remains uncured

³ NTD: There is no Section 3.05 in the Loan Agreement.

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that are not applied to the payment of the Secured Obligations or bona fide operating expenses of the Mortgagor with respect to the Schools;

(v) Liability for intentional waste, destruction or damage to the Project or any part thereof (provided, however, that the Mortgagor will have no liability under this clause (v) if sufficient net operating revenues from the Mortgaged Property are not available to the Mortgagor to prevent physical waste to the Project);

(vi) The failure of Mortgagor to apply any condemnation award or insurance proceeds as prescribed in this Mortgage or the Loan Agreement;

(vii) Fraud or willful misrepresentation by the Mortgagor; and

(viii) Any obligation to pay a premium on the Series 2017 Bonds in the event of a redemption resulting from a Determination of Taxability, so long as such premium is not construed as interest on the Loan;

all of which foregoing obligations shall bear interest at a rate equal to eight percent (8%) per annum from the due date thereof until the date paid in full. No provision of any Security Document or Bond Document shall be deemed to waive, amend or modify the recourse obligations set forth herein.

Article IV

MISCELLANEOUS COVENANTS AND AGREEMENTS

4.01. Amendments. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. A copy of said instrument shall be sent by said party to all other parties in the manner specified in Section 4.04 hereof.

4.02. Statements by Mortgagor. Mortgagor shall, within ten (10) days after its receipt of demand therefor from the Issuer, deliver to the Issuer a written statement setting forth the amounts then unpaid and secured by this Mortgage⁴ and stating whether any offset or defense exists against payment of such amounts.

4.03. Issuer Statements. For any statement or accounting requested by Mortgagor or any other entitled person pursuant to applicable law, or any other document or instrument furnished to Mortgagor by the Issuer, the Issuer may charge the Issuer's reasonable and customary charges therefor.

4.04. Notices. All notices and other communications to be made or permitted to be made hereunder shall be in writing and shall be delivered to the addresses shown below or to

⁴ NTD: Will the Mortgagor know this?

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such other addresses that the parties may provide to one another in accordance herewith. Such notices and other communications shall be given by any of the following means: (a) registered mail; (b) personal service; (c) national express air courier, provided such courier maintains written verification of actual delivery; or (d) electronic mail ("e-mail") promptly confirmed in writing by first class delivery. Any notice or other communication given by the means described in (a) shall be deemed effective 3 days after sent. Any notice or other communication given by the means described in (b) or (c) above shall be deemed effective upon the date of receipt or the date of refusal to accept delivery by the party to whom such notice or other communication has been sent. Any notice or other communication given by the means described in (d) above shall be deemed effective the date on which evidence of the e-mail transmission is received.

Issuer: Capital Trust Agency
315 Fairpoint Drive
Gulf Breeze, Florida 32561
Attention: Executive Director
E-Mail: egray3@muniad.com

Mortgagor: Odyssey Charter School, Inc.
1755 Eldron Boulevard
Jacksonville, FL 32909
Attention: _____
E-Mail: _____

Trustee: U.S. Bank National Association
Corporate Trust Services
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Phone: (407) 835-3810
E-Mail: Janice.entsminger@usbank.com

Each Bondholder requesting the same at the address supplied to the Trustee by such Bondholder or its authorized representative, shall be sent, without duplication, a copy of all notices sent to any party hereunder.

4.05. Captions. The captions or headings at the beginning of articles, sections and subsections hereof are for the convenience of the parties, are not a part of this Mortgage, and shall not be used in construing it.

4.06. Invalidity of Certain Provisions. Every provision of this Mortgage is intended to be severable. In the event any term or provision hereof is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such illegality, invalidity or unenforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Mortgage is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Estate, the unsecured or partially secured portion of the debt

shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Mortgage.

4.07. No Merger of Lease. Upon the foreclosure of the lien created by this Mortgage on the Mortgaged Property pursuant to the provisions hereof, any lease or sublease then existing and affecting all or any portion of the Mortgaged Property shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless the Issuer or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of the Issuer or any such purchaser shall constitute a termination of any lease or sublease unless the Issuer or such purchaser shall give written notice of such termination to such tenant or subtenant. If both the lessor's and lessee's estate under any lease or any portion thereof which constitutes a part of the Mortgaged Property shall at any time become vested in one owner, this Mortgage and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless the Issuer so elects as evidenced by recording a written declaration so stating, and, unless and until the Issuer so elects, the Issuer shall continue to have and enjoy all of the rights and privileges granted to it hereunder as to the separate estates.

