

RESOLUTION NO. 2016-19

A RESOLUTION OF THE CITY OF VENICE, FLORIDA APPROVING, FOLLOWING A PUBLIC HEARING, THE ISSUANCE OF NOT TO EXCEED \$3,850,000 EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS (ISLAND VILLAGE MONTESSORI CHARTER SCHOOL PROJECT), SERIES 2016 (THE "BONDS") AND THE REFINANCING OF AN EDUCATIONAL PROJECT PURSUANT TO SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AUTHORIZING THE BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO ISLAND VILLAGE MONTESSORI CHARTER SCHOOL, INC., IN ORDER TO REFINANCE OUTSTANDING INDEBTEDNESS AND TO PAY A PORTION OF THE COSTS OF ISSUING THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AND LOAN AGREEMENT AND RELATED DOCUMENTS TO SECURE THE BONDS; AWARDING THE SALE OF THE BONDS BY A NEGOTIATED SALE TO WELLS FARGO BANK, NATIONAL ASSOCIATION; APPROVING THE FORM OF THE BONDS AND THE NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERLOCAL AGREEMENT WITH SARASOTA COUNTY, FLORIDA; AUTHORIZING OFFICIALS OF THE ISSUER TO TAKE CERTAIN ACTION IN CONNECTION WITH THE ISSUANCE OF THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Island Village Montessori Charter School, Inc. (the "Borrower") has requested the City of Venice, Florida (the "Issuer") to assist the Borrower through the issuance by the Issuer of its Educational Facilities Revenue Refunding Bonds (Island Village Montessori Charter School Project), Series 2016 (the "Bonds") and the loan of the proceeds of the Bonds to the Borrower for the principal purpose of refunding the Issuer's Industrial Revenue Bonds (Island Village Montessori Charter School, Inc. Project), Series 2007 (the "Refunded Bonds"), refinancing two loans previously undertaken by the Borrower and paying a portion of the costs of the issuance of the Bonds; and

WHEREAS, Wells Fargo Bank, National Association (together with its successors and assigns as registered owner of the Bonds, the "Purchaser") has agreed to purchase the Bonds under certain terms and conditions; and

WHEREAS, it is necessary and desirable to approve the form of and authorize the execution of a Bond Purchase and Loan Agreement, a Note and an Interlocal Agreement, and to determine the interest rate, maturity date, prepayment provisions and other details for the Bonds;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, as follows:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution, hereinafter called the "Resolution," is adopted pursuant to Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, home rule powers, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this Resolution in capitalized form and not otherwise defined herein shall have the meanings specified in the Bond Purchase and Loan Agreement attached hereto as Exhibit A. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Mayor" as used herein refers to the Mayor of the City of Venice, Florida.

"Refunded Bonds" means the Issuer's Industrial Development Revenue Bonds (Island Village Montessori Charter School, Inc. Project), Series 2007.

"Refunded Project" means, collectively, the Borrower's charter school educational facilities located at 2001 Pinebrook Road, Venice, Florida; 2341 Kilpatrick Road, Venice, Florida; and 11011 Clark Road (State Road 72), Sarasota, Florida.

SECTION 3. INTERPRETATION. Whenever in this Resolution any governmental unit or body, including the Issuer, or any officer, director, board, department, commission, or agency of a governmental unit or body is defined or referred to, such definition or reference shall be deemed to include the governmental unit or body or officer, director, board, department, commission or agency succeeding to or in whom or which is vested, the functions, rights, powers, duties and obligations of such governmental unit or body or officer, director, board, department, commission or agency, as the case may be, encompassed by this Resolution.

Unless the context shall clearly indicate otherwise in this Resolution: (i) references to sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding sections and subdivisions of this Resolution; (ii) the terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, refer to this Resolution only and to this Resolution as a whole and not to any particular section or subdivision hereof; and (iii) the term "heretofore" means before the date of adoption of this Resolution; the word "now" means at the time of enactment of this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

SECTION 4. FINDINGS. Upon consideration of the documents described herein and the information presented by the Borrower and its representatives to the Issuer at or prior to the date hereof, it is hereby ascertained, determined and declared as follows:

A. The Refunded Project within the City of Venice, Florida continues to be appropriate to the needs and circumstances of, and will continue to make a contribution to the economic growth of the City of Venice, Florida, will continue to assist in providing educational services to residents of the City of Venice, Florida, will continue to provide and preserve gainful employment, and will continue to serve a public purpose, consistent with Article VII, Section 10(c) of the Florida Constitution, by continuing to advance the economic prosperity and the general welfare of the Issuer, the State, and the people thereof, and in particular, the issuance of the Bonds is in the common interest of the people of the City of Venice, Florida. As of the date hereof, the Borrower has represented and shown that it is financially responsible and fully capable of and willing to continue to fulfill any obligations which it may incur in connection with the refinancing of the Refunded Project as contemplated by this Resolution.

B. The Issuer hereby finds that the Bond Purchase and Loan Agreement makes provision for the continued operation, repair and maintenance of the Refunded Project at the expense of the Borrower and for the payment of the principal and interest on the Bonds and all other costs incurred by the Issuer in connection with the Bonds and the Refunded Project. The Issuer has been advised by the Borrower that the Refunded Project constitutes an "educational facility" as defined in the Act.

C. The Issuer has been advised that due to the desire to coordinate the sale of the Bonds and due to the limited market for tax-exempt obligations such as the Bonds, it is in the best interest of

the Borrower to sell the Bonds by negotiated sale, and the Issuer, wishing to obtain the best interest rate on the Bonds for the benefit of the Borrower, has determined to sell the Bonds by negotiated sale to the Purchaser, permitting the Issuer to enter such market at the most advantageous time, rather than at a specified advertised date, and accordingly it is in the best interest of the Issuer that a negotiated sale of the Bonds be authorized.

D. The Issuer is not obligated to pay the Bonds except from the proceeds derived from the repayment of the loan to the Borrower, or from the other security pledged by the Borrower to the Purchaser, and neither the faith and credit of the Issuer, the State of Florida or any political subdivision thereof, nor the taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal and purchase price of, premium, if any, or the interest on the Bonds.

E. The Purchaser has provided, or prior to the issuance of the Bonds will provide, to the Issuer a disclosure statement containing the information required by Section 218.385(6), Florida Statutes.

F. A portion of the Refunded Project is located in unincorporated Sarasota County, Florida (the "County") and the Issuer has therefore been requested to enter into an Interlocal Agreement (the "Interlocal Agreement") with the County in order to expend a portion of the Bond proceeds to refinance the portion of the Refunded Project located in the unincorporated County.

G. Prior to the issuance of the Bonds, the Interlocal Agreement between the County and the Issuer shall have been approved by both the Issuer and the County and the Interlocal Agreement shall be filed in the proper records and the Board of County Commissioners of the County shall have approved the issuance of the Bonds pursuant to a resolution.

H. A public hearing concerning the issuance of the Bonds to refinance the Refunded Project, at which comments and discussions from interested persons were solicited and heard, was held by the Issuer on even date herewith, after and pursuant to appropriate publication of notice thereof in *Sarasota-Herald Tribune*, a newspaper of general circulation in the City of Venice, Florida, at least fourteen (14) days in advance of said hearing.

SECTION 5. APPROVAL OF THE BONDS. The issuance of the Bonds by the Issuer in the aggregate principal amount of not to exceed \$3,850,000 for the benefit of the Borrower is hereby approved to the extent required by Section 147(f) of the Internal Revenue Code. The Refunded Project which was financed with the proceeds of the Refunded Bonds and other debt and which will be refinanced with the proceeds of the Bonds is located in the City of Venice, Florida and in unincorporated Sarasota County and is owned and operated by the Borrower. The redemption and refunding of the Refunded Bonds is hereby authorized.

SECTION 6. APPROVAL OF BOND PURCHASE AND LOAN AGREEMENT. The Bond Purchase and Loan Agreement, substantially in the form attached hereto as Exhibit A with such corrections, insertions and deletions as may be approved by the Mayor, such approval to be evidenced conclusively by his execution thereof as described below, is hereby approved and authorized; the Issuer hereby authorizes and directs the Mayor or the Vice-Mayor to date and execute, and the Secretary to attest under the official seal of the Issuer, the Bond Purchase and Loan Agreement, and to deliver the Bond Purchase and Loan Agreement to the Borrower and the Purchaser; and all of the provisions of the Bond Purchase and Loan Agreement, when executed and delivered by the Issuer as authorized herein and

by the Borrower and the Purchaser, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 7. AUTHORIZATION OF BONDS. For the purpose of making the Loan to the Borrower, there is hereby approved and authorized to be issued under this Resolution the Bonds in the aggregate principal amount of not to exceed \$3,850,000 and to be designated "City of Venice, Florida Educational Facilities Revenue Refunding Bonds (Island Village Montessori Charter School Project), Series 2016." The Bond shall be issued as a fully registered bond, shall be dated as of the date of issuance, shall mature, shall bear interest at a rate not to exceed 3.00% and shall have such other terms and conditions, and shall be in the form of, the bond attached hereto as Exhibit B, with such changes, alterations and corrections as may be approved by the Mayor, such approval to be conclusively presumed by the execution thereof by the Mayor.

SECTION 8. BOND REGISTER. The Bonds shall be registered as to principal and interest in the name of Purchaser provided that the Bonds may be transferred by surrender of such Bonds for cancellation, accompanied by a written instrument of transfer, in form satisfactory to the Issuer and in accordance with the terms of the Bond Purchase and Loan Agreement, duly executed by the registered owner in person or by his duly authorized agent. Thereupon the Issuer, upon indemnification and as directed by the Borrower and the payment of any fees to the Issuer associated therewith, will issue and deliver to the owner thereof at his expense, in the name of the transferee or transferees, a new registered Bond, having the same terms as the Bonds so surrendered. Upon any transfer of the Bonds the Borrower, on behalf of the Issuer, will keep or cause to be kept a bond register for the registration and transfer of ownership of the Bonds. Upon presentation for any transfer the Borrower and the Bondholder shall so coordinate with, the Issuer shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred such Bond. In every case of a transfer of a Bond, the surrendered Bond shall be canceled.

SECTION 9. APPROVAL OF INTERLOCAL AGREEMENT. The Interlocal Agreement by and between the County and the Issuer is approved. The Mayor or the Vice-Mayor of the Issuer is hereby authorized and directed to execute the Interlocal Agreement, attached hereto as Exhibit C, in the name and on behalf of the Issuer, and to affix thereto the official seal of the Issuer.

SECTION 10. MUTILATED, LOST, STOLEN OR DESTROYED BOND. In case the Bonds shall become mutilated or be lost, stolen or destroyed, the Issuer shall, upon indemnification and as directed by the Borrower and the payment of any fees to the Issuer associated therewith, cause to be executed and furnished to the owner a new Bond in exchange and substitution for, and upon the cancellation of, the mutilated Bond or in lieu of and substitution for such lost, stolen or destroyed Bond. In every case the applicant shall furnish evidence satisfactory to the Issuer of the destruction, theft or loss of such Bond and indemnity satisfactory to the Issuer, and the Issuer shall charge the applicant for the issuance of such new Bond an amount sufficient to reimburse it for any expense or allocation of cost or a fee for the issuance thereof.

SECTION 11. LIMITED OBLIGATION. The Bonds are not a general obligation of the Issuer but a limited obligation payable solely from the payments received from or on behalf of the Borrower under the Note. The Bonds shall not be an obligation of the State of Florida or of any political subdivision thereof, other than the Issuer (limited as aforesaid), and any and all payments of any nature thereunder shall be payable only from amounts provided for such purpose under the Loan Documents and not from other funds of the Issuer.

SECTION 12. COVENANT TO PERFORM. The Issuer shall faithfully perform at all times all of its covenants, undertakings and agreements contained in this Resolution, in the Bonds or in any proceedings of the Issuer pertaining thereto. The Issuer represents that it is duly authorized under the Constitution and laws of the State of Florida, particularly the Act, to issue the Bonds and to adopt this Resolution, and to execute the Bond Purchase and Loan Agreement, the Interlocal Agreement and the Note and pledge the Borrower's revenues, receipts, proceeds and funds derived in respect thereof, in the manner and to the extent herein set forth as security for the Bonds; that all action on its part for the issuance of the Bonds and the adoption of this Resolution has been duly and effectively taken; and that the Bonds will be a valid and enforceable limited obligation of the Issuer according to their terms.

SECTION 13. COVENANT AS TO THE BORROWER. The Issuer covenants that it will fulfill its obligations, and it authorizes the Purchaser to require the Borrower to perform the duties and obligations of the Borrower, under the Bond Purchase and Loan Agreement and the Note, it being understood that the Issuer has no obligation to pay debt service on the Bonds or any other amounts to the Purchaser, such being the obligation solely of the Borrower. The Issuer shall promptly notify the Purchaser of any actual or alleged Event of Default of which it has actual knowledge and shall not execute or agree to any change, amendment, modification or supplement of or to any Loan Document, except as is provided in the Loan Documents.

SECTION 14. ENFORCEMENT OF THE AGREEMENT. The Purchaser may enforce all obligations of the Borrower, and may exercise all rights (except Unassigned Rights of the Issuer) of the Issuer specified under the Loan Documents whether or not the Issuer is in default thereunder.

SECTION 15. LIMITED LIABILITY OF ISSUER. Anything in this Resolution or the Loan Documents to the contrary notwithstanding, the performance by the Issuer of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the Issuer for all warranties and other covenants hereunder, shall be limited solely to the payments received under the Note and other revenues and receipts derived from the Loan Documents (as defined in Section 19), and the Issuer shall not be required to effectuate any of its duties, obligations, powers or covenants hereunder except to the extent of such payments received under the Note and other revenues and receipts derived from the Borrower.

SECTION 16. NO PERSONAL LIABILITY. No recourse under or upon any obligation, covenant or agreement contained in this Resolution, the Bonds, any other Loan Document or under any judgment, or by the enforcement of any assessment or by legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Resolution, shall be had against any member, agent, employee or officer, 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 holder of the Bonds or otherwise of any sum that may be due and unpaid by the Issuer upon the Bonds. 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 member or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of the Bonds or otherwise, of any sum that may remain due and unpaid upon the Bonds is hereby expressly waived and released as a condition of and in consideration for the execution of this Resolution and the issuance of the Bonds.

SECTION 17. BOND NOT A DEBT OF STATE OR ISSUER. None of the State of Florida or the Issuer, any political subdivision thereof, shall in any event be liable for the payment of the principal of or interest

on the Bonds, except that the Issuer has provided for payment from the special and limited sources as provided in the Loan Documents. The Bonds issued hereunder shall never constitute an indebtedness of the State of Florida or of any political subdivision of the State of Florida or of the Issuer within the meaning of any state constitutional provisions or statutory limitation and shall never constitute or give rise to the pecuniary liability of the State of Florida or any political subdivision thereof, or of the Issuer or a charge against their general credit. The holder of the Bonds shall not have the right to compel any exercise of the ad valorem taxing power of the State of Florida or of any political subdivision of said State to pay the Bonds or the interest thereon.

SECTION 18. LAWS GOVERNING. This Resolution shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Florida.

SECTION 19. THE LOAN DOCUMENTS. The Bond Purchase and Loan Agreement, the Bonds and the Interlocal Agreement (collectively, the "Loan Documents"), in the forms thereof attached hereto as Exhibits A through C, respectively, with such changes, alterations and corrections as may be approved by the Mayor, such approval to be conclusively presumed by the execution thereof by the Mayor and the City Clerk, are hereby approved by the Issuer, and the Issuer hereby authorizes and directs the Mayor to execute such Loan Documents, simultaneous with the issuance of the Bonds, and to deliver the Loan Documents to the Borrower all of the provisions of which, when executed and delivered by the Issuer as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 20. SALE OF BONDS. The Bonds shall be awarded and sold to the Purchaser upon the terms and conditions set forth in the Bond Purchase and Loan Agreement. Prior to the execution of the Bond Purchase and Loan Agreement the Purchaser shall file with the Issuer the disclosure and truth-in-bonding statements required by Section 218.385, Florida Statutes.

SECTION 21. COVENANT REGARDING TAX STATUS OF BONDS. The Issuer covenants that it will not knowingly take any action, or knowingly fail to take any action, and will not fail to take any action reasonably requested by the Purchaser or the Borrower, and will not take any action which the Purchaser or the Borrower reasonably requests it not to take, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

SECTION 22. NOTICES. Any notice, request, complaint, demand, communication or other paper given under or with respect to any Loan Document for notice to the Issuer shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail to the notice address of the Issuer.

SECTION 23. NO THIRD PARTY BENEFICIARIES. Except as herein or in the documents herein mentioned otherwise expressly provided, nothing in this Resolution or in such documents, express or implied, is intended or shall be construed to confer upon any Person other than the Issuer, the Purchaser and the Borrower any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof or of such documents; this Resolution and such documents being intended to be and being for the sole and exclusive benefit of such parties.

SECTION 24. PREREQUISITES PERFORMED. All acts, conditions and prerequisites relating to the passage of this Resolution and required by the Constitution or laws of the State of Florida to happen,

exist and be performed precedent to and in the passage hereof have happened, exist and have been performed as so required.

SECTION 25. GENERAL AUTHORITY. The Mayor, the City Clerk and the other officers and employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution, the Interlocal Agreement, and the other Loan Documents or desirable or consistent with the requirements hereof or thereof, for the full punctual and complete performance of all terms, covenants and agreements contained in the Bonds, this Resolution, the Interlocal Agreement, and the other Loan Documents, including executing the tax return and tax documents for the Bonds.

SECTION 26. RESOLUTION CONSTITUTES A CONTRACT. The Issuer covenants and agrees that this Resolution shall constitute a contract between the Issuer and the holders from time to time of the Bonds and that all covenants and agreements set forth herein and in the Loan Documents and to be performed by the Issuer shall be for the benefit and security of the holder of the Bonds.