4.08. Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Florida without regard to conflict of laws principles.

4.09. Interpretation. In this Mortgage the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires; and the word "person" shall include corporation, partnership or other form of association.

4.10. Corrections. The parties shall, upon the reasonable request of the Issuer or the Mortgagor, as applicable, correct any defect, error or omission which may be discovered in the contents hereof or in the execution or acknowledgment hereof, and shall execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or as may be reasonably requested by the Issuer or the Mortgagor, as applicable, to carry out more effectively the purposes hereof, including, but not limited to, subjecting to the lien and security interest hereby created any of Mortgagor's properties, rights or interest covered or intended to be covered hereby, or perfecting and maintaining such lien and security interest.

4.11. Further Assurances; After-Acquired Property. At any time, and from time to time, upon request by the Issuer, Mortgagor will make, execute and deliver, or cause to be made, executed and delivered, to the Issuer and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be necessary or desirable, any and all such other and further mortgages, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may be necessary or desirable in order to effectuate, complete or perfect, or to continue and preserve (a) the obligations of Mortgagor under this Mortgage and the other Security Documents and (b) the security interest created by this Mortgage as a first and prior security interest upon, in and to all of the Estate, whether now owned or hereafter acquired by Mortgagor. Upon any failure by Mortgagor so to do, the Issuer

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may make, execute, record, file, re-record and/or refile any and all such mortgages, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints the Issuer the agent and attorney-in-fact of Mortgagor so to do. This Mortgage and the liens and security interests created hereby will automatically attach, without further act, to all after-acquired property falling within the scope of the term "Estate," as defined herein.

4.12. Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds Mortgagor and the heirs, legatees, devisees, administrators, personal representatives, executors and the successors and assigns thereof, and the Issuer. As used herein, the term "Issuer" shall mean, collectively, the Issuer, the Trustee, as assignee of the Issuer, and their respective successors in interest or assigns from time to time, whether or not named as the Issuer herein and the term "Mortgagor" shall mean the Mortgagor named herein and the successors-in-interest, if any, of said named Mortgagor in and to the Estate or any part thereof, as permitted by this Mortgage. If there be more than one Mortgagor hereunder, their obligations shall be joint and several.

4.13. Priority. This Mortgage is intended to have and retain priority over all other liens and encumbrances upon the Estate, excepting only: (i) such other impositions as at the date hereof have, or by law gain, priority over the lien created hereby; (ii) covenants, conditions, restrictions, easements, and rights of way which are of record or are disclosed of record and which affect the Estate on the date hereof; (iii) the Permitted Encumbrances; and (iv) Leases, liens, encumbrances, and any other matters as to which the Issuer hereafter expressly subordinates the lien of this Mortgage by written instrument in recordable form. Under no circumstance shall the Issuer be obligated or required to subordinate the lien hereof to any Lease, lien, encumbrance, covenant or other matter affecting the Estate or any portion thereof. The Issuer may, however, at the Issuer's option, exercisable in its sole and absolute discretion, subordinate the lien of this Mortgage, in whole or in part, to any or all Leases, liens, encumbrances or other matters affecting all or any portion of the Estate by executing and recording in the public records, a unilateral declaration of such subordination specifying the Lease, lien, encumbrance or other matter or matters to which this Mortgage shall thereafter be subordinate.

4.14. Financing Statement and Fixture Filing.

(a) This Mortgage constitutes a financing statement filed as a fixture filing in the public records with respect to any and all Fixtures (as hereinafter defined) included with the term "Improvements" as used herein and with respect to any goods, collateral or other Personal Property that may now be or hereafter become Fixtures. As used herein, the term "Fixtures" shall mean all fixtures located upon or within the Improvements or now or hereafter installed in, or used in connection with any of the Improvements, including, but not limited to, any and all partitions, screens, awnings, motors, engines, boilers, furnaces, pipes, plumbing, elevators, cleaning and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, heating, ventilating, air conditioning and air cooling equipment, refrigerators, washer and dryer units, and gas and electric machinery, appurtenances and equipment, whether or not permanently affixed to the Premises or the Improvements.