SECTION 27. SEVERABILITY. If any one or more of the covenants, agreements, or provisions contained herein or in the Bonds shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions hereof and thereof and shall in no way affect the validity of any of the other provisions of this Resolution or of the Bonds.

SECTION 28. REPEALER. All resolutions or ordinances or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of any such conflict, hereby superseded and repealed.

SECTION 29. LIMITED APPROVAL. The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Refunded Project, (ii) a recommendation to the Purchaser or any prospective purchaser of the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Refunded Project, and the Issuer shall not be construed by reason of its adoption of this Resolution to have made any such endorsement, finding or recommendation or to have waived any of the Issuer's rights or estopping the Issuer from asserting any rights or responsibilities it may have in that regard.

SECTION 30. This resolution shall take effect immediately upon its approval and adoption as required by law.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, AT A MEETING HELD ON THE 14TH DAY OF JUNE 2016.

John W. Holic, Mayor, City of Venice

ATTEST:

Lori Stelzer, MMC, City Clerk

I, Lori Stelzer, MMC, City Clerk of the City of Venice, Florida, a municipal corporation in Sarasota County, Florida, do hereby certify that the foregoing is a full and complete, true and correct copy of a Resolution duly adopted by the City Council of the City of Venice, Florida, at a meeting thereof duly convened and held on the 14th day of June 2016, a quorum being present.

WITNESS my hand and official seal of said City this 14th day of June 2016.

Lori Stelzer, MMC, City Clerk

(S E A L)

Approved as to form:

David Persson, City Attorney

BOND PURCHASE AND LOAN AGREEMENT

By and Among

CITY OF VENICE, FLORIDA,

WELLS FARGO BANK, NATIONAL ASSOCIATION

and

ISLAND VILLAGE MONTESSORI CHARTER SCHOOL, INC.

relating to

[\$3,850,000]

City of Venice, Florida

**Educational Facilities Revenue Refunding Bonds
(Island Village Montessori Charter School Project),
Series 2016**

Dated as of _____, 2016

NO INTANGIBLE TAXES OR DOCUMENTARY STAMP TAXES ARE DUE WITH RESPECT HERETO PURSUANT TO SECTION 159.31, FLORIDA STATUTES.

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.01	<u>Definitions</u>	2
Section 1.02	<u>Accounting Matters</u>	13
Section 1.03	<u>Computation of Time Periods</u>	13
Section 1.04	<u>New York City Time Presumption</u>	13
Section 1.05	<u>Relation to Other Documents; Incorporation by Reference</u>	13
Section 1.06	<u>Construction</u>	14

ARTICLE II

REPRESENTATION AND WARRANTIES

Section 2.01	<u>Representations of the Issuer</u>	14
Section 2.02	<u>Representations of the Borrower</u>	16
Section 2.03	<u>Representations of the Purchaser</u>	25

ARTICLE III

BONDS; LOANS; PURCHASE OF THE BONDS; ASSIGNMENT

Section 3.01	<u>Bonds</u>	26
Section 3.02	<u>Loan</u>	28
Section 3.03	<u>Purchase of Bonds</u>	28
Section 3.04	<u>Assignment</u>	28
Section 3.05	<u>Arbitrage</u>	29
Section 3.06	<u>Limited Liability</u>	29

ARTICLE IV

THE BORROWER'S OBLIGATIONS

Section 4.01	<u>Repayment Obligations</u>	29
Section 4.02	<u>Default Interest</u>	30
Section 4.03	<u>Determination of Taxability</u>	30
Section 4.04	<u>Fees; Costs and Expenses</u>	31
Section 4.05	<u>Computation of Interest and Fees</u>	31
Section 4.06	<u>Increased Costs</u>	32
Section 4.07	<u>Net of Taxes, Etc</u>	33
Section 4.08	<u>Method and Application of Payments</u>	35
Section 4.09	<u>Maintenance of Accounts</u>	35
Section 4.10	<u>Cure</u>	35
Section 4.11	<u>Maximum Lawful Rate</u>	35

ARTICLE V

CONDITIONS PRECEDENT TO PURCHASE OF BONDS

Section 5.01 Documentary Requirements..... 36
Section 5.02 Credit Requirements 40
Section 5.03 Additional Conditions Precedent 40

ARTICLE VI

AFFIRMATIVE AND NEGATIVE COVENANTS OF THE BORROWER

Section 6.01 Reporting Requirements 40
Section 6.02 Proceeds of Bonds; Lien on Mortgaged Property..... 42
Section 6.03 Notices 42
Section 6.04 Insurance..... 42
Section 6.05 Maintenance of Mortgaged Property 43
Section 6.06 Payment of Taxes; Removal of Liens..... 43
Section 6.07 Access to Property; Communication with Accountant..... 43
Section 6.08 Licensure; Further Assurances..... 44
Section 6.09 Tax Returns..... 44
Section 6.10 ERISA Plans 44
Section 6.11 Compliance with Laws 44
Section 6.12 Compliance with Other Agreements..... 44
Section 6.13 Transfer, Merger or Change of Business; Loan or Advances to Affiliates 45
Section 6.14 Amendments 45
Section 6.15 Accounting Methods and Fiscal Year..... 45
Section 6.16 Tax Exemption..... 45
Section 6.17 Financial Requirements 45
Section 6.18 Deposit Relationship..... 46
Section 6.19 Judgment; Liens 46
Section 6.20 Prepayment 46
Section 6.21 Other Defaults..... 46
Section 6.22 Cross Default 46
Section 6.23 Time is of the Essence 46
Section 6.24 Hedging..... 46
Section 6.25 Federal Reserve Board Regulations..... 46
Section 6.26 Certain Information..... 47
Section 6.27 Incorporation of Covenants..... 47
Section 6.28 Permitted Indebtedness 47
Section 6.29 Change of Corporate Name, State of Incorporation or Location..... 47
Section 6.30 Creation of Entities; Related Party Transactions 47
Section 6.31 Limitation on Disposition of PP&E and other Property 48
Section 6.32 Business 48
Section 6.33 Charter Contract..... 48
Section 6.34 Tax Covenants 48
Section 6.35 Arbitrage; Prevention of Tax Exemption..... 49

Section 6.36	<u>Certain Covenants with Respect to Compliance with Arbitrage Requirements for Investments in Nonpurpose Investments and Rebate to the United States of America</u>	49
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ARTICLE VII

EVENTS OF DEFAULT

Section 7.01	<u>Events of Default</u>	49
Section 7.02	<u>Consequences of an Event of Default</u>	51
Section 7.03	<u>No Waiver; Remedies</u>	53
Section 7.04	<u>Injunctive Relief</u>	53

ARTICLE VIII

NATURE OF OBLIGATIONS; INDEMNIFICATION

Section 8.01	<u>Obligations Absolute</u>	53
Section 8.02	<u>Liability of the Purchaser and the Issuer</u>	54
Section 8.03	<u>Indemnification</u>	55
Section 8.04	<u>Directors, Officers, Employees and Agents of Issuer Not Liable</u>	56

ARTICLE IX

MISCELLANEOUS

Section 9.01	<u>Right of Setoff</u>	56
Section 9.02	<u>Amendments and Waivers</u>	56
Section 9.03	<u>Counterparts</u>	57
Section 9.04	<u>Notices</u>	57
Section 9.05	<u>Severability</u>	58
Section 9.06	<u>Arbitration</u>	58
Section 9.07	<u>Governing Law; Consent To Jurisdiction; Waiver Of Jury Trial</u>	60
Section 9.08	<u>Successors and Assigns</u>	62
Section 9.09	<u>Complete and Controlling Agreement</u>	63
Section 9.10	<u>Patriot Act</u>	63
Section 9.11	<u>No Advisory or Fiduciary Responsibility</u>	63
Section 9.12	<u>Payment Set Aside</u>	64
Section 9.13	<u>Contractual Interpretation</u>	65
Section 9.14	<u>Electronic Signatures</u>	65
Section 9.15	<u>Tax-Exempt Status; Arbitrage</u>	65
Section 9.16	<u>Attorneys' Fees</u>	66
Section 9.17	<u>Further Assurances</u>	66

EXHIBIT A	FORM OF 2016 BOND
EXHIBIT B	FORM OF 2016 NOTE
EXHIBIT C	FORM OF INVESTOR LETTER
EXHIBIT D	CALCULATION OF FINANCIAL COVENANTS

BOND PURCHASE AND LOAN AGREEMENT

This BOND PURCHASE AND LOAN AGREEMENT (as the same may be hereafter supplemented or amended, this “Agreement”) dated as of _____, 2016, is entered into by and among the CITY OF VENICE, FLORIDA (the “Issuer”), WELLS FARGO BANK, NATIONAL ASSOCIATION (together with its successors or assigns as Owner of Bonds, as hereinafter defined, the “Purchaser”), a national banking association, and ISLAND VILLAGE MONTESSORI CHARTER SCHOOL, INC. (the “Borrower”), a Florida not-for-profit corporation. All capitalized terms used herein and not otherwise defined shall have the meanings assigned in Section 1.01.

W I T N E S S E T H :

[BOND COUNSEL TO UPDATE AS NEEDED]

WHEREAS, the Issuer is empowered pursuant to Chapter 159, Florida Statutes, Part II, Chapter 163, Florida Statutes and the City's Charter, home rule powers, and other applicable law (collectively, the “Act”), to issue its bonds and to loan the proceeds thereof to be applied to finance or refinance educational facilities; and

WHEREAS, in furtherance of a public purpose, and at the request of and on behalf of the Borrower, the Issuer proposes to issue and sell to the Purchaser, and the Purchaser proposes to purchase from the Issuer, the City of Venice, Florida Educational Facilities Revenue Refunding Bonds (Island Village Montessori Charter School Project), Series 2016 in an aggregate principal amount of \$[**3,850,000**] (the “Bonds”), the proceeds of which will be loaned by the Issuer to the Borrower to (i) refinance the Borrower’s obligations under a Bond Purchase and Construction Financing Agreement dated as of November 28, 2007, between Bank of America, N.A., the Issuer and the Borrower (the “2007 Loan Agreement”), and thereby refund the Issuer’s outstanding Industrial Revenue Bonds (Island Village Montessori Charter School Project), Series 2007 (the “Refunded Bonds”), (ii) refinance the Borrower’s obligations under two Promissory Notes dated March 21, 2012 and _____, 20__ held by Branch Banking and Trust Company (collectively, the “Refunded BB&T Loans”), and (iii) pay certain costs of issuance of the Bonds (collectively, the “Financing”); and

WHEREAS, the Issuer shall lend the proceeds of the sale of the Bonds to the Borrower to pay for the Financing as evidenced by a promissory note in the aggregate principal amount of \$[**3,850,000**] (the “Note”) from the Borrower to the Issuer, and to secure the obligations of the Bonds to the Purchaser, the Issuer will assign to the Purchaser the Note, certain collateral documents herein described and substantially all of its rights under this Agreement;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the covenants, terms and conditions hereinafter contained, and to induce the Purchaser to purchase the Bonds, the Issuer, the Purchaser and the Borrower agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. In addition to terms defined at other places in this Agreement, the following defined terms are used throughout this Agreement with the following meanings:

“**Accountant**” means an independent certified public accountant or a firm of independent certified public accountants, selected by the Borrower and satisfactory to the Purchaser.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling or controlled by or under common control with such Person. Without limiting the foregoing, the definition of “Affiliate” of any Person shall include any subsidiary of such Person and, with respect to the Purchaser, shall include Wells Fargo Securities (a trade name) and Wells Fargo Municipal Capital Strategies, LLC.

“**Applicable Law**” means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (ii) Governmental Approvals and (iii) orders, decisions, judgments, writs, injunctions and decrees of all courts (whether at law or in equity) and arbitrators.

“**Bank Transferee**” shall have the meaning assigned to such term in Section 9.08(b).

“**Bankruptcy Code**” means Title 11 of the United States Code, as amended from time to time, or any successor statute thereto.

“**Bond Counsel**” means initially Bryant Miller Olive P.A., and there after an attorney or firm of attorneys reasonably acceptable to the Issuer and Borrower whose opinion is accepted in the national tax exempt capital markets as to the issuance and validity of municipal securities and as to the interest paid thereon being excluded from the gross income of the holders thereof for purposes of federal income taxation.

“**Bond Interest is Taxable**” means that interest paid or to be paid on the Bond is or will be includable for federal income tax purposes in the gross income of the Purchaser or any other Owner thereof, but excluding the inclusion of interest on such Bond as an item of tax preference for purposes of the calculation of an alternative minimum tax imposed on the Purchaser or such other Owner.

“**Bond Proceeds**” means the principal of the Bonds and any investment earnings thereon.

“**Business Day**” means any day other than a Saturday, Sunday or any other day on which banks located in the State or the State of New York are required or authorized to remain closed.

“**Cash Flow**” means the sum of Change in Net Position, as set forth on the Statement of Activities in Borrower’s audit, plus interest expense, plus income taxes, plus depreciation, plus amortization, minus non-cash income, and plus non-cash expense.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation Risk Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities shall in each case be deemed to be a **“Change in Law,”** regardless of the date enacted, adopted or issued.

“Closing Date” means June 24, 2016, subject to the satisfaction of the conditions precedent set forth in Article V.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and all rules and regulations (including temporary and proposed regulations) from time to time promulgated thereunder, or any successor statute thereto.

“Contract” means any indenture, agreement (other than this Agreement), other contractual restriction, lease, instrument (other than the Bonds and Note), guaranty, certificate of incorporation, charter or by law.

“control,” “controlled by” or “under common control with” means, when used with respect to any specified Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting rights, the power to appoint officers, members, trustees or directors, by contract, statute or otherwise.

“Costs of the Project” means all costs and allowances which the Borrower may properly pay or accrue for the Project and which, under GAAP, are chargeable to the capital account of the Project or could be so charged either with a proper election to capitalize such costs or, but for a proper election to expense such costs, including (without limitation) the following costs:

(a) any labor, services, materials and supplies used or furnished in site improvement and construction; any equipment for the Project; and all real and tangible personal property deemed necessary by the Borrower and acquired in connection with the Project;

(b) fees for architectural, engineering, supervisory and consulting services;

(c) any fees and expenses incurred in connection with perfecting and protecting title to the Project and any fees and expenses incurred in connection with preparing, recording or filing such documents, instruments or financing statements as either the Borrower or the Issuer may deem desirable to perfect or protect the rights of the Issuer or the Purchaser under the Loan Documents;

(d) any legal, accounting or financial advisory fees and expenses, including, without limitation, fees and expenses of Bond Counsel and counsel to the Issuer, the Borrower, or the Purchaser, any fees and expenses of the Issuer or the Purchaser, filing fees, and printing and engraving costs incurred in connection with the authorization, issuance, sale and purchase of the Bond and the preparation of the Loan Documents and all other documents in connection with the authorization, issuance, sale and purchase of the Bonds;

(e) any administrative or other fees charged by the Issuer or reimbursement thereto of expenses in connection with the refinancing of the Project; and

(f) any other costs and expenses relating to the Project or Financing which could constitute costs or expenses for which the Issuer may expend Bond Proceeds under the Act.

“Debt” means, with respect to any Person, (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services; (b) obligations of such Person as lessee under any leases which are, should be or should have been reported as capital leases in accordance with GAAP; (c) if applicable, the unfunded portion of pension or benefit plans or similar liabilities; (d) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person or otherwise to assure a creditor against loss; (e) obligations secured by any Liens on property owned by such Person, whether or not the obligations have been assumed, (f) all other items or obligations which would be included in determining total liabilities on the balance sheet of a Person and (g) obligations of such Person under any Hedge Agreement to which it is a party; provided, however, that “Debt” shall not include Permitted Indebtedness.

“Debt Service Coverage Ratio” means for each Fiscal Year, ratio of Cash Flow to the sum of the prior period current maturities of long term debt plus interest expense.

“Default” means the occurrence of any event or the existence of any condition which constitutes an Event of Default or the occurrence of any event or the existence of any condition which with the giving of notice, the passage of time, or both, would constitute an Event of Default.

“Default Rate” means, for any date of determination, a fluctuating rate of interest per annum equal to the rate on the applicable debt instrument plus 4.00%.

“Determination of Taxability” means (a) any determination, decision, decree or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction to the effect that Bond Interest is Taxable, or (b) the delivery to the Purchaser or any Owner of a written opinion of nationally recognized Bond Counsel to the effect that Bond Interest is Taxable. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

(a) the date when the Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that Bond Interest is Taxable;

(b) the effective date of any federal legislation enacted or federal rule or regulation promulgated after the Closing Date which has the effect that Bond Interest is Taxable; or

(c) if upon sale, lease or other deliberate action within the meaning of Treas. Reg. § 1.141-2(d), the failure by the Borrower to receive an unqualified opinion of a nationally recognized Bond Counsel to the effect that such action will not cause interest on any Bond to become includable in the gross income of the recipient.

“**Environmental Agreement**” means the Environmental Law Compliance Certificate and Indemnity Agreement dated as of the Closing Date, by Borrower in favor of the Purchaser.

“**Environmental Law(s)**” means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, codes, plans, judgments, orders, decrees, permits, concessions, grants, restrictions, franchises, licenses, policies, binding and enforceable guidelines, agreements or other governmental restrictions (or judicial or administrative interpretations thereof) relating to air, water or land pollution, wetlands or the protection of the environment, public health and safety or to emissions, discharges or releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials or the clean up or other remediation thereof.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder, or any successor statute thereto.

“**ERISA Group**” means the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer and any affiliated service group under Section 414 of the Code.

“**Event of Default**,” in relation to this Agreement, shall have the meaning assigned to such term in Section 7.01, and in relation to any other Loan Document, shall have the meaning set forth therein.

“**Event of Insolvency**” means, with respect to any Person, the occurrence of one or more of the following events:

(a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person;

(b) the commencement by or against such Person of a case or other proceeding seeking liquidation, reorganization or other relief with respect to such Person or its debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its Property or there shall be appointed or designated with respect to it, an entity such as an

organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

- (c) the making of an assignment for the benefit of creditors by such Person;
- (d) the inability or failure of such Person to generally pay its debts as they become due;
- (e) the declaration of a moratorium with respect to the payment of the debts of such Person;
- (f) such Person shall admit in writing its inability to pay its debts when due;
- (g) such Person is “insolvent” as defined in Section 101(32) of the Bankruptcy Code; or
- (h) the initiation of any action in furtherance of or to authorize any of the foregoing by or on behalf of such Person.

“*Excess Interest Amount*” shall have the meaning assigned to such term in Section 4.11(b).

“*Excluded Taxes*” means, with respect to the Purchaser or any Owner, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Purchaser or such Owner is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located.

“*Exposure*” means, for any date of determination, with respect to a Person and any Hedge Agreement, the amount of any Settlement Amount that would be payable by such Person if such Hedge Agreement were terminated as of such date. Exposure shall be determined in accordance with the methodology for calculating amounts due upon early termination as set forth in the related Hedge Agreement and the notional principal amount, term and other relevant provisions thereof.

“*Fiscal Year*” means the period of twelve (12) consecutive calendar months for which financial statements of the respective entity have been examined by its Accountants; currently for the Borrower, a year ending on **[June 30] [December 31]**.

“*GAAP*” means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a

significant segment of the accounting profession in the United States of America, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governing Body” means, with respect to the Borrower, its Board of Directors.

“Governmental Approvals” means an authorization, consent, approval, permit, license, certificate of occupancy or an exemption of, a registration or filing with, or a report to, any Governmental Authority.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“Governmental Requirements” mean all Laws of any Governmental Authority, including without limitation, Laws relating to public disclosures, zoning, certificates of need, licenses, permits, subdivision building, safety, health, fire protection or environmental matters.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, materials, contaminants, chemicals, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hedge Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Interest Payment Date” shall mean each of the interest payment dates specified in the respective Note.

“Investor Letter” shall have the meaning assigned to such term in Section 9.08(c).

“Issuance Costs” means all costs that are treated as issuance costs within the meaning of Section 1.150-1(b) of the Regulations, including, but not limited to, (a) underwriter’s spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); (b) counsel fees (including Bond Counsel, Purchaser’s counsel, Issuer’s counsel and Borrower’s counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds); (c) issuance fees of the Issuer; (d) financial advisory fees incurred in connection with the issuance of the Bonds; (e) rating agency fees; (f) paying agent and certifying and authenticating agent fees related to issuance of the Bonds; (g) accountant fees related to the issuance of the Bonds; (h) printing costs of the Bonds and of the preliminary and final offering materials; (i) publication costs associated with the financing proceedings; and (j) costs of engineering and feasibility studies necessary to the issuance of the Bonds; provided, that bond insurance premiums and certain credit enhancement fees, to the extent treated as interest expense under applicable regulations, shall not be treated as “Issuance Costs.”

“Law” means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

“Lien” means, with respect to any asset, any mortgage, deed of trust, lien, pledge, charge, security interest, hypothecation, assignment, deposit arrangement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under Applicable Law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital or finance lease or other title retention agreement relating to such asset and, in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Loan Documents” means, collectively, this Agreement, the Bonds, the Note, the Tax Agreement, the Mortgage, the Environmental Agreement, and shall also include any other exhibit, certificate, schedule, agreement or instrument relating to the issuance of the Bonds.

“Loan” shall have the meaning assigned to such term in Section 3.02.

“Margin Stock” shall have the meaning assigned to such term in Regulation U promulgated by the Board of Directors of the Federal Reserve System, as now and hereafter from time to time in effect.

“Material Adverse Change” means the occurrence of any event or change which would reasonably be expected to result in a material and adverse change in the business, assets, liabilities, condition (financial or otherwise), or operations of the Borrower since the last day of the period reported in the audited annual financial statements of the Borrower, or which would reasonably be expected to result in a material and adverse effect on (a) the enforceability of this Agreement or any other Loan Document or (b) the ability of the Borrower to perform its obligations hereunder or thereunder; provided, however, that the following shall not be considered in determining whether there has occurred a Material Adverse Change: (i) terroristic acts or events, (ii) general economic or political conditions; or (iii) acts of God.

“Material Adverse Effect” means (a) with respect to the Borrower, a material and adverse effect in the business, assets, liabilities, condition (financial or otherwise), or operations of the Borrower or (b) with respect to this Agreement or any other Loan Document, a material adverse effect upon (i) the enforceability of this Agreement or any other Loan Document, or (ii) the ability of the Borrower to perform its obligations under this Agreement or any other Loan Document; provided, however, that the following shall not be considered in determining whether there has occurred a Material Adverse Effect: (i) terroristic acts or events, (ii) general economic or political conditions or (iii) acts of God.

“Material Debt” means (a) any Debt owed to the Purchaser or any Affiliate of the Purchaser; (b) the Note; (c) any Debt which as to priority of payment is on a parity with or senior to the Note; and (d) any other Debt which has a principal amount outstanding of not less than \$100,000 (measured in the case of any Hedge Agreement, by a Person’s Exposure thereunder).

“Material Litigation” shall have the meaning assigned to such term in Section 2.02(e).

“Matters Contested in Good Faith” means the imposition of charges, assessments, taxes or other payments, the application of any Laws or policies, or any other matters (a) then being contested in good faith by appropriate proceedings diligently and continuously pursued, (b) of which the Purchaser has been notified in writing and is being kept informed in such detail as the Purchaser may from time to time reasonably request, (c) the enforcement of which is effectively stayed during the period of the contest and (d) with respect to which either (i) adequate reserves in the nature of a cash deposit or pledge of bonds or other securities, or a payment bond of a corporate surety in the face amount equal to the total amount in controversy, reasonably satisfactory to the Purchaser, have been furnished or (ii) adequate provision therefor, reasonably satisfactory to the Purchaser, has been reserved on the financial statements of the Borrower.

“Maturity Date” means _____, 2031.

“Maximum Lawful Rate” means the maximum, non-usurious, lawful rate of interest that may be contracted for, charged or received in connection with the relevant obligation under Applicable Law without regard to any filing made by a lender with respect to notice of rates in excess of any statutory or regulatory threshold interest rate.

“Mortgage” means the Mortgage, Assignment of Leases and Rents and Security Agreement dated the Closing Date, made by the Borrower in favor of the Purchaser.

“Mortgaged Property” shall have the meaning assigned to the term “Property” in the Mortgage.

“Multiemployer Plan” means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five (5) year period.

“Net Bond Proceeds” means the proceeds of the Bonds reduced by amounts in a reasonably required reserve or replacement fund.

“*Non Bank Transferee*” shall have the meaning assigned to such term in Section 9.08(c).

“*Opinion of Bond Counsel*” means an opinion signed by Bond Counsel to the effect that a particular action or inaction described therein will not, in and of itself, cause the interest on the Bonds not to be excludable from gross income of the Owners thereof for federal income tax purposes.

“*Other Taxes*” shall have the meaning assigned to such term in Section 4.07(a).

“*Owner*” means any person or entity named as the registered owner of any Bond on the registry books of the Issuer, initially Wells Fargo Bank, National Association.

“*Participant(s)*” means any bank(s) or other financial institution(s) which may purchase a participation interest from the Purchaser in this Agreement and certain of the other Loan Documents pursuant to a participation agreement between the Purchaser and the Participant(s).

“*Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001).

“*PBGC*” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“*Permitted Indebtedness*” shall have the meaning assigned to such term in Section 6.28.

“*Permitted Liens*” means Liens in favor of the Issuer or the Purchaser and any of the following Liens securing any Debt of the Borrower or its Affiliates on their Property, whether now owned or hereafter acquired:

(a) Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due and payable or that are being contested in good faith and with due diligence in appropriate proceedings and for which bonds have been posted or other security acceptable to the Purchaser, provided such bonds or other security shall be in amounts sufficient to pay off the Liens during the pendency of any controversies relating to them;

(b) Liens incurred in the ordinary course of business in connection with worker’s compensation, unemployment insurance or other forms of governmental insurance or employee benefits, or Liens to secure the performance of letters of credit, bids, tenders, statutory obligations, leases and contracts (other than for borrowed funds) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;

(c) Purchase money liens on equipment purchased or leased by the Borrower;

(d) Liens for current taxes, assessments or other governmental charges that are not delinquent or remain payable without any penalty or that are being contested in good faith and with due diligence by appropriate proceedings but do not in the

Purchaser's judgment adversely affect the Purchaser's rights or the priority of the Purchaser's Lien in its collateral, and if reasonably requested by the Purchaser, the Borrower shall establish reserves reasonably satisfactory to the Purchaser with respect thereto;

(e) the permitted encumbrances as described in that certain mortgagee policy of title insurance delivered to the Purchaser on the Closing Date;

(f) such other Liens, including, but not limited to, Liens subordinate to the Liens of the Purchaser, utility or access easements, leases and subleases, as may be approved in writing by the Purchaser.

"Person" means an individual, a corporation, a partnership, an association, a joint venture, a trust, a business trust, a limited liability company or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA. A **"Plan"** shall include, but shall not be limited to, an employee pension benefit plan (including a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (a) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (b) has at any time been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"PP&E" means all Property of the Borrower that is "property, plant and equipment" under GAAP.

"Prepayment Premium" shall mean the applicable percentage as set forth in the chart in Section 3.01(d).

"Principal Amount" means the outstanding aggregate principal amount of each series of Bonds as reflected in the records of the Purchaser, less any prepayments of principal of such Bonds as reflected in the records of the Purchaser.

"Project" means the prior acquisition, renovation, construction and equipping of the Borrower's educational facilities on its main campus located at 2001 Pinebrook Road and 2341 Kilpatrick Road, Venice, Florida and at its campus located at 11011 State Road 72, Sarasota, Florida, that were financed or refinanced with proceeds of the Refunded Bonds or the Refunded BB&T Loans.

"Property" means, when used in connection with any Person, any and all rights, title and interests of such Person in and to any and all property (including cash) whether real, personal or mixed, or tangible or intangible, and wherever situated.

"Purchase Price" shall have the meaning assigned to such term in Section 3.03(a).

“Qualified Institutional Buyer” shall have the meaning assigned to such term in Rule 144A promulgated under the Securities Act.

“Qualified Project Costs” means Costs of the Project which constitute costs for property which is to be owned by the Borrower and will not be used in any “unrelated trade or business” (as such term is used in Section 513(a) of the Code) of the Borrower (or any other organization described in Section 501(c)(3) of the Code) or in the trade or business of a person who is neither a governmental unit nor an organization described in Section 501(c)(3) of the Code. Issuance Costs are not Qualified Project Costs, and in determining the amount of Qualified Project Costs, any fees paid to banks for letters of credit, fees paid for municipal bond insurance premiums or other guaranty fees and any capitalized interest on the Bonds shall be allocated between Qualified Project Costs to be paid or reimbursed from proceeds of the Bonds and Costs other than Qualified Project Costs to be paid or reimbursed from proceeds of the Bonds.

“Rebate Amount” means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-3 of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by the Income Tax Regulations implementing Section 148 of the Code.

“Rebate Analyst” means a firm of investment bankers, financial advisors, a law firm or an accounting firm which is experienced in the calculation of the rebate amounts under Section 148(f) of the Code.

“Regulations” means the temporary, proposed or final Income Tax Regulations, and any amendments thereto, promulgated by the Department of Treasury and applicable to the Bonds, including, without limitation, Sections 1.141-0 through 1.141-16, 1.145-0 through 1.1452, 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1 and Sections 1.150-1 and 1.150-2.

“Risk Based Capital Guidelines” means (a) the risk based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“Securities Act” means the Securities Act of 1933, as amended from time to time, or any successor statute thereto.

“Settlement Amount” means, with respect to a Person and any Hedge Agreement, any amount payable by such Person under the terms of such Hedge Agreement in respect of, or intended to compensate the other party for, the value of such Hedge Agreement upon an early termination thereof.

“State” means the State of Florida.

“Substantially All” means ninety-five percent (95%) or more, unless an Opinion of Bond Counsel is rendered indicating that such term, as used herein, shall have a different meaning.

“Tax Agreement” means the Tax Regulatory Agreement dated the Closing Date, by and between the Borrower and the Issuer.

“**Taxable Date**” means the date on which interest on any Bond is first includable in gross income of an Owner (including, without limitation, any previous Owner) thereof as a result of a Determination of Taxability.

“**Taxable Period**” shall have the meaning assigned to such term in Section 4.03(a).

“**Taxable Rate**” means a rate of interest calculated at the applicable rate on each applicable Bond multiplied by a tax-exempt factor equal to 1.54.

“**Taxes**” means, with respect to any Person, all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority on such Person, including any interest, fines, additions to tax or penalties applicable thereto.

“**Transferee**” means each Bank Transferee or Non Bank Transferee pursuant to Section 9.08 for so long as such Bank Transferee or Non Bank Transferee is an Owner.

“**Unassigned Rights**” shall have the meaning ascribed to such term in Section 3.04 hereof.

“**Withdrawal Liability**” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“**written**” or “**in writing**” means any form of written communication or a communication by means of a facsimile device.

Section 1.02 Accounting Matters. Unless otherwise specified herein, all accounting terms used herein without definition shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. In the event of changes to GAAP which become effective after the Closing Date, the Borrower and the Purchaser agree to negotiate in good faith appropriate revisions of this Agreement so as to perpetuate the meaning and effect of such provisions as originally negotiated and agreed upon.

Section 1.03 Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding” and the word “through” means “to and including.”

Section 1.04 New York City Time Presumption. All references herein to times of the day shall be presumed to refer to New York City time unless otherwise specified.

Section 1.05 Relation to Other Documents; Incorporation by Reference.

(a) Nothing in this Agreement shall be deemed to amend, or relieve the Borrower of any of its obligations under, any Loan Document to which it is a party. Conversely, to the extent that the provisions of any Loan Document allow the Borrower

to take or not take certain actions, the Borrower nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) below, all references to this Agreement or any other documents, including, without limitation, the other Loan Documents, shall be deemed to include all amendments, restatements, modifications and supplements thereto to the extent such amendment, restatement, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Loan Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Loan Documents, the termination or defeasance thereof or any modification thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all amounts due and owing to the Purchaser under this Agreement, the Bonds and the other Loan Documents are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the Purchaser with specific reference to this Agreement.

Section 1.06 Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, to the singular include the plural and to the part include the whole. The word “including” shall be deemed to mean “including but not limited to,” and “or” has the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The Section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Article, section, subsection, exhibit, schedule and annex references are to this Agreement unless otherwise specified. Any exhibit, schedule or annex attached hereto is incorporated by reference herein and is a constituent part of this Agreement. The recitals hereto are true and correct and are incorporated into this Agreement.

ARTICLE II

REPRESENTATION AND WARRANTIES

Section 2.01 Representations of the Issuer. The Issuer represents and warrants to the Borrower and the Purchaser as of the Closing Date as follows:

(a) The Issuer is a municipal corporation duly created and validly existing under the laws of the State, and is authorized pursuant to the Act to issue the Bonds and to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder and thereunder.

(b) The Issuer has complied with applicable provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated by this Agreement, the Bonds and any and all other agreements relating thereto to which it is a party and to issue, sell and deliver the Bonds to the Purchaser as provided herein.

(c) When delivered to and paid for by the Purchaser in accordance with the terms of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered, and this Agreement will have been duly authorized, executed and delivered on behalf of the Issuer, and will, assuming due authorization, execution and delivery of this Agreement by the Borrower and the Purchaser, constitute legal, valid and binding limited obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally or (ii) general principles of equity applied by a court of law or equity.

(d) The execution and delivery of this Agreement and the Bonds, and the Issuer's compliance with the provisions hereof and thereof, do not and will not conflict with or constitute on the part of the Issuer a violation of, breach of or default under any constitutional provision, statute, indenture, mortgage, deed of trust, resolution, note or other agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities and property.

(e) To the best knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or which in any way would materially adversely affect the validity or enforceability of this Agreement or the Bonds or any other agreement or instrument to which the Issuer is a party and which is used or relied upon in the consummation of the transactions contemplated by this Agreement.

(f) The issuance of the Bonds and the loan of the proceeds thereof to the Borrower for purposes of the Financing is permitted under the Act.

(g) The Issuer will not knowingly take any action which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes. The Issuer will take any reasonable action, at the written request of the Purchaser or the Borrower, to maintain the exclusion from gross income of interest on the Bonds, provided that it is satisfactorily indemnified as to any costs.

(h) The Issuer makes no warranty or representation, either express or implied, as to the Project or a portion thereof, including, without limitation, the habitability thereof, the merchantability or fitness or suitability thereof for any particular purposes, or the compliance thereof with any legal requirements.

(i) After reasonable public notice given by publication in the *Sarasota-Herald Tribune*, a newspaper published and of general circulation in the City of Venice, Florida on May 28, 2016, the City Council of the Issuer held a public hearing on June 14, 2016, concerning the issuance of the Bonds and the nature and location of the Project.

(j) After such hearing, the City Council of the Issuer, the elected legislative body of the Issuer, approved the issuance of the Bonds by duly adopting Resolution No. _____ on June 14, 2016. The City Council of the Issuer has jurisdiction over the area of City of Venice, Florida, and a portion of the Project is located within such area.

Section 2.02 Representations of the Borrower. The Borrower represents and warrants to the Issuer and the Purchaser as of the Closing Date as follows:

(a) Existence and Power; Tax Status.

(1) The Borrower is a not-for-profit corporation duly organized, validly existing and in good standing under the Laws of the State and has the corporate power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.

(2) The Borrower is an organization described in Section 501(c)(3) of the Code, has received a notification from the Internal Revenue Service to that effect, which letter or other notification has not been modified, limited or revoked, is exempt from federal income tax under Section 501(a) of the Code except for taxes imposed on unrelated business income pursuant to Section 511 of the Code and is an organization described in Section 170(b)(1)(A) of the Code and is not a “private foundation” as defined by Section 509(a) of the Code. The Borrower has not received any notice from the Internal Revenue Service that its respective returns are being audited or its respective status as an organization described in Section 501(c)(3) of the Code is being investigated or challenged. The Borrower is in compliance with all requirements of such status. No portion of the Project shall be used in any “unrelated trade or business” of the Borrower (or any other organization that is exempt from federal income tax under Section 501(c)(3) of the Code that may rent or use any portion of the Project) within the meaning of Section 513(a) of the Code or for any private business use (other than by an organization that is exempt from federal income tax under Section 501(c)(3) of the Code within the meaning and contemplation of Section 141(b) of the Code).