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(b) Mortgagor warrants that (i) Mortgagor's (that is, "Debtor's") name, identity or corporate structure and residence or principal place of business are as set forth on Exhibit C hereto; (ii) Mortgagor (that is, "Debtor") has been using or operating under said name, identity or corporate structure without change for the time period set forth on Exhibit C hereto; and (iii) the location of the collateral is upon the Premises. Mortgagor covenants and agrees that Mortgagor will furnish the Issuer with notice of any change in the matters addressed by clauses (i) or (iii) of this subsection within thirty (30) days of the effective date of any such change and Mortgagor will promptly authorize and, as applicable, execute any financing statements or other instruments necessary to prevent any filed financing statement from becoming misleading or losing its perfected status.

(c) The information contained in this subsection is provided in order that this Mortgage shall comply with the requirements of the Uniform Commercial Code, as enacted in the State of Florida, for instruments to be filed as financing statements. The names of the "Debtor" and the "Secured Party," the identity or corporate structure and residence or principal place of business of "Debtor," and the time period for which "Debtor" has been using or operating under said name and identity or corporate structure without change, are as set forth hereinabove and in Exhibit C hereto; and a statement indicating the types, or describing the items, of collateral is set forth hereinabove.

4.15. Nonforeign Entity. Section 1445 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the Issuer that the withholding of tax will not be required in the event of the disposition of the Mortgaged Property pursuant to the terms of this Mortgage, Mortgagor hereby certifies, under penalty of perjury, that:

(a) Mortgagor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code and the regulations promulgated thereunder; and

(b) Mortgagor is not a disregarded entity as defined in Treasury Regulation Section 1.1445-2(b)(2)(iii); and

(c) Mortgagor's federal tax identification number is __-_____; and

(d) Mortgagor's chief executive office and principal place of business is 1755 Eldron Boulevard, Palm Bay, Florida 32909.

It is understood that the Issuer may disclose the contents of this certification to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment or both. Mortgagor covenants and agrees to execute such further certificates, which shall be signed under penalty of perjury, as the Issuer shall reasonably require. The covenants set forth herein shall survive the foreclosure of the lien of this Mortgage or acceptance of a deed in lieu thereof.

4.16. Cooperation and Approvals by the Issuer. Upon the written request by Mortgagor from time to time throughout the term of this Mortgage, the Issuer shall execute such

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documents, petitions, applications, authorizations, permits, grants of easement, dedications and maps as may be customary or necessary for lienholders to execute in order for Mortgagor to satisfy requirements of any governmental agency and those required by public utilities, in each case, for the orderly development of the Premises. Mortgagor shall reimburse the Issuer or pay directly at the request and direction of the Issuer, all reasonable administration costs and legal fees and expenses actually incurred by the Issuer in complying with the Mortgagor's request under this Section 4.16.

4.17. Waiver of Mortgagor's Rights. BY EXECUTION OF THIS INSTRUMENT, MORTGAGOR EXPRESSLY (A) WAIVES ANY AND ALL RIGHTS WHICH MORTGAGOR MAY HAVE UNDER THE CONSTITUTION OF THE UNITED STATES OF AMERICA (INCLUDING, WITHOUT LIMITATION, THE FIFTH AND FOURTEENTH AMENDMENTS THEREOF), THE VARIOUS PROVISIONS OF THE CONSTITUTIONS FOR THE SEVERAL STATES, OR BY REASON OF ANY OTHER APPLICABLE LAW, CONCERNING THE APPLICATION, RIGHTS OR BENEFITS OF ANY MORATORIUM, REINSTATEMENT, MARSHALLING, FORBEARANCE, APPRAISEMENT, VALUATION, STAY, EXTENSION, HOMESTEAD, OR EXEMPTION LAWS; (B) ACKNOWLEDGES THAT MORTGAGOR HAS READ THIS INSTRUMENT AND ANY AND ALL QUESTIONS OF MORTGAGOR REGARDING THE LEGAL EFFECT OF THIS INSTRUMENT AND ITS PROVISIONS HAVE BEEN EXPLAINED FULLY TO MORTGAGOR, AND MORTGAGOR HAS CONSULTED WITH COUNSEL OF MORTGAGOR'S CHOICE PRIOR TO EXECUTING THIS INSTRUMENT; AND (C) ACKNOWLEDGES THAT ALL WAIVERS OF THE AFORESAID RIGHTS OF MORTGAGOR HAVE BEEN MADE KNOWINGLY, INTENTIONALLY AND WILLINGLY BY MORTGAGOR AS PART OF A BARGAINED FOR LOAN TRANSACTION AND THAT THIS INSTRUMENT IS VALID AND ENFORCEABLE BY THE ISSUER AGAINST MORTGAGOR IN ACCORDANCE WITH ALL THE TERMS AND CONDITIONS HEREOF.