(b) Due Authorization.

(1) The Borrower has the corporate power, and has taken all necessary corporate action to authorize the Loan Documents to which it is a party, to borrow hereunder and under the Loan Documents, to execute, deliver and perform its obligations under this Agreement and each of the other Loan Documents to which it is a party in accordance with their respective terms.

(2) The Borrower is duly authorized and licensed to own its property (real, personal or mixed) and to operate its business under the Laws of all Governmental Authorities having the jurisdiction to license or regulate such property or business activity, and the Borrower has obtained all requisite approvals of all such Governmental Authorities required to be obtained for such purposes. All authorizations and approvals necessary for the Borrower to enter into this Agreement and the other Loan Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Borrower of this Agreement or the due execution, delivery or performance by the Borrower of the other Loan Documents.

(c) Valid and Binding Obligations. This Agreement and each of the Loan Documents to which the Borrower is a party has been duly executed and delivered by one or more duly authorized officers of the Borrower and are legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar Law affecting creditors' rights generally, and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) Noncontravention; Compliance with Law.

(1) The execution, delivery and performance of this Agreement and each of the Loan Documents in accordance with their respective terms do not and will not (i) contravene the Borrower's articles of incorporation or by-laws, (ii) require any consent or approval of any creditor of the Borrower, (iii) violate any Governmental Requirements (including, without limitation, Regulations G, T, U or X of the Board of Governors of the Federal Reserve System, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any Contract to which the Borrower is a party or by which it or any of its property may be bound or (v) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any Affiliate thereof except such Liens, if any, expressly created by any Loan Document.

(2) The Borrower is in compliance with all Governmental Requirements, except for noncompliance that, singly or in the aggregate, has not caused and could not reasonably be expected to cause a Material Adverse Effect or an adverse effect on the Borrower's ability to perform its obligations hereunder and under the other Loan Documents.

(e) Pending Litigation and Other Proceedings; Pending Litigation and Decisions.

(1) There are no actions, suits or proceedings pending nor are there any actions, suits or proceedings threatened against the Borrower or any of its Affiliates or any property of the Borrower or any such Affiliate in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body, which, in any case, (i) may have a Material Adverse Effect, (ii) seek injunctive relief, (iii) are asserted against any Plan, its fiduciaries or its assets or against the Borrower or any member of the ERISA Group in connection with any Plan, (iv) allege any criminal misconduct by the Borrower or any member of the ERISA group in connection with any Plan, (v) allege any criminal misconduct by the Borrower, or (vi) allege the violation of any Environmental Laws (any of the foregoing being herein referred to as "Material Litigation").

(2) There is no amendment, or to the knowledge of the Borrower, proposed amendment to the Constitution of the State or any State Law or any administrative interpretation of the Constitution of the State or any State Law or any proposition or referendum (or proposed proposition or referendum) or other ballot initiative, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to affect adversely (i) the issuance of, or security for, any of the Bonds, (ii) the rights or remedies of the Purchaser or of any other Owner of the Bonds, or (iii) the power or ability of the Borrower to perform its obligations hereunder or under any of the other Loan Documents including without limitation the Borrower's ability to repay when due its obligations under this Agreement, any of the other Loan Documents or any of its other Debt.

(f) Financial Statements; Tax Returns and Payments.

(1) The balance sheet of the Borrower as of June 30, 2015, and the related statement of revenues and expenses and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Purchaser, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the Borrower at such dates and for such periods, and were prepared in accordance with GAAP. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect and (ii) increase in the Material Debt of the Borrower, except for Debt relating to the Loan Documents.

(2) (i) All federal, state and other tax returns of the Borrower and each of its Affiliates required by Law to be filed have been duly filed, (ii) all federal, state and other taxes, assessments and other governmental charges or levies upon the Borrower, each of its Affiliates and their respective Properties, income, profits and assets that are due and payable have been paid and (iii) the charges, accruals and reserves on the books of the Borrower and each of its Affiliates in respect of such taxes and charges that are not yet due and payable are adequate to pay such taxes and charges when such taxes and charges become due and payable, and the Borrower knows of no reason to anticipate any additional assessments for which adequate reserves have not been established.

(g) Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance operationally in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. No member of the ERISA Group, any plan administrator or any of their respective agents or representatives has: (a) sought a waiver of the minimum funding standard under Section 412 of the Code or Section 303 of ERISA in respect of any Plan, (b) failed to make any contribution or payment to any Plan, or made any amendment to any Plan or benefit arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code; (c) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA; (d) received notice from another member of the ERISA Group or a Multiemployer Plan or from any other Person concerning the imposition of Withdrawal Liability or a determination or expected determination, of insolvency or reorganization within the meaning of Title IV of ERISA; (e) filed a notice of intent to terminate a Plan with unfunded liabilities; (f) received notice from the PBGC regarding the institution of proceedings to terminate a Plan, impose liability (other than for premiums under Section 4007 of ERISA), or received notice that a trustee is or will be appointed to administer a Plan; or (g) notice or knowledge of the institution of proceedings under Section 515 of ERISA for the enforcement of contributions to a Multiemployer Plan. None of the events described in the preceding sentence have occurred or are expected to occur.

(h) Defaults.

(1) No Event of Default and no Default has occurred and is continuing or exists.

(2) No defaults by the Borrower or any of its Affiliates exist under any Contracts or judgments, decrees or orders, except for defaults that, singly or in the aggregate, have not had and will not have a Material Adverse Effect.

(i) No Material Adverse Change. Since the most current date of the information, financial or otherwise, supplied by the Borrower to the Purchaser:

(1) There has been no change in the assets, liabilities, financial position or results of operations of the Borrower which might reasonably be anticipated to cause a Material Adverse Effect.

(2) The Borrower has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(3) The Borrower has not guaranteed the obligations of any other Person.

(j) Adequate Assets; Title to Property; Insurance.

(1) The Borrower possesses adequate assets and licenses as may be required to continue to conduct its business as heretofore conducted by it, and the Borrower has good and marketable title to its property. None of the Property of the Borrower is subject to any Lien, except Permitted Liens.

(2) The Borrower currently maintains insurance of such type and in such amounts or in excess of such amounts as are customarily carried by, and insures against such risks as are customarily insured against by, businesses of like type, size and character to the Borrower.

(k) Incorporation by Reference. The representations and warranties of the Borrower contained in the other Loan Documents to which the Borrower is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Borrower in such Sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Loan Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.

(l) Accuracy of Information. All information, reports and other papers and data furnished by the Borrower to the Purchaser were, at the time the same were so furnished, complete and correct in all material respects and insofar as necessary to give the Purchaser a true and accurate knowledge of the subject matter and were provided in expectation of the Purchaser's reliance thereon in purchasing the Bonds. No fact is known to the Borrower which has had or, so far as the Borrower can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Purchaser or in other such information, reports, papers and data or otherwise disclosed in writing to the Purchaser prior to the Closing Date. Any financial, budget and other projections furnished to the Purchaser by the Borrower or its agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the Closing Date, represent the Borrower's best estimate of its

future financial performance. No document furnished nor any representation, warranty or other written statement made to the Purchaser in connection with the negotiation, preparation or execution of this Agreement or any of the other Loan Documents contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(m) Anti-Terrorism Laws. Neither the Borrower nor any of its Affiliates is in violation of any Laws relating to terrorism or money laundering (“Anti-Terrorism Laws”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “Executive Order”), and the Patriot Act;

(1) Neither the Borrower nor any of its Affiliates is any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or Controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list.

(2) Neither the Borrower nor any of its Affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(n) Environmental Matters. The Borrower has reviewed the effect of Environmental Laws on the business, operations and properties of the Borrower, and has identified and evaluated associated liabilities and costs (including, without limitation, any

capital or operating expenditures required for clean up or closure of properties presently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by Law or as a condition of any license, permit or contract, and related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted there at and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that it has not failed to comply with any Environmental Laws in a manner which may reasonably be expected to have a Material Adverse Effect.

(o) Non Controlled Person. Neither the Borrower nor any of its Affiliates is an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

(p) Concerning the Project.

(1) The Project complies with all applicable restrictive covenants, zoning ordinances, building Laws and other applicable Laws (including without limitation, the Americans with Disabilities Act, as amended). The current zoning classification of the Project and any covenants and restrictions affecting the Project permit the current use as a primary and secondary school.

(2) No notice of taking by eminent domain or condemnation of any part of the Project has been received, and the Borrower has no knowledge that any such proceeding is contemplated.

(3) No part of the Project has been damaged as a result of any fire, explosion, accident, flood or other casualty which is not now fully restored.

(4) The Project has adequate legal vehicular and pedestrian access to public roads; sewer, water and all other appropriate utilities are available at ordinary costs at the Project through public or unencumbered private easements, and in sufficient quantities to serve the Project; and if applicable, required written approvals of septic tanks or wells have been issued by all appropriate Governmental Authorities.

(5) The Borrower has, and will continue to operate the Project as a “project” and “educational facilities” within the meaning of Section 159.27(5) and 159.27(22)(b), Florida Statutes.

(6) The Project is of the type authorized and permitted by the Act.

(7) The Project is located wholly within the City of Venice, Florida and unincorporated Sarasota County, Florida.

(q) Miscellaneous.

(1) The Borrower has taken no action, and has not omitted to take any action, which action or omission would in any way affect or impair the excludability of interest on the Bonds from gross income of the Owners thereof for federal income tax purposes.

(2) The proceeds from the sale of the Bonds will be used only for the Financing.

(3) Substantially all of the Net Bond Proceeds of the Refunded Bonds, including earnings from the investment thereof, financing or refinancing the Costs of the Project will be used to pay Qualified Project Costs.

(4) As of the date of delivery hereof, the Borrower is an organization (i) organized and operated exclusively for educational or charitable purposes and not for pecuniary profit, and (ii) no part of the net earnings of which inures to the benefit of any Person, private stockholder or individual, all within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

(5) No changes shall be made in the Project and no other actions will be taken by the Borrower that shall in any way cause interest on the Bonds to be included in gross income of the Owners thereof for federal income tax purposes.

(6) The average maturity of the Bonds does not exceed one hundred twenty percent (120%) of the average reasonably expected economic life of the assets being refinanced with the proceeds of the Bonds, with the average reasonably expected economic life of each asset being measured from the later of the date of issuance of the applicable Refunded Bonds or the date such asset was, or is reasonably expected to be, placed in service and by taking into account the respective cost of each asset being refinanced. The information furnished by the Borrower and used by the Issuer to verify the average reasonably expected economic life of each asset of the Project to be financed or refinanced with the proceeds of the Bonds is true, accurate and complete.

(7) (i) The payment of principal or interest with respect to the Bonds will not be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof); (ii) less than five percent (5%) of the proceeds of the Bonds will be (A) used in making loans the payment of principal and interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), or (B) invested (directly or indirectly) in federally insured deposits or accounts as defined in Section 149(b) of the Code; and (iii) the payment of principal or interest on the Bonds will not otherwise be indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

The foregoing provisions of this subsection shall not apply to proceeds of the Bonds being (u) invested for an initial temporary period until such proceeds are needed for the purpose for which such issue was issued; (v) held in a bona fide debt service fund; (w) held in a debt service reserve fund that meets the requirements of Section 148(d) of the Code with respect to reasonably required reserve or replacement funds; (x) invested in obligations issued by the United States Treasury; or (y) held in a refunding escrow (i.e., a fund containing proceeds of a refunding bond issue established to provide for the payment of principal or interest on one or more prior bond issues); or (z) invested in other investments permitted under regulations promulgated pursuant to Section 149(b)(3)(B) of the Code.

(8) Any information that has been or will be supplied by the Borrower that has been or will be relied upon by the Issuer and Bond Counsel with respect to the eligibility of the Project and the exclusion from gross income for federal income tax purposes of interest on the Bonds is true and correct in all material respects.

(9) Based on current facts, estimates and circumstances, it is currently expected that the Project will not be sold or disposed of in a manner producing sale proceeds which, together with accumulated proceeds of the Bonds or earnings thereon, would be sufficient to enable the Borrower to retire substantially all of the Bonds prior to the maturity of the Bonds.

(10) Neither the Borrower nor any related party to the Borrower (as defined in Treas. Reg. § 1.150-1(b)) will purchase any of the Bonds in an amount related to the obligation represented by this Agreement, as described in Section 1.148-1(b) of the Code.

(11) None of the proceeds of the issuance of the Bonds will be used to provide, or to refinance, an airplane, skybox or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, land to be used for farming purposes or any health club facility (unless such health club facility is used for a purpose that is directly related to the Borrower's exempt purposes under Section 501(c)(3) of the Code).

(12) Based upon current facts, estimates and circumstances, the Borrower currently expects:

(a) neither the Project, nor any material portion thereof, will be sold or disposed of without an opinion of Bond Counsel that such sale or disposition will not adversely affect the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes;

(b) the Borrower has not entered into, and will not enter into, any arrangement with any person or organization (other than a state or local governmental unit or another Section 501(c)(3) organization) which

provides for such person or organization to manage, operate or provide services with respect to more than 3% of the property financed or refinanced with the proceeds of the Bonds (a "Service Contract"), unless the guidelines set forth in Revenue Procedure 97-13 (or any new, revised or additional guidelines applicable to Service Contracts) (the "Guidelines"), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an Opinion of Bond Counsel which allows for a variation from the Guidelines.

(c) The Borrower will not use or invest the proceeds of the Bonds in a manner that will violate the provisions of Section 149(d)(3) or (4) of the Code.

(d) The Borrower will comply with the information reporting requirements of Section 149(3)(2) of the Code.

(13) No other governmental obligations have been or shall be sold within fifteen (15) days of the Bonds pursuant to the same plan of financing as the Bonds that are reasonably expected to be paid from the same source of funds as the Bonds.

(r) After reasonable public notice given by publication in the Sarasota-Herald Tribune, a newspaper published and of general circulation in unincorporated Sarasota County, Florida ("Sarasota County") on June 3, 2016, the Board of County Commissioners of Sarasota County held a public hearing on June 21, 2016, concerning the issuance of the Bonds and the nature and location of the Project.

(s) After such hearing, the Board of County Commissioners of Sarasota County, the elected legislative body of Sarasota County, Florida approved the issuance of the Bonds by duly adopting Resolution No. _____ on June 21, 2016. The Board of County Commissioners of Sarasota County has jurisdiction over the area of unincorporated Sarasota County, Florida, and a portion of the Project is located within such area.

All of the above representations and warranties shall survive the execution of this Agreement.

Section 2.03 Representations of the Purchaser. The Purchaser represents and warrants to the Borrower and the Issuer as of the Closing Date as follows:

(a) It has full power and authority to execute and deliver this Agreement and to perform all acts required to be performed by it pursuant to this Agreement, including the purchase of the Bonds.

(b) It is purchasing the Bonds for its own account and not with a view to distribution or resale thereof and will execute an investment letter in the form attached hereto as Exhibit C hereto.

(c) The Borrower has furnished it with sufficient financial information concerning the Project and the Borrower for it to make an informed judgment as to the financial feasibility of the Project, the financial condition of the Borrower and the likelihood as to repayment of the Bonds. The Issuer has made no representations or warranties to it concerning the credit worthiness, financial or business condition of the Borrower nor the financial feasibility of the Project or the likelihood as to repayment of the Bonds. The Purchaser hereby expressly waives any right (i) to receive any such information from the Issuer, its agents, representatives and attorneys, (ii) to claim any liability on the part of the Issuer for failure to provide such information, or (iii) to demand the inclusion of such information by the Issuer in any of the documents to be executed by the Issuer. The Purchaser further waives any liability on the part of the Issuer with respect to any false, misleading or untrue statement made by the Borrower in this Agreement or otherwise furnished to the Purchaser by the Borrower in connection with the issuance of the Bonds or in any document executed on behalf of the Borrower relating hereto or to the Financing.

(d) All payments on the Note made by or on behalf of the Borrower to the Purchaser, or its successors and assigns, pursuant to this Agreement or the Note, shall to the extent of the sum or sums so paid, satisfy and discharge the amounts payable on the Bonds.

ARTICLE III

BONDS; LOANS; PURCHASE OF THE BONDS; ASSIGNMENT

Section 3.01 Bonds.

(a) In order to provide funds to make the Loan to the Borrower, the Issuer shall issue the Bonds and sell and deliver them to the Purchaser on the Closing Date. The Bonds shall be dated, mature and bear interest on the terms as set forth in Exhibit A attached hereto and incorporated herein. Principal of the Bonds shall be due in accordance to the terms of the Bonds. To extent any conflict between this Agreement and the Bonds shall exist, the terms of such Bond shall govern.

(b) Simultaneously with the delivery of the Bonds on the Closing Date, the Issuer shall make a loan to the Borrower as evidenced by the Note (the form of which is set forth in Exhibit B attached hereto and made a part hereof) and upon conditions set forth herein. The Note shall be assigned to the Purchaser as security for the Bonds.

(c) The Bonds shall be in authorized denominations of \$250,000 and any integral multiple of \$0.01 in excess thereof (“Authorized Denomination”). The initial registered owner of the Bonds shall be the Purchaser. The Borrower, on behalf of the Issuer, shall keep a record and/or registration book identifying the Owner of each Bond and any transfers of the Bonds shall be recorded in such registration book of the Issuer kept at the office of the Borrower and registered in such book in the name of the new Owner of the Bond. Each Bond will be delivered in physical form and will not be subject to any book-entry system.

(d) The Borrower shall have the right to prepay the Bonds, in whole or in part, on any date on or after the Issue Date, at the principal amount thereof, plus a prepayment premium (expressed as a percentage of the principal amount) plus accrued interest thereon to, but not including the prepayment date. Prepayment premium shall be in accordance with the following chart (“Prepayment Premium”):

	Prepayment Premium
Issue Date to first anniversary	3%
First anniversary to second anniversary	2%
Second anniversary to third anniversary	1%
Third anniversary to Maturity Date	0%

(e) The Borrower shall give the Purchaser or any subsequent Owner thereof and the Issuer, at least fifteen (15) days prior written notice of its election to prepay all or a portion of any Bond and shall specify in such notice the Bonds to be prepaid, if in part.

(f) Upon the occurrence of a Determination of Taxability, the Bonds shall be redeemed prior to maturity on any date within sixty (60) days following such Determination of Taxability, at a redemption price equal to one hundred (100%) percent of the principal amount thereof, together with accrued interest at the Taxable Rate from the occurrence of a Determination of Taxability to the date of redemption. The Bonds shall be redeemed in whole unless redemption of a portion of the Bonds then Outstanding would have the result that interest payable on the Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Owner of the Bonds. In such event, the Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Bond Counsel to accomplish that result.

(g) If any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and deliver a new Bond of the same maturity, interest rate, principal amount and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided, that there shall be first furnished to the Issuer evidence satisfactory to it of the ownership of such Bond and of such loss, theft or destruction (or, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Issuer), together with indemnity satisfactory to the Issuer and compliance with such other reasonable regulations as the Issuer may prescribe. The Issuer may charge the Owner of such Bond its reasonable fees and expenses incurred in connection with this Section.

(h) Any Bond may only be transferred in Authorized Denominations, or in the full principal amount of the Bond if the principal amount outstanding is less than \$250,000, to (i) an affiliate of the Purchaser who is a qualified institutional buyer, (ii) a

trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of the beneficial interests in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (iii) a Person that is a qualified institutional buyer and a commercial bank having a combined capital and surplus determined as of the date of any transfer, of \$5,000,000,000 or more that has executed and delivered to the Issuer, the Borrower and the selling Owner an Investor Letter in the form of Exhibit C hereof (collectively, an “Eligible Transferee”). The Issuer shall not be required to effect any transfer of any Bonds unless the Issuer is properly indemnified for its expenses related to such transfer (including reasonable attorneys’ fees) by the prospective transferee.

Section 3.02 Loan. By and subject to the terms of this Agreement, the proceeds of the Bonds shall be used to make a loan or loans to the Borrower on the Closing Date, said aggregate sum to be evidenced by the Note (the “Loan”). Amounts disbursed to or on behalf of Borrower pursuant to the Note shall be used for the Financing. The Loan is not a revolving credit line, and no payments or credits shall increase the maximum amount of the Loan. Payments of principal and interest on the Loan made by Borrower shall be paid directly to the Purchaser.

Section 3.03 Purchase of Bonds.

(a) **Initial Purchase Price.** Upon the terms and conditions and based on the representations, warranties and covenants of the Borrower set forth herein and in the other Loan Documents and the Assignment (as defined below) of the Loan Documents to the Purchaser, the Purchaser hereby agrees to purchase from the Issuer and the Borrower hereby agrees to cause the Issuer to sell to the Purchaser all of the Bonds at the purchase price of \$[3,850,000] representing the aggregate principal amount of the Bonds (the “Purchase Price”).

(b) **Closing.** On the Closing Date, the Borrower shall deliver to the Issuer and the Purchaser the documents described in Article V. Following delivery of such documents, the Purchaser will pay the Purchase Price in immediately available federal funds. A single fully registered Bond, in the principal amount equal to the Purchase Price, shall be issued to and registered in the name of the Purchaser, or as otherwise directed by the Purchaser. The Bonds shall be so issued and initially registered to and held by the Purchaser, or as otherwise directed by the Purchaser in conformance with the requirements hereof.

Section 3.04 Assignment. The Issuer hereby acquires the Note from the Borrower in exchange for the loan of the proceeds of the Bonds to the Borrower. In exchange for payment from the Purchaser, the Issuer hereby issues the Bonds to the Purchaser, and, to secure repayment thereof, assigns to the Purchaser (the “Assignment”), without recourse and without warranty, and grants a security interest in the Note and this Agreement, to the Purchaser immediately upon the Closing Date; provided, however, that the Issuer shall continue to have all of the rights given it under this Agreement (a) to the payment of its fees and expenses, (b) to receive notices and grant its consent in accordance with the terms hereof, (c) to indemnification and (d) to limitations on its liability (collectively, the “Unassigned Rights”). The Borrower consents and approves of the Assignment.

Section 3.05 Arbitrage. The Issuer covenants and agrees to take no action within its power that it knows would cause any Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code, as implemented by proposed, temporary or final Regulations.

Section 3.06 Limited Liability. The Bonds shall be limited obligations of the Issuer. The Bonds and the interest thereon, the Purchase Price, and Prepayment Premium, if any, shall not be deemed to constitute or create an indebtedness, liability or obligation of the Issuer, the State or any political subdivision or agency thereof within the meaning of any State constitutional provision or statutory limitation or a pledge of the faith and credit or the taxing power of the Issuer or the State or any political subdivision or agency thereof. The Bonds and the Purchase Price and interest thereon are payable solely from the revenues and receipts derived by the Issuer from the Note pursuant to this Agreement.

THE ISSUANCE OF THE BONDS WILL NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER OR THE STATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. NEITHER THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION OF THE STATE SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON ANY OF THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT UNDERTAKEN BY THE ISSUER EXCEPT TO THE EXTENT THAT THE MONEYS PLEDGED HEREIN ARE SUFFICIENT THEREFOR. NO OWNER OF ANY BONDS HAS THE RIGHT TO COMPEL ANY EXERCISE OF TAXING POWER OF THE ISSUER OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE BONDS OR THE INTEREST THEREON, AND THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE, OR A LOAN OF CREDIT OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION.

ARTICLE IV

THE BORROWER’S OBLIGATIONS

Section 4.01 Repayment Obligations. The Borrower hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all amounts due and owing to the Issuer under this Agreement and the other Loan Documents and to pay all amounts due and owing to the Issuer whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in this Agreement or such other Loan Documents. Without limiting the generality of the foregoing, the parties hereto acknowledge and agree that the payment obligations of the Borrower described in this Section are obligations in the nature of a loan and separate and independent of the Borrower’s obligations under the other Loan Documents. The Borrower further agrees that the rights of the Issuer under this Agreement will be assigned to the Purchaser to the extent provided in this Agreement and that the Borrower may make payments directly to the Purchaser under Section 4.08 hereunder. Any such payment shall be credited by the Issuer

against the amounts due hereunder in this Article IV. The Borrower unconditionally, irrevocably and absolutely agrees to pay to the Purchaser as assignee of the Issuer the following:

(a) Interest on an amount equal to the Principal Amount of the Bonds on each Interest Payment Date at the interest rate applicable to such Bond as set forth in such Bond;

(b) Principal on the dates and in the amounts set forth in “Exhibit A” to the Note. The Borrower shall cause each Bond to be mandatorily redeemed on the dates and in principal amounts equal to the amounts required to be paid pursuant to this subsection;

(c) All costs incurred if any for the calculation of the Rebate Amount payable to the applicable Person and any amounts required to be paid to the United States of America as the Rebate Amount;

(d) Any additional payment required under the Bonds or Note in connection with the security thereof; and

(e) To the extent that the Issuer receives payment through ownership of any Bond, the Borrower’s obligation to make payments pursuant this Section, to the extent of the payment so received by the Issuer, shall be deemed satisfied.

Section 4.02 Default Interest. The Borrower agrees to pay, or cause to be paid, to the Purchaser on behalf of the Issuer, upon demand, interest on any and all amounts due and owing by the Borrower under this Agreement, the Bonds or the other Loan Documents from and after the earlier of (a) the date amounts owed hereunder are due and not paid and (b) the occurrence and continuance of an Event of Default, but only for so long as such amounts due remain unpaid or such Event of Default continues, at the Default Rate. The obligations of the Borrower under this Section shall survive the termination of this Agreement and the payment in full of the Bonds.

Section 4.03 Determination of Taxability.

(a) In the event a Taxable Date occurs, in addition to (but not in duplication of) the amounts required to be paid pursuant to the Loan Documents, the Borrower hereby agrees to pay to the Purchaser and any other Owner, as applicable, on demand therefor, (i) the amount of interest that would have been paid to the Purchaser and such other Owner during the period in which interest on such Bond is includable in the gross income of the Purchaser or such other Owner beginning on the Taxable Date (the “Taxable Period”) had such Bond borne interest at the Taxable Rate and (ii) an amount equal to any interest, penalties or charges owed by the Purchaser and such other Owner as a result of interest on such Bond becoming includable in the gross income of the Purchaser or such other Owner, together with any and all attorneys’ fees, court costs, or other out of pocket costs incurred by the Purchaser or such other Owner in connection therewith.

(b) Subject to the provisions of subsections (c) and (d) below, the Purchaser or such other Owner, as applicable, shall afford the Borrower the opportunity, at the Borrower’s sole cost and expense, to contest (i) the validity of any amendment to the

Code which causes the interest on any Bond to be includable in the gross income of the Purchaser or such other Owner or (ii) any challenge to the validity of the tax exemption with respect to the interest on any Bond, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(c) As a condition precedent to the exercise by the Borrower of its right to contest set forth in subsection (b) above, the Borrower shall, on demand, immediately reimburse the Purchaser and such other Owner, as applicable, for (i) any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by the Purchaser and such other Owner, as applicable, in their sole discretion) that may be incurred by the Purchaser and such other Owner, as applicable, in connection with any such contest, and (ii) any and all penalties or other charges payable by the Purchaser and such other Owner, as applicable, for failure to include such interest in its gross income.

(d) The obligations of the Borrower under this Section shall survive the termination of this Agreement and the payment in full of the Bond.

Section 4.04 Fees; Costs and Expenses. The Borrower shall pay within thirty (30) days after demand:

(a) for each amendment of this Agreement or any other Loan Document, or consent or waiver by the Purchaser under this Agreement or any other Loan Document, in each case a fee in a minimum amount of \$2,500;

(b) the reasonable fees and out of pocket expenses for counsel or other reasonably required consultants to the Purchaser or to the Issuer, in connection with this Agreement or the other Loan Documents, including, but not limited to, with respect to advising the Purchaser or the Issuer, as the case may be, as to its rights and responsibilities under this Agreement or the other Loan Documents or in connection with responding to requests from the Borrower for consents, amendments and waivers;

(c) all of the Purchaser's or Issuer's out of pocket expenses (including, without limitation, fees and expenses of counsel or other reasonably required consultants to the Purchaser) arising in connection with the enforcement or administration of, or preservation of rights (including in any bankruptcy or insolvency proceeding or any workout) in connection with, this Agreement or the other Loan Documents; and

(d) the Issuer's costs and expenses, including financial advisor, counsel and Bond Counsel fees and disbursements, related to the Financing and the Bonds, including without limitation costs, expenses and counsel fees incurred in holding meetings, responding to inquiries, investigations, or audits, or enforcing the provisions of the Loan Documents.

Section 4.05 Computation of Interest and Fees. Interest shall be computed on an actual/360 simple interest basis; that is, by multiplying the applicable interest rate, times the outstanding principal balance, times the actual number of days the principal is outstanding and dividing by a year of 360 days. Fees and other amounts payable hereunder shall be calculated on

the basis of a year of actual/360 basis. Interest shall accrue during each period for which interest is computed from and including the first day thereof to but excluding the last day thereof.

For each payment of principal, interest, and/or fees which has not been paid in full within fifteen days after its date due, Borrower will pay to Purchaser a late charge of \$15.00 or five percent (5%) of the amount due, whichever is greater. Borrower acknowledges and agrees that the amount of this late fee is reasonable with respect to Bonds, taking into account Purchaser's expectation of timely receipt of payments with regard to the favorable pricing of the Bonds, and the operational, administrative and regulatory burdens flowing from late payments and delinquencies. To the extent this late fee or any other fee or charge set forth in the Bonds may be prohibited or exceed any limit provided by any present or future applicable law, such fee or charge shall be reduced to the maximum amount allowed.

Section 4.06 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Purchaser or any Owner; or

(ii) subject the Purchaser or any Owner to any Taxes of any kind whatsoever with respect to this Agreement or the Bonds, or change the basis of taxation of payments to the Purchaser or such Owner in respect thereof (except for Indemnified Taxes covered by Section 4.07 and the imposition of, or any change in the rate of any Excluded Taxes payable by the Purchaser or any Owner); or

(iii) impose on the Purchaser or any Owner any other condition, cost or expense affecting this Agreement or any Bond;

and the result of any of the foregoing shall be to increase the cost to the Purchaser or such Owner of maintaining this Agreement or owning any Bond (or of maintaining its obligation to purchase the Bonds), or to reduce the amount of any sum received or receivable by the Purchaser or such Owner hereunder or under any Bond (whether of principal, interest or any other amount) then, upon written request of the Purchaser or such Owner as set forth in subsection (c) below, the Borrower shall promptly pay to the Purchaser or such Owner, as the case may be, such additional amount or amounts as will compensate the Purchaser or such Owner, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If the Purchaser or any Owner determines that any Change in Law affecting the Purchaser or such Owner or the Purchaser's or such Owner's parent or holding company, if any, regarding capital requirements, has or would have the effect of reducing the rate of return on the Purchaser's or such Owner's capital or the capital of such Purchaser's or such Owner's parent or holding company holding, if any, as a consequence of this Agreement, or ownership of the Bond, to a level below that

which the Purchaser or such Owner or the Purchaser's or such Owner's parent or holding company could have achieved but for such Change in Law (taking into consideration the Purchaser's or such Owner's policies and the policies of the Purchaser's or such Owner's parent or holding company with respect to capital adequacy), then from time to time upon written request of the Purchaser or such Owner as set forth in subsection (c) below, the Borrower shall promptly pay to the Purchaser or such Owner, as the case may be, such additional amount or amounts as will compensate the Purchaser or such Owner or the Purchaser's or such Owner's parent or holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of the Purchaser or any Owner setting forth the amount or amounts necessary to compensate the Purchaser or any such Owner or the Purchaser's or any such Owner's parent or holding company, as the case may be, as specified in subsection (a) or (b) above and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay the Purchaser or any such Owner, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of the Purchaser or any such Owner to demand compensation pursuant to this Section shall not constitute a waiver of the Purchaser's or any such Owner's right to demand such compensation.

(e) Survival. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower in this Section shall survive the termination of this Agreement and the payment in full of the Bonds and the obligations of the Borrower thereunder and hereunder.

Section 4.07 Net of Taxes, Etc.

(a) Any and all payments to the Purchaser or any Owner by or on account of any obligation of the Borrower hereunder or with respect to the Bonds shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Borrower shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Bonds, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Purchaser or such Owner receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Borrower shall make any payment under this Section to or for the benefit of the Purchaser or such Owner with respect to Indemnified Taxes and if the Purchaser or such Owner shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Purchaser or such Owner to any taxing jurisdiction in the United States then the Purchaser or such Owner shall pay to the Borrower an amount equal to the amount by which such other taxes are actually reduced; provided, that the aggregate amount payable by the Purchaser or such Owner pursuant to this sentence shall not exceed the aggregate amount

previously paid by the Borrower with respect to such Indemnified Taxes. In addition, the Borrower agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States or any state of the United States from any payment made hereunder or under the Bonds or from the execution or delivery of this Agreement or the Bonds, or otherwise with respect to this Agreement or the Bonds (hereinafter referred to as "Other Taxes"). The Purchaser or such Owner shall provide to the Borrower within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the Borrower to the Purchaser or such Owner hereunder; provided, that the Purchaser or such Owner's failure to send such notice shall not relieve the Borrower of its obligation to pay such amounts hereunder.

(b) The Borrower shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Purchaser or such Owner for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Purchaser or such Owner or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; provided, that the Borrower shall not be obligated to pay the Purchaser or such Owner for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Purchaser or such Owner's gross negligence or willful misconduct. The Purchaser or such Owner agrees to give notice to the Borrower of the assertion of any claim against the Purchaser or such Owner relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; provided, that the Purchaser or such Owner's failure to notify the Borrower promptly of such assertion shall not relieve the Borrower of its obligation under this Section. Payments by the Borrower pursuant to this Section shall be made within thirty (30) days from the date the Purchaser or such Owner makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Purchaser or such Owner agrees to repay to the Borrower any refund with respect to Indemnified Taxes or Other Taxes paid by the Borrower pursuant to this Section (including that portion of any interest that was included as part of such refund) received by the Purchaser or such Owner for Indemnified Taxes or Other Taxes that were paid by the Borrower pursuant to this Section and to contest, with the cooperation and at the expense of the Borrower, any such Indemnified Taxes or Other Taxes which the Purchaser or such Owner or the Borrower reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the Borrower, the Borrower shall furnish to the Purchaser or such Owner, as applicable, the original or a certified copy of a receipt evidencing payment thereof.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section shall survive the termination of this Agreement and the payment in full of the Bonds and the obligations of the Borrower thereunder and hereunder.

Section 4.08 Method and Application of Payments. All payments by or on behalf of the Borrower to the Purchaser hereunder shall be fully earned when due and paid and nonrefundable when paid and made in lawful currency of the United States of America and in immediately available funds. Amounts payable to the Purchaser hereunder shall be transferred to the Purchaser by the Borrower, at such account as the Purchaser may specify from time to time in writing to the Borrower. Any payment received by the Purchaser after 3:30 p.m. on the date payment is due shall be deemed to have been received by the Purchaser on the next Business Day. If any payment hereunder is due on a day that is not a Business Day, then such payment shall be due on the next succeeding Business Day, and, in the case of the computation of the interest or fees hereunder, such extension of time shall, in such case, be included in the computation of the payment due hereunder. Payments received by the Purchaser shall be applied, first, to any fees, costs, charges or expenses payable by the Borrower under this Agreement; second, to past due interest; third, to current interest; and, fourth, to principal.