MORTGAGOR ACKNOWLEDGES THAT IT IS ENGAGED PRIMARILY IN COMMERCIAL PURSUITS AND THAT PROCEEDS OF THE 2017 NOTE AND THIS MORTGAGE ARE TO BE UTILIZED IN MORTGAGOR'S BUSINESS ACTIVITIES AND WILL NOT BE UTILIZED FOR CONSUMER PURPOSES.

THIS MORTGAGE SECURES ADVANCES WHICH MAY BE USED FOR CONSTRUCTION OF IMPROVEMENTS ON THE PREMISES, ACCORDINGLY THIS MORTGAGE CONSTITUTES A CONSTRUCTION MORTGAGE UNDER THE FLORIDA UNIFORM COMMERCIAL CODE.

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IN WITNESS WHEREOF, the Issuer and the Mortgagor have caused this Mortgage to be executed by their duly authorized representatives as of the date first above written.

CAPITAL TRUST AGENCY

(SEAL)

ATTEST:

By: Name: Title: Chairman

Name: Title: Secretary

Address: 315 Fairpoint Drive Gulf Breeze, Florida 32561

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STATE OF FLORIDA COUNTY OF SANTA ROSA

The foregoing instrument was acknowledged before me this ___ day of ___, 2017, by ___ and ___ as Chairman and Secretary, respectively, of CAPITAL TRUST AGENCY, a Florida public agency, on behalf of said agency. Each such person is personally known to me or has presented a valid driver's license as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned)

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SIGNATURE PAGE FOR MORTGAGE AND SECURITY AGREEMENT (Odyssey Charter School, Inc. Project)

WITNESSES:

ODYSSEY CHARTER SCHOOL, INC., a
Florida not for profit corporation

By: _____
 Print: _____ Name: _____
 _____ Title: _____

 Address: 1755 Eldron Boulevard
 _____ Palm Bay, FL 32909
 Print: _____

STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, as _____ of ODYSSEY CHARTER SCHOOL, INC., a Florida not for profit corporation, on behalf of said corporation. Such person is personally known to me or has presented a valid driver's license as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Notary Public, Print, Stamp or Type as Commissioned)

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SIGNATURE PAGE FOR
MORTGAGE AND SECURITY AGREEMENT
(Odyssey Charter School, Inc. Project)

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
PERMITTED ENCUMBRANCES

EXHIBIT C

DESCRIPTION OF DEBTOR AND SECURED PARTY

A. Debtor:

1. The name and identity (or corporate structure) of Debtor is: Odyssey Charter School, Inc., a Florida not for profit corporation.

2. The principal place of business of Debtor is located at 1755 Eldron Boulevard, Palm Bay, Florida 32909.

3. Debtor has been using or operating under said name and identity or corporate structure without change for the following time period: on or about May 21, 1999, to present.

B. Secured Party:

Capital Trust Agency
315 Fairpoint Drive
Gulf Breeze, Florida 32561
Attention: Executive Director

C. Assignee of Secured Party:

U.S. Bank National Association
Corporate Trust Services
550 W. Cypress Creek Road, Suite 380
Phone: (954) 938-2475
Email: amanda.bhim@usbank.com

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EXHIBIT D5

USE OF MORTGAGED PROPERTY

Mortgagor shall at all times operate the Mortgaged Property as educational facilities.

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5 NTD: This Exhibit D is not referenced in the text of the Mortgage.