Section 4.09 Maintenance of Accounts. The Purchaser shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower and the amounts payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be presumptive evidence of the existence and amounts of the obligations of the Borrower therein recorded. The failure to record any such amount shall not, however, limit or otherwise affect the obligations of the Borrower hereunder to repay all amounts owed hereunder, together with all interest accrued thereon as provided herein.

Section 4.10 Cure. The Purchaser shall have the right, but not the obligation, to cure any Default, Event of Default or event of nonperformance. The Borrower agrees to pay to the Purchaser on demand, any amounts advanced by or on behalf of the Purchaser, to the extent required to cure any Default, Event of Default or event of nonperformance under this Agreement or any Loan Document, together with interest thereon at the Default Rate. The Purchaser shall give the Borrower reasonably prompt notice of any such advances.

Section 4.11 Maximum Lawful Rate.

(a) If the amount of interest payable for any period in accordance with the terms hereof or the Bonds exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Lawful Rate, then interest for such period shall be payable in an amount calculated at the Maximum Lawful Rate for such period.

(b) Any interest that would have been due and payable for any period but for the operation of subsection (a) above shall accrue and be payable as provided in this subsection (b) and shall, less interest actually paid to the Purchaser or any other Owner, as applicable, for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date then the principal amount with respect to which interest is payable shall bear interest at the Maximum Lawful Rate, until payment to the Purchaser and each other Owner, as applicable, of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, on the date on which no principal amount hereunder remains unpaid, to the extent possible without violating Applicable Law, the Borrower shall pay to the Purchaser and each other Owner, as applicable, a fee equal to any accrued and unpaid Excess Interest Amount.

ARTICLE V

CONDITIONS PRECEDENT TO PURCHASE OF BONDS

Section 5.01 Documentary Requirements. The obligation of the Issuer to make the Loan and the Purchaser to purchase the Bonds, is subject to the conditions precedent that the Issuer and the Purchaser shall have received, on or before the Closing Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Issuer and the Purchaser. However, should the Purchaser purchase the Bonds prior to its receipt and approval of any of the following items, such purchase shall not be deemed to be a waiver of any documentary requirement.

(a) The following Borrower organizational documents:

(i) Copies of the resolutions of the Governing Body of the Borrower approving the execution and delivery of this Agreement and the other Loan Documents to which the Borrower is a party, approving the form of the Loan Documents to which it is not a party and the other matters contemplated hereby and thereby, certified by an authorized officer of the Borrower as being true and complete and in full force and effect on the Closing Date;

(ii) The organizational documents of the Borrower, certified to be in full force and effect as of a date not more than thirty (30) days preceding the Closing Date by an appropriate official of the State and certified by an authorized officer of the Borrower to be in full force and effect on the Closing Date;

(iii) Certificates issued by an appropriate official of the State, issued no more than thirty (30) days preceding the Closing Date, stating that the Borrower is in good standing in such jurisdiction;

(iv) A certificate by an authorized officer of the Borrower certifying the names and signatures of the persons authorized to sign, on behalf of the Borrower, this Agreement and the other Loan Documents to which it is a party and the other documents to be delivered by the Borrower hereunder or thereunder; and

(v) Letters from the Internal Revenue Service to the effect that the Borrower is an organization described in Section 501(c)(3) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code.

- (b) The following financing documents:
 - (i) An executed original of this Agreement and each of the other Loan Documents;
 - (ii) Such financing statements as may be required by the Purchaser; and
 - (iii) Copies of Uniform Commercial Code, judgment and litigation, tax lien and bankruptcy search reports dated a date reasonably near to the Closing Date, listing all effective financing statements which name the Borrower (under its present names and any previous names) as debtor, together with (a) copies of such financing statements and (b) such Uniform Commercial Code termination statements as the Purchaser may reasonably request.
- (c) The following opinions, addressed to the Issuer and the Purchaser or on which the Issuer and the Purchaser are otherwise expressly authorized to rely:
 - (i) From counsel to the Borrower, as to the due authorization, execution and delivery of this Agreement and each of the other Loan Documents to which the Borrower is a party, their validity, binding effect and enforceability, the Borrower's status as an organization described in Section 501(c)(3) of the Code, and such other customary matters as the Issuer and the Purchaser may reasonably request;
 - (ii) From Bond Counsel, in customary form, an opinion to the effect that the Bonds have been duly authorized and validly issued, and that interest on the Bonds will not be included in gross income of the Owners thereof for federal tax purposes;
 - (iii) From Counsel to the Issuer in form and substance satisfactory to the Purchaser, an opinion regarding validity, due authorization and such other matters as requested by counsel to the Purchaser; and
 - (iv) Each other opinion delivered by any Person pursuant to the Loan Documents.
- (d) The following documents relating to the Project or the Financing:
 - (i) Copies of all security agreements or instruments constituting Liens on any portion of the Project or on any Property located on the Mortgaged Property, and related UCC-1 Financing Statements;
 - (ii) Receipt of an appraisal of the Mortgaged Property, made by an appraiser acceptable to the Purchaser, which appraisal must be in a

form and substance acceptable to Purchaser, and which appraisal must be addressed to the Purchaser, at the expense of the Borrower;

(iii) A current ALTA survey of the Mortgaged Property in form and substance acceptable to the Purchaser, prepared and certified to the Purchaser by a certified land surveyor acceptable to the Purchaser and with any applicable certifications and affidavits as required by the Purchaser;

(iv) Reports to the Purchaser or on which the Purchaser is expressly authorized to rely, prepared or updated, as the case may be, to satisfy “All Appropriate Inquiry” (as that term is defined in Environmental Laws) within ninety (90) days of the Closing Date by an “Environmental Professional” (Environmental Professional to hold the meaning supplied by the then applicable version of ASTM Standard E 1527, “Standard Practice for Environmental Site Assessments”): Phase I Environmental Site Assessment Process on the Mortgaged Property, acceptable to the Purchaser which reports are complete and free of qualifications and states that, after due investigation, there is no evidence that there are any Hazardous Materials or recognized environmental conditions contained in, at or under the Mortgaged Property or any structures thereon or that any such substances have been removed and disposed of in compliance with all Environmental Laws; in addition, the Purchaser may procure, at the Borrower’s expense, a secured Purchaser’s policy of environmental insurance covering the Mortgaged Property;

(v) A pro forma version of a title insurance policy (American Land Title Association Standard Loan Policy, 2006 edition) based upon a valid and enforceable commitment to issue such policy from a company satisfactory to the Purchaser in the amount of \$_____ (the “Title Insurance Policy”), naming the Purchaser and its successors and assigns, as their interests may appear, as insured, insuring the lien of the Mortgage is a valid first lien on the Mortgaged Property referenced therein free and clear of all defects, exceptions and encumbrances, except such as the Purchaser and its counsel shall have approved and containing such endorsements as the Purchaser may reasonably request; the Borrower shall deliver to the Purchaser the original Title Insurance Policy within thirty (30) days of the Closing Date;

(vi) An independent flood certification in form and substance satisfactory to the Purchaser and which supports a finding that none of the Mortgaged Property is in any “special flood hazard area” within the meaning of the Federal Flood Disaster Protection Act of 1973 or evidence of flood insurance in form and amount satisfactory to the Purchaser and the Purchaser if the Mortgaged Property is in any such “special flood hazard area”;

(vii) A letter or other written evidence from the proper official charged with zoning administration in the jurisdiction in which the Project is located (1) to the effect that the zoning of the Mortgaged Property permits the uses contemplated by the Project as a matter of right (and not as a nonconforming use) without the necessity of obtaining a variance, special use permit or other similar authorization (or, if any such authorization is required, that it has been obtained) and listing any special conditions applicable to such authorization, (2) if the Mortgaged Property has been rezoned subject to special conditions, stating each such condition and (3) stating that the Mortgaged Property complies with all applicable subdivision laws and ordinances and is considered a separate parcel thereunder, and, if requested by the Purchaser or its counsel, certified copies of the zoning and subdivision ordinances and the zoning map applicable to the Mortgaged Property; and

(viii) Such other documentation with respect to the Project as may be reasonably requested by the Purchaser.

(e) A closing fee of \$_____ to the Purchaser representing 0.50% of the total authorized amount of Bonds.

(f) Evidence of liability and casualty insurance satisfactory to the Purchaser.

(g) A certificate signed by a principal officer of the Borrower, stating that on and as of the Closing Date (i) the Borrower is in compliance with all of the terms, provisions and conditions of each financial covenant and any other material provision of this Agreement and the other Loan Documents and any Contract entered into in connection with any Debt; (ii) all requirements and preconditions to the issuance, execution, delivery and purchase of the Bond shall have been satisfied; (iii) the Borrower has complied with all agreements and covenants and satisfied all conditions stated in this Agreement on its part to be performed or satisfied at or prior to the Closing Date; (iv) since _____, 20__ there has been no event or occurrence which has caused or might reasonably be anticipated to cause a Material Adverse Effect or which may adversely affect the consummation of the transactions contemplated by this Agreement and the other Loan Documents; (v) each representation and warranty on the part of the Borrower contained in this Agreement and the other Loan Documents is true and correct as though made on and as of the Closing Date, (vi) no Default or Event of Default has occurred and is continuing or would result from the execution or performance of this Agreement or the other Loan Documents to which the Borrower is a party; and (vii) no petition by or against the Borrower has at any time been filed under the Bankruptcy Code or under any similar Law.

(h) Disclosure in writing of any pending or threatened litigation that could have a Material Adverse Effect, which litigation shall be acceptable to the Purchaser.

(i) Such other instruments, documents and opinions as the Purchaser shall reasonably require to evidence and secure the obligations of the Borrower under this

Agreement and the other Loan Documents and to comply with the provisions of this Agreement and the other Loan Documents and the requirements of any Governmental Authority to which the Purchaser or the Borrower is subject.

Section 5.02 Credit Requirements. Prior to the Closing Date, the Purchaser shall have determined, in its sole discretion, based in part upon the information and reports submitted by the Borrower, that the Borrower has met the Purchaser's credit requirements.

Section 5.03 Additional Conditions Precedent. On or prior to the Closing Date, the Borrower shall have paid all costs and expenses of the Purchaser and the Issuer in connection with the execution and delivery of this Agreement, the other Loan Documents and any other documents delivered in connection with any of the foregoing including, but not limited to, the fees and expenses of counsel to the Purchaser, counsel to the Issuer and Bond Counsel and all costs associated with any title/lien searches, title insurance, appraisals, environmental due diligence and recordation.

ARTICLE VI

AFFIRMATIVE AND NEGATIVE COVENANTS OF THE BORROWER

Section 6.01 Reporting Requirements. The Borrower shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Borrower in accordance with GAAP, and will furnish to the Purchaser each of the following:

(a) **Annual Financial Statements.** As soon as available, and in any event within [**one hundred twenty (120)**] days after the close of each Fiscal Year of the Borrower, the financial statements of the Borrower which shall be audited and reported on without qualification by independent certified public accountants reasonably acceptable to the Purchaser and shall be certified to the Borrower by such Accountants as (i) having been prepared in accordance with GAAP (applied on a basis consistent with that of the preceding year) and (ii) fairly presenting the financial condition of the Borrower as at the end of such Fiscal Year and reflecting its operations during such Fiscal Year and (iii) showing all material liabilities, direct or contingent, and disclosing the existence of any off-balance sheet transactions, and shall include, without limitation, balance sheets, profit and loss statements and statements of cash flows, together with notes and supporting schedules, all on a consolidated and consolidating basis and in reasonable detail and including a copy of any management letter or audit report provided to the Borrower by such auditors.

(b) **Semi-Annual Financial Statements.** As soon as possible and in any event, within [**forty-five (45)**] days after the end of each semi-annual period of each Fiscal Year of the Borrower the interim financial statements of Borrower prepared by an Accountant to include (but not limited to), a balance sheet as of the end of each such period, and an income statement. If Borrower has subsidiaries, interim financial statements shall be provided on a consolidated and consolidating basis. Such financial statements shall be in form and detail satisfactory to Purchaser.

(c) Certificate of Compliance. Simultaneously with the delivery of the financial statements referred to in subsection (a) of this Section, a certificate signed by a principal financial officer of the Borrower, (i) stating that such officer has made a review of activities during the preceding period, for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of the Loan Documents to which it is a party, (ii) containing calculations of the applicable financial covenants (to the extent applicable as of such date), including those in Section 6.17 and certified by such officer to be accurate and complete and made in accordance with this Agreement and certifying to compliance with each such applicable financial covenant in this Agreement and the other Loan Documents, and (iii) attesting that, to the best of his/her knowledge, the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition of such documents on its part to be performed and no Event of Default or Default has occurred, or if an Event of Default or Default has occurred such certificate shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition.

(d) Annual Budget. As soon as available and in any event within **[ninety (90)]** days of the beginning of each Fiscal Year of the Borrower, the annual and approved operating budget of the Borrower for such Fiscal Year as prepared by management of the Borrower.

(e) School Earnings Report. As soon as available, but not later than each April 30 and December 31 of each year, the School Earnings Report prepared by the Sarasota County School Board, showing revenue distributions to Borrower adjusted for actual full-time equivalents in the respective February and October of each year.

(f) Amendments. Promptly upon execution of any amendment, modification or supplement to the articles of incorporation or by-laws of the Borrower, or any of the Loan Documents to which the Purchaser is not a party, a true and correct copy of such amendment, modification or supplement.

(g) MSRB Filings. Copies of all filings made by the Borrower with the Municipal Securities Rulemaking Board promptly after such filings are made.

(h) Hedge Agreements. Copies of all Hedge Agreements to which the Borrower is a party and all documents related thereto promptly following the execution and delivery of such agreements and documents.

(i) Other Reports. Promptly upon request by the Purchaser, copies of any financial statement or report furnished to any other holder of any securities or long-term Debt of the Borrower pursuant to the terms of any indenture, bond purchase, loan or credit or similar agreement, including each modification of the foregoing prepared and delivered to any such Person and not otherwise required to be furnished to the Purchaser pursuant to any other clause of this Agreement or the other Loan Documents.

(j) Governmental Filings. Copies of all material written reports and other material information filed or delivered by the Borrower to or with any Governmental

Authority which has jurisdiction over the affairs of the Borrower, which is a creditor of the Borrower, or which issues debt on behalf of the Borrower, and copies of any reports of governmental audits, inspections or other investigations of the Borrower or any of its property.

(k) Miscellaneous Information. Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the Borrower or the Project as the Purchaser may from time to time reasonably request.

Section 6.02 Proceeds of Bonds; Lien on Mortgaged Property. The Borrower shall use the Bond Proceeds and Loan solely for the purposes described in this Agreement. None of the Bond Proceeds and Loan will be used to provide inventories, raw materials or working capital for the Borrower. The Borrower shall do all things necessary (including, without limitation, the timely filing of continuation statements) to ensure that the Mortgage is and remains a first priority perfected Lien on the Mortgaged Property referenced therein.

Section 6.03 Notices. The Borrower shall provide to the Purchaser:

(a) Prompt notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default or Default.

(b) Within three (3) Business Days of the occurrence of any event described in Section 2.02(h), notice of the occurrence of such event.

(c) Prompt written notice of all actions, suits and proceedings before any Governmental Authority, domestic or foreign, against the Borrower or the Property which involve claims equal to or in excess of \$100,000.

(d) Prompt written notice of any Material Litigation.

(e) Prompt written notice of any event which has or is reasonably anticipated to have a Material Adverse Effect.

(f) Prompt written notice to the Purchaser of any other negative development, de-licensing, de-accreditation or decertification of any of its school facilities.

(g) A copy to the Purchaser of any notice, certification, demand or other writing or communication given by the Issuer to the Borrower or by the Borrower to the Issuer under or in connection with any Loan Document, in each case promptly after the receipt or giving of the same.

Section 6.04 Insurance. The Borrower will at all times maintain insurance with respect to its business operations and properties against such risks, in such amounts, with such companies and with such deductibles as is customary for business operations and properties of like size, location and character to those of the Borrower. Unless the Borrower delivers originals of all policies and renewals (or certificates evidencing the same) required by this Agreement within fifteen (15) days of written notice by the Purchaser to the Borrower, the Purchaser may purchase insurance at the Borrower's sole expense to protect the Purchaser's interests under this

Agreement and with respect to the Bonds. The Borrower acknowledges that the coverage that the Purchaser purchases may not pay claims that the Borrower makes or claims that are made against the Borrower in connection with its Property. The costs of such insurance shall be added to all other amounts payable by the Borrower, and all other obligations to be performed by the Borrower, pursuant to the Loan Documents. All casualty or other insurance proceeds from damage to the Mortgaged Property shall be payable to the Purchaser and shall be applied as provided in the Mortgage.

Section 6.05 Maintenance of Mortgaged Property. The Borrower shall operate and maintain the Mortgaged Property and improvements thereon, in accordance with all Governmental Requirements including, without limitation, such zoning, sanitary, pollution and safety Laws as may be binding upon the Borrower. The Borrower shall maintain and operate the Mortgaged Property and all engines, boilers, pumps, machinery, apparatus, fixtures, fittings and equipment of any kind in or that shall be placed in any building or structure now or hereafter at any time constituting part of the Mortgaged Property which are material to the operation of the Mortgaged Property, in good repair, working order and condition (reasonable wear and tear excepted), and shall from time to time make or cause to be made all needful and proper replacements, repairs, renewals and improvements so that the efficiency and value of the Mortgaged Property and improvements thereon will not be impaired. Subject to the terms of this Agreement and the other Loan Documents, the Borrower may make such replacements, additions, modifications and improvements to the Mortgaged Property as it deems necessary or desirable.

Section 6.06 Payment of Taxes; Removal of Liens. The Borrower shall (i) pay and discharge all taxes and payments in lieu of taxes, assessments (general or special) and governmental and utility charges of any kind whatsoever that may be or have been at any time assessed or levied against or with respect to the Borrower or its Property or any interest therein and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of its Property or any part thereof, and, upon request, will furnish to the Purchaser receipts for all such payments, or other evidences satisfactory to the Purchaser and (ii) discharge or cause to be discharged all Liens on its Property, or any part thereof, other than Permitted Liens; subject, in each case, to the right of the Borrower to contest the same as Matters Contested in Good Faith.

Section 6.07 Access to Property; Communication with Accountant. The Borrower shall permit the duly authorized representatives of the Purchaser, during the Borrower's normal administrative business hours, to enter the Borrower's property or any parts thereof, to examine and copy the Borrower's financial and corporate books, records and accounts and to discuss the affairs, finances, business and accounts of the Borrower with the Borrower's officers, directors and employees. The Borrower authorizes the Purchaser to communicate directly with its accountants, and authorizes and shall instruct such accountants to communicate with, disclose and make available to, the Purchaser, any and all financial statements and other supporting financial documents, schedules and information relating to the Borrower with respect to the business, results of operations and financial condition and other affairs of the Borrower.

Section 6.08 Licensure; Further Assurances.

(a) The Borrower continuously shall maintain all licenses and approvals of Governmental Authorities required for operation of its business as currently and as contemplated to be operated.

(b) The Borrower shall, upon the request of the Purchaser, from time to time, execute and deliver and, if necessary, file, register and record such further financing statements, amendments, continuation statements and other documents and instruments and take such further action as may be reasonably necessary to effect the provisions of this Agreement and the other Loan Documents. Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, the other Loan Documents and such instruments of further assurance.

Section 6.09 Tax Returns. The Borrower shall timely and properly file with the Internal Revenue Service all annual reports, tax returns and other matters required to be filed by the Borrower with the Internal Revenue Service.

Section 6.10 ERISA Plans. Each ERISA Group member shall maintain and administer all Plans maintained by such ERISA Group member in compliance with their terms and in all material respects with all applicable Laws, including but not limited to ERISA and the Code; shall not permit any such Plan to experience unfunded liabilities; nor shall such ERISA Group member permit a condition to exist or a transaction to occur with respect to any Plan maintained by such ERISA Group member which could reasonably be expected to result in the incurrence by such ERISA Group member of any material liability, fine or penalty. Each ERISA Group member shall not, with regard to any Plan (a) engage in or permit any other party to engage in any “prohibited transaction” (as defined in Section 4975 of the Code) with respect to a Plan, (b) permit any Plan to incur any “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA) whether or not waived, (c) either directly or indirectly, cause any Plan to terminate, either under Section 4041 or 4042 of ERISA, in a manner that could result in the imposition of a material Lien on the assets of an ERISA Group member pursuant to Section 4068 of ERISA or (d) take or permit any action that could result in a withdrawal or partial withdrawal from a Plan and result in the assessment of any Withdrawal Liability against an ERISA Group member; provided, that in the case of this clause (d), said withdrawal or partial withdrawal shall be permissible if the resultant liability could not reasonably be expected to result in a Material Adverse Effect.

Section 6.11 Compliance with Laws. The Borrower shall comply in all material respects with all applicable Laws, including all Environmental Laws.

Section 6.12 Compliance with Other Agreements. The Borrower shall comply in all material respects with the terms and conditions of the Loan Documents and all other instruments,

agreements and other documents delivered by or on behalf of the Borrower in connection with issuance of the Bonds.

Section 6.13 Transfer, Merger or Change of Business; Loan or Advances to Affiliates.

(a) Without the prior written consent of the Purchaser and the delivery of an Opinion of Bond Counsel, the Borrower shall not dissolve itself or in a single transaction or a series of related transactions sell, lease, assign, transfer or otherwise dispose of all or substantially all of its Property or consolidate with or merge into any other Person, or make any other material change in ownership that effectively changes control of the Borrower, or change the primary activities in which it engages. The Borrower shall not make any assignment, sale or other transfer of any material amount of its Property except in a transaction meeting the other requirements of this Agreement and the other Loan Documents and in which the Borrower contemporaneously receives in exchange therefor assets or property determined by the Purchaser to be of reasonably equivalent value.

(b) In no event shall the Borrower lend money, guarantee Debt, or extend credit to or for the benefit of any Affiliate, officer or employee in an aggregate amount at any time outstanding in excess of \$100,000, without the prior written consent of the Purchaser.

Section 6.14 Amendments. The Borrower shall not amend, modify or supplement any of the Loan Documents without the prior written consent of the Purchaser. The Borrower shall not request or enter into any modification, amendment, consent or waiver of or pertaining to the terms of the Loan Documents without the Purchaser's prior written consent.

Section 6.15 Accounting Methods and Fiscal Year. The Borrower shall not adopt, permit or consent to any change in its method of accounting, other than as permitted or required by GAAP (except as disclosed in the audit and approved in advance and in writing by the Purchaser) and shall not adopt, permit or consent to any change in its established Fiscal Year.

Section 6.16 Tax Exemption. The Borrower shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Bonds from the gross income of the holders thereof for purposes of federal income taxation under the Code.

Section 6.17 Financial Requirements.

Debt Service Coverage Ratio. The Borrower shall, as of the end of each Fiscal Year, maintain a Debt Service Coverage Ratio of not less than 1.25 to 1.00, as certified by a certificate of the Borrower, to which is attached a calculation substantially in the form of Exhibit D hereto.

The Borrower shall operate in such a manner and, to the extent permitted by Applicable Law, fix, charge and collect rates, fees and charges, to produce sufficient funds so as to be at all relevant times in compliance with this Section. [**Charter School does not fix their own tuition**]

Section 6.18 Deposit Relationship.

(a) The Borrower shall maintain its primary depository and cash management accounts with the Purchaser so long as the Bonds are held by the Purchaser, provided, however, that the Borrower may deposit and invest federal grant moneys in any other manner as may be required by the terms of such grant. **[Is this going to be in place at closing?]**

(b) The Borrower irrevocably authorizes the Purchaser to debit from time to time **[any deposit account]** of the Borrower at the Purchaser for (i) the amount of principal and interest (or Purchase Price) due on any Bond held by the Purchaser and (ii) for the net amount due under any Hedge Agreement between the Borrower and the Purchaser.

Section 6.19 Judgment; Liens. The Borrower shall not permit the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment (except for garnishment of wages), attachment or execution against any Property of, or debts due by, the Borrower that is not discharged or stayed within 30 days of entry.

Section 6.20 Prepayment. The Borrower shall promptly notify the Purchaser and the Issuer of the amount of any prepayment of any Bond, together with the date of each such prepayment and otherwise comply with the provisions of this Agreement.

Section 6.21 Other Defaults. The Borrower shall not breach any Contract with or obligation due to a third party or default in the payment of any Debt when such Contract, obligation or Debt is equal to or greater than \$100,000, in each instance, unless such breach or default is cured within any grace period applicable to such Contract, obligation or Debt.

Section 6.22 Cross Default. The Borrower shall not default in the payment or the performance of any of its obligations under any other Contract (other than this Agreement) at any time entered into with the Purchaser or the Purchaser's Affiliates, nor shall the Borrower permit any of the Borrower's Affiliates, or the holders of its majority ownership interests, including, but not limited to, its members, to default under any Contract with the Purchaser or the Purchaser's Affiliates.

Section 6.23 Time is of the Essence. In all matters pertaining to this Agreement, time is of the essence.

Section 6.24 Hedging. The Borrower shall not enter into any Hedge Agreement without the prior written consent of the Purchaser in its sole discretion.

Section 6.25 Federal Reserve Board Regulations. The Borrower shall not use any portion of the Bond Proceeds or Loan for the purpose of carrying or purchasing any Margin Stock and has not incurred any Debt to be reduced, retired or purchased by the Borrower out of such Bond Proceeds or Loan, and the Borrower does not own and has no intention of acquiring any Margin Stock.

Section 6.26 Certain Information. The Borrower shall not include in any offering document for the Bonds any information concerning the Purchaser that is not supplied in writing, or otherwise approved, by the Purchaser expressly for inclusion therein.

Section 6.27 Incorporation of Covenants. The covenants of the Borrower set forth in each of the other Loan Documents to which the Borrower is a party, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety for the benefit of the Purchaser and shall be enforceable by the Purchaser against the Borrower. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such compliance shall be waived, or such provision shall be consented to, only if it is waived or consented to, as the case may be, by the Purchaser and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Purchaser. No amendment to such covenants (or the defined terms relating thereto) made pursuant to the Loan Documents shall be effective to amend such incorporated covenants without the written consent of the Purchaser. Notwithstanding the termination or expiration of any Loan Document, the Borrower shall continue to observe the covenants therein contained for the benefit of the Purchaser until the termination of this Agreement.

Section 6.28 Permitted Indebtedness. The Borrower shall not directly or indirectly issue, assume, create, incur or suffer to exist any Debt or guarantee any Debt except for the following "Permitted Indebtedness": (a) business expenses, trade accounts payable or accrued expenses in the ordinary course of business (provided that the same shall be paid substantially when due in accordance with customary trade terms); (b) other Debt not incurred through the borrowing of money in the ordinary course of business; (c) endorsement of checks for collection in the ordinary course of business; (d) Debt secured by Permitted Liens; (e) Debt in an aggregate amount not to exceed at any one time \$250,000; and (f) Debt to the Purchaser.

Section 6.29 Change of Corporate Name, State of Incorporation or Location. The Borrower shall not (a) change its name as it appears in official filings in the state of its incorporation or organization, (b) change its chief executive office or principal place of business, or the location of its records concerning any of the property constituting collateral under the Mortgage, (c) change the type of entity that it is, (d) change its organization identification number, if any, issued by its state of incorporation or other organization, or (e) change its state of incorporation or organization or incorporate or organize in any additional jurisdictions, in each case without at least thirty (30) days' prior written notice to the Purchaser, and provided that any such new location shall be in the continental United States.

Section 6.30 Creation of Entities; Related Party Transactions. The Borrower shall not create any Affiliate of the Borrower in addition to those Affiliates existing on the date of this Agreement and disclosed to and approved by the Purchaser without the prior written consent of the Purchaser. The Borrower will not, and will not permit any Affiliate to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property

or assets from, or otherwise engage in any other transactions with, any of its (or their) Affiliates, except in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Affiliate than could be obtained on an arm's length basis from unrelated third parties.

Section 6.31 Limitation on Disposition of PP&E and other Property. The Borrower agrees that it will not sell or otherwise dispose of, including any disposition by lease, PP&E except for dispositions or transfers of PP&E (a) no longer necessary for the operation of the Mortgaged Property; (b) replaced by PP&E of similar type and/or of substantially equivalent function and value, which replacements shall be deemed to be incorporated immediately into and constitute an integral part of the Mortgaged Property, and be subject to the terms of this Agreement and the Mortgage; or (c) constituting leases in the ordinary course of business that are Permitted Liens. In addition to and not in limitation of the foregoing restrictions, the Borrower may not sell, lease (except as provided in subsection (c) above) or otherwise dispose of any portion of the Mortgaged Property without the prior written consent of the Purchaser in its sole discretion, and unless the Borrower shall deliver a certificate to the Purchaser certifying that (i) the security of the Mortgage and the ability of the Purchaser (and Mortgagee thereunder) to foreclose upon the Mortgaged Property will not be impaired as a result of the disposition of such Property, and (ii) the Borrower shall have conveyed to the Purchaser under the Mortgage such rights of way, easements and other rights in land as are required for ingress to and egress from the remaining Mortgaged Property, for the utilization of the portions of the Project located thereon and for utilities required to serve such portions of the Project. The Borrower may not sell, lease or otherwise dispose of any portion of the Mortgaged Property except with the prior written consent of the Purchaser.

Section 6.32 Business. The Borrower will not engage in any business other than the business in which it is currently engaged or a business reasonably related thereto and in which it is engaged as of the Closing Date.

Section 6.33 Charter Contract. The Borrower shall strictly comply with the terms of the Charter from The School Board of Sarasota County, Florida to the Borrower (the "Charter"). The Borrower shall provide copies of any written notice or other documentation relating to renewal, modification or termination of the Charter, and the Borrower shall not allow its charter to be revoked, suspended, terminated or materially modified without the prior written consent of the Purchaser.

Section 6.34 Tax Covenants.

(a) Substantially All of the Net Proceeds received from the sale of the Bonds actually disbursed, and investment earnings thereon, if any, will be used for payment of, or to refinance, Qualified Project Costs;

(b) the Borrower will not submit any request for a disbursement of Bond Proceeds for Issuance Costs if, after the expenditure of such disbursement, more than two percent (2%) of the proceeds of the Bonds would have been or will be used to pay Issuance Costs; and

(c) in the event a disbursement from Bond Proceeds is made which results in the covenants in paragraph (a) or (b) above being violated, the Borrower will promptly repay such amount as may be necessary for the Borrower to again be in compliance with paragraph (a) and (b) above.

Section 6.35 Arbitrage; Prevention of Tax Exemption. The Borrower agrees and covenants that the proceeds of the Bonds will not be used in such manner as to cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, as implemented by such proposed, temporary and final Regulations as have been or may hereafter be adopted by the United States Treasury Department thereunder. The Borrower further agrees and covenants not to take any action, including any change in the Project, the result of which would cause or be likely to cause the interest payable with respect to the Bonds not to be excluded from gross income for federal income tax purposes. The Borrower will comply with the applicable requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds from gross income of the Bondholder for federal income tax purposes. The Borrower shall comply in all respects with the provisions of the Tax Agreement.

Section 6.36 Certain Covenants with Respect to Compliance with Arbitrage Requirements for Investments in Nonpurpose Investments and Rebate to the United States of America. Section 148(f) of the Code, as implemented by Section 1.148-1 to 1.148-11 of the Income Tax Regulations (the “Rebate Provisions”), requires that, among other requirements and with certain exceptions, the Issuer pay to the United States of America the Rebate Amount. The Borrower hereby assumes and agrees to timely make all payments of the Rebate Amount, and agrees to pay any amounts in addition to the Rebate Amount, including all interest and penalties, if any, related thereto to the extent that funds available therefor are not sufficient for such purpose. The Borrower shall timely make or cause to be made by the Rebate Analyst all necessary calculations of the Rebate Amount in order to allow it to timely make all payments of the Rebate Amount in order to maintain full compliance with the Rebate Provisions. The Borrower agrees to indemnify, protect and hold harmless the Issuer with respect to any nonpayment of the Rebate Amount and such interest and penalties.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01 Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an “Event of Default” hereunder, unless waived in writing by the Purchaser:

(a) Any event of default or termination event (however denominated) with respect to the Loan Documents (other than this Agreement) has occurred and is continuing after lapse of any applicable notice and cure periods provided for in such document;

(b) The Borrower shall fail to pay when due (i) any payment with respect to principal or interest or the Purchase Price of the Bonds or (ii) any other amount payable under this Agreement or any other Loan Document;

(c) The Borrower shall fail to perform any term, covenant, condition or provision of Sections 6.01, 6.02, 6.03, 6.04, 6.06, 6.08(a), 6.13, 6.14, 6.15, 6.16, 6.17, 6.19, 6.24, 6.25, 6.26, 6.28, 6.29, 6.30, 6.32 or 6.33 of this Agreement;

(d) Failure of the Borrower to observe or perform any of the other covenants, conditions or provisions of this Agreement or any other Loan Documents (other than as specified in subparagraphs (a) through (c) above) and to remedy such default within thirty (30) days after the Purchaser gives the Borrower notice of such failure;

(e) Any representation or warranty made or deemed by or on behalf of the Borrower herein or in any certificate, financial or other statement furnished by or on behalf of the Borrower to the Purchaser pursuant to or in the Loan Documents shall prove to have been inaccurate, misleading or incomplete in any material respect when made or deemed to have been made;

(f) The Borrower shall have an Event of Default under any material Contract (other than this Agreement) with the Purchaser or the Purchaser's Affiliates;

(g) Default by the Borrower in the payment of any amount when due in respect of any Debt for money borrowed or credit extended owed to the Purchaser or any Purchaser Affiliate; or default by the Borrower in the payment when due of any amount due in respect of any Material Debt; or default by the Borrower under any Contract under or pursuant to which such Debt is incurred or issued, and continuance of such default beyond the period of grace, if any, allowed with respect thereto; or the occurrence of any act or omission by the Borrower under any such Contract which results in such Debt becoming, or being capable of becoming, immediately due and payable (or, with respect to any Hedge Agreement, which results in such Hedge Agreement being terminated early or being subject to early termination);

(h) An Event of Insolvency shall occur with respect to the Borrower;

(i) This Agreement or any of the other Loan Documents or any material provision of this Agreement or any of the other Loan Documents shall at any time, for any reason, cease to be the legal, valid and binding obligation of the Borrower or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the Borrower, or the Borrower shall renounce the same or deny that it has any further liability hereunder or thereunder;

(j) Any party to any of the Loan Documents (other than the Purchaser or a Purchaser Affiliate) breaches its obligation thereunder (beyond any applicable notice and cure period) and such failure is likely to have, in the Purchaser's reasonable judgment, a Material Adverse Effect;

(k) Any court of competent jurisdiction or other Governmental Authority with jurisdiction to rule on the validity of any provision of this Agreement or any of the other Loan Documents shall find or rule that this Agreement or any of the other Loan Documents are not valid or not binding on the Borrower;

(l) Any Lien created by any of the Loan Documents in favor of the Purchaser at any time and for any reason (except as expressly permitted to be released by the terms of such governing document) shall not constitute a valid and perfected Lien or shall fail to have the priority required by such Loan Document, or, except as permitted under the Loan Documents, the Borrower shall so assert in writing;

(m) The entry or filing of one or more judgments or orders or of any similar decrees or decisions for the payment of money (each, a "Judgment") which, individually or in the aggregate, equals or exceeds ~~[\$50,000]~~ ~~[\$100,000]~~ against the Borrower, and such Judgment shall be undischarged, unstayed or unbonded for a period of thirty (30) consecutive days;

(n) The Borrower shall fail to keep in full force and effect any material permit or approval issued by any Governmental Authority and such failure is likely to have, in the Purchaser's reasonable judgment, a Material Adverse Effect;

(o) Any levy, seizure or attachment of the Project, which the Borrower fails to satisfy or cause the removal or return of within sixty (60) days of the date of such levy, seizure or attachment;

(p) Dissolution, termination of existence or business failure of the Borrower;

(q) Any license, permit, certificate, consent, approval or authorization granted by any federal authority or by any state or local commission or authority (including, without limitation, a state regulatory agency), whether presently existing or hereafter granted or obtained by the Borrower that is, in the reasonable judgment of the Purchaser, material to the operations of the Borrower shall expire without renewal or shall be suspended or revoked; or the Borrower shall become subject to any injunction or other order prohibiting it from operating under any such material license, permit, certificate, consent, approval or authorization; or the Borrower shall fail to apply for any license, permit, certificate, consent, approval or authorization that is, in the reasonable judgment of the Purchaser, material to the operation of the Borrower within thirty (30) days of the later of (i) the date required to be obtained, or (ii) the date written notice thereof is delivered to the Borrower; and

(r) The adoption of any resolution by the Borrower to authorize any action or event that would constitute an Event of Default hereunder or under any instrument, document or agreement made or entered into in connection herewith, including without limitation the Loan Documents.

Section 7.02 Consequences of an Event of Default. If an Event of Default specified in Section 7.01 shall occur, then in addition to any other rights or remedies available to the

Purchaser under any of the other Loan Documents or under Applicable Law, the Purchaser may exercise any one or more of the following rights and remedies as permitted by law:

(a) by notice to the Borrower, accelerate all of the obligations of the Borrower under this Agreement, the Bonds, the Note, and the other Loan Documents whereupon such obligations shall become immediately due and payable without presentment, demand for payment, protest or notice of nonpayment or dishonor, or other notice of any kind or character, all of which are hereby expressly waived, and an action therefor shall immediately accrue; provided that, if any Event of Default described in Section 7.01(h) shall occur, all of the obligations of the Borrower under this Agreement and the other Loan Documents (including the Bonds and the Note) shall automatically mature and be due and payable on the date of the occurrence of such Event of Default without presentment, demand for payment, protest or notice of any kind to the Borrower or any other Person, all of which are hereby expressly waived;

(b) (i) apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Project, (ii) either personally or by attorney or agent and without bringing any action or proceeding, or by such a receiver, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under this Agreement or the other Loan Documents or to enforce performance or observance of any of the obligations of the Borrower under this Agreement and the other Loan Documents, whether for specific performance of any agreement or covenant of the Borrower or in aid of the execution of any power granted to the Purchaser in this Agreement or the other Loan Documents or as otherwise available at law or in equity;

(c) cure any Default, Event of Default or event of nonperformance under this Agreement or the other Loan Documents; provided, however, that the Purchaser shall have no obligation to effect such a cure;

(d) exercise, or cause to be exercised, any and all remedies as it may have under this Agreement or the other Loan Documents (other than as provided in subsection (b) above) and as otherwise available at law and at equity;

(e) either itself or through or by any designee or nominee, enter into possession of the Mortgaged Property and employ watchmen to protect the Mortgaged Property. All sums expended by the Purchaser for such purposes shall be deemed to have been advanced to the Borrower under the Loan Agreement and shall be secured by the Mortgage. For this purpose, the Borrower hereby constitutes and appoints the Purchaser its true and lawful attorney in fact with full power of substitution, which power is coupled with an interest, to complete the work in the name of the Borrower, and hereby empowers said attorney or attorneys, in the name of the Borrower or the Purchaser or such nominee or designee:

(i) to pay, settle or compromise all existing bills and claims which are or may become Liens against the Mortgaged Property, or may

be necessary or desirable for the completion of the work or the clearance of title;

(ii) to execute all applications and certificates which may be required in the name of the Borrower;

(iii) to enter into, enforce, modify or cancel leases and to fix or modify rents on such terms as the Purchaser may consider proper;

(iv) to file for record, at the Borrower's cost and expense and in the Borrower's name, any notices that the Purchaser in its sole and absolute discretion may consider necessary or desirable to protect its rights and interests; and

(v) to do any and every act with respect to the Project which the Borrower may do in its own behalf.

It is understood and agreed that this power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked. Said attorney in fact shall also have the power to prosecute and defend all actions or proceedings in connection with the Mortgaged Property and to take such actions and to require such performance as the Purchaser may deem necessary.

Section 7.03 No Waiver; Remedies. No failure on the part of the Purchaser to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver of such right, power or privilege; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or which the Purchaser would otherwise have. The rights and remedies of the Purchaser are for the sole and exclusive benefit, use and protection of the Purchaser, and the Purchaser is entitled, but shall have no duty or obligation to the Borrower or any other Person or otherwise, (i) to exercise or to refrain from exercising any right or remedy reserved to the Purchaser hereunder or under any Loan Document, or (ii) to cause any other Person to exercise or to refrain from exercising any right or remedy available to it under any of the Loan Documents.

Section 7.04 Injunctive Relief. The Borrower recognizes that in the event an Event of Default occurs, any remedy of law may prove to be inadequate relief to the Purchaser; therefore, the Borrower agrees that the Purchaser, if the Purchaser so requests, shall be entitled to temporary and permanent injunctive relief in any such case.

ARTICLE VIII

NATURE OF OBLIGATIONS; INDEMNIFICATION

Section 8.01 Obligations Absolute. The obligations of the Borrower under this Agreement shall be absolute, unconditional and irrevocable, and shall not be subject to any right of setoff or counterclaim against the Purchaser or any Owner or any Participant and shall be paid

and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of any of the Loan Documents or any other agreement or instrument delivered in connection herewith or therewith;
- (b) any amendment or waiver of any provision of all or any of the Loan Documents;
- (c) the existence of any claim, setoff, defense or other rights which the Borrower may have at any time against the Issuer, the Purchaser (other than the defense of payment to the Purchaser in accordance with the terms of this Agreement), any Owner, any Participant or any other Person, whether in connection with this Agreement, the other Loan Documents or any transaction contemplated hereby or thereby or any unrelated transaction;
- (d) any certificate or any other document presented under this Agreement or the other Loan Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or
- (e) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding this Section, the Purchaser acknowledges the Borrower may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The Borrower's payment obligations shall remain in full force and effect pending the final disposition of any such action.

Section 8.02 Liability of the Purchaser and the Issuer. With respect to the Purchaser, the Borrower assumes any and all risks with respect to the acts or omissions of the Issuer in connection with this Agreement or any amounts made available by the Purchaser hereunder. Neither the Purchaser nor the Issuer, nor any of the officers, directors, employees or agents thereof shall be liable or responsible for any of the following: (i) the use that may be made of the Bond Proceeds or any amounts made available by the Purchaser hereunder or for any acts or omissions of the Issuer or the Borrower in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by the Purchaser against presentation of documents which do not comply with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement; (iv) the solvency of any other Person; or (v) any other circumstances whatsoever in making or failing to make payment under this Agreement or any other Loan Document, except only that the Borrower shall have a claim against the Purchaser, and the Purchaser shall be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential, special, indirect or punitive damages (the right to receive consequential, special, indirect or punitive damages being hereby waived by the Borrower), suffered by the Borrower which are determined by a final and nonappealable judgment of a duly constituted arbitration panel pursuant to Section 9.06 to be caused by the Purchaser's willful misconduct or gross negligence

in connection with the administration of this Agreement. In furtherance and not in limitation of the foregoing, the Purchaser may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 8.03 Indemnification.

(a) In addition to any and all other rights of reimbursement, indemnification, subrogation and other similar rights pursuant to the Loan Documents or under law or equity, the Borrower hereby covenants and agrees to defend, indemnify and hold harmless the Issuer, the Purchaser and each Owner or Participant and their respective Affiliates and the officers, directors, commissioners, employees and agents of the Issuer, the Purchaser and each Owner or Participant and their respective Affiliates (each, an “Indemnatee”) from and against any and all claims, causes of action, judgments, fines, penalties, damages, losses, liabilities and expenses whatsoever (including reasonable attorneys’ fees) which may be incurred by an Indemnatee or which may be claimed against an Indemnatee by any Person whatsoever (collectively, the “Liabilities”) by reason of or directly or indirectly in connection with any of the transactions contemplated by this Agreement and the other Loan Documents including, without limitation, (a) the execution, delivery or performance or transfer of, or payment or failure to pay under this Agreement or any Loan Document; (b) the issuance, offering, purchase, sale, remarketing or resale of any Bond; (c) the use of the Bond Proceeds; (d) the untruth or material inaccuracy of any warranty or representation made by the Borrower in this Agreement or any other Loan Document or in any certificate furnished thereunder or the breach or nonperformance by the Borrower of any covenant contained in this Agreement or any other Loan Document or any other Default or Event of Default under this Agreement or any of the other Loan Documents or (e) the Project or the use or occupancy of the Mortgaged Property by the Borrower or any other Person, including liabilities resulting from or relating to any accident, injury or death of any Person or noncompliance with any Applicable Laws; provided that the Borrower shall not be required to indemnify an Indemnatee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnatee as determined in a final, nonappealable determination by a duly constituted arbitral panel pursuant to Section 9.06 or, in the case of the Issuer and any of its officers, directors, employees or agents, a court of competent jurisdiction. If any proceeding shall be brought or threatened against an Indemnatee, as a condition of indemnity hereunder such Indemnatee shall promptly notify the Borrower in writing and the Borrower shall assume the defense thereof, including the employment of counsel satisfactory to such Indemnatee and the payment of all reasonable costs of litigation. Notwithstanding the preceding sentence, each Indemnatee shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnatee unless (i) the employment of such counsel shall have been authorized in writing by the Borrower, or (ii) the Borrower, after due notice of the action, shall not have employed counsel satisfactory to such Indemnatee to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnatee shall be borne by the Borrower. Nothing

under this Section is intended to limit the Borrower's payment obligations hereunder or under any other Loan Documents.

(b) The provisions of this Section shall survive the termination of this Agreement and the payment in full of the Bonds and the obligations of the Borrower thereunder and hereunder.

Section 8.04 Directors, Officers, Employees and Agents of Issuer Not Liable. No covenant, agreement or obligation contained in any Loan Document shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, commissioner, employee or agent of the Issuer in his individual capacity, and neither the directors of the Issuer nor any officer thereof executing any Loan Document shall be liable personally on such Loan Document or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, agent or attorney of the Issuer shall incur any personal liability with respect to any other action taken by him pursuant to the Loan Documents or the Act or any of the transactions contemplated thereby, provided he or she acts in good faith.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Right of Setoff.

(a) Upon the occurrence of an Event of Default, the Purchaser and its Affiliates may, at any time and from time to time, without notice to the Borrower or any other Person (any such notice being expressly waived), setoff and appropriate and apply, against and on account of, any obligations and liabilities of the Borrower to the Purchaser or its Affiliates arising under or connected with this Agreement and the other Loan Documents, without regard to whether or not the Purchaser shall have made any demand therefor, and although such obligations and liabilities may be contingent or unmatured, any and all deposits (general or special, including, but not limited to, Debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Debt or other payment obligation at any time held or owing by the Purchaser or its Affiliates to or for the credit or the account of the Borrower.

(b) The Purchaser agrees promptly to notify the Borrower after any such setoff and application referred to in subsection (a) above, provided that the failure to give such notice shall not affect the validity of such setoff and application. Subject to the provisions of subsection (a) above, the rights of the Purchaser under this Section are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Purchaser may have.

Section 9.02 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or consent to any departure by the Borrower from any such provision shall in any event be effective unless the same shall be in writing and signed by the Purchaser. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the event any agreement contained in this Agreement should be breached by the

Borrower and thereafter waived by the Purchaser, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach hereunder.

Section 9.03 Counterparts. This Agreement may be signed in any number of counterpart copies (and by different parties on different counterparts), each of which shall constitute an original but all such copies shall constitute one and the same instrument.

Section 9.04 Notices. All notices, requests, demands, directions and other communications (collectively “notices”) under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be properly addressed and sent by registered or certified mail or by express courier for next Business Day delivery and shall be deemed received as follows: (a) if by registered or certified mail, five (5) days after mailing; (b) if by express courier, on the next Business Day; and (c) if by facsimile, when confirmation of transmission is obtained if prior to 5:00 p.m. local time on a Business Day, and otherwise, on the next Business Day; provided that service of a notice prescribed by any Applicable Law shall be considered complete when the requirements of such Applicable Law are met. Notices by electronic mail (e mail) shall not constitute notice under this Agreement and are only to be used in addition to notice given as prescribed under subsections (a), (b) or (c) of this Section. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other party hereto:

if to the Borrower, addressed to it at:

Island Village Montessori Charter School, Inc.
2001 Pinebrook Road
Venice, FL 34292
Attention: Financial Director
Telephone: (941) 484-4999
E-mail: michellevitiello@islandvillage.org

or if to the Purchaser, addressed to it at:

Wells Fargo Bank, National Association
1819 Main St., 2nd Floor
Sarasota, FL 34236
Attention: Commercial Loan Department
Telephone: (941) 329-3205
E-mail: shawn.byrd@wellsfargo.com

or if to the Issuer, addressed to it at:

City of Venice, Florida
401 West Venice Avenue
Venice, FL 34285
Attention: Chief Financial Officer
Telephone: (941) 882-7419
E-mail:

The Purchaser may in its sole discretion rely on any notice (including telephone communication or e mail communication) purportedly made by or on behalf of the Borrower, but it shall have no duty to accept any notice not given as prescribed in this Section and shall have no duty to verify the identity or authority of the Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

Section 9.05 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 9.06 Arbitration. The provisions of this Section 9.06 shall not apply to the Issuer, and the terms “party” and “parties” used in this Section 9.06 shall refer only to the Borrower and the Purchaser.

(a) **Binding Arbitration.** The Borrower and the Purchaser agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. Arbitration may be demanded before the institution of a judicial proceeding, or during a judicial proceeding, but not more than 60 days after service of a complaint, third party complaint, cross-claim, or any answer thereto, or any amendment to any of such pleadings. A “Dispute” shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to any aspect of this agreement, or any related note, instrument or agreement incorporating this Arbitration Program (the “Documents”), or any renewal, extension, modification or refinancing of any indebtedness or obligation relating thereto, including without limitation, their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination, or any request for additional credit. This provision is a material inducement for the parties entering into the transactions relating to this Agreement. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court; the party’s failure to do so shall result in that party’s right to demand arbitration being automatically terminated with respect to such Dispute. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, the

parties irrevocably and voluntarily waive any right they may have to a trial by jury with respect to any dispute arbitrated pursuant to this Arbitration Program.

(b) Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association (“AAA”), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA’s commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA’s optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are referred to herein, as applicable, as the “Rules”). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Bonds. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. The arbitrator shall award all costs and expenses of the arbitration proceeding.

(c) No Waiver of Provisional Remedies, Self Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this subsection.

(d) Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator shall be a neutral practicing attorney or a retired member of the state or federal judiciary, in either case with a minimum of ten years’ experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator’s discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a

court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable state rules of civil procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(e) Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

(f) Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

(g) Small Claims Court. Any party may require that a Dispute be resolved in Small Claims Court if the Dispute and related claims are fully within that court's jurisdiction.

(h) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive the repayment of the Bonds and the termination, amendment or expiration of any of the Documents or any relationship between the parties.

Section 9.07 Governing Law; Consent To Jurisdiction; Waiver Of Jury Trial.

(a) Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND TOGETHER WITH ANY DISPUTES OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN

ACCORDANCE WITH, THE LAWS OF THE STATE AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES.

(b) Consent to Jurisdiction. IN THE EVENT THAT A DISPUTE IS NOT SUBMITTED TO ARBITRATION AS PROVIDED FOR IN SECTION 9.06 FOR ANY REASON, BUT BECOMES THE SUBJECT OF A JUDICIAL ACTION, EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN THE STATE. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS AGREEMENT, REGARDLESS OF WHETHER THE PARTY'S ACTIONS TOOK PLACE IN THE STATE OR ELSEWHERE IN THE UNITED STATES OF AMERICA, THIS SUBMISSION TO JURISDICTION IS NONEXCLUSIVE, AND DOES NOT PRECLUDE EITHER PARTY FROM OBTAINING JURISDICTION OVER THE OTHER IN ANY COURT OTHERWISE HAVING JURISDICTION.

(c) Waiver of Jury Trial. IN THE EVENT THAT A DISPUTE IS NOT SUBMITTED TO ARBITRATION AS PROVIDED FOR IN SECTION 9.06 FOR ANY REASON, BUT BECOMES THE SUBJECT OF A JUDICIAL ACTION, EACH OF THE BORROWER AND THE PURCHASER WAIVES ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE RELATED DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE PURCHASER TO PURCHASE THE BONDS AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE BORROWER AND THE PURCHASER IS MADE IN RELIANCE UPON SUCH WAIVER. EACH SUCH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

(d) The covenants and waivers made pursuant to this Section shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement.

Nothing in this Section shall affect the right of the Purchaser to serve legal process in any other manner permitted by Law or affect the right of the Purchaser to bring any suit, action or proceeding against the Borrower or its Property in the courts of any other jurisdiction.

Section 9.08 Successors and Assigns.

(a) Generally. This Agreement is a continuing obligation and shall be binding upon the Borrower, its successors, transferees and assigns and shall inure to the benefit of the Issuer (subject to Section 3.04), Purchaser and each Transferee and their respective permitted successors, transferees and assigns. The Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser. The Purchaser and each Transferee may, in its sole discretion and in accordance with Applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Bond and the other Loan Documents in accordance with the provisions of subsections (b) or (c) below, and shall provide notice to the Issuer of such transfer. The Purchaser and each Transferee may at any time and from time to time pledge or assign a certain security interest in accordance with the provisions of subsection (d) below and enter into participation agreements in accordance with the provisions of subsection (e) below.

(b) Sales and Transfers to a Bank Transferee. Without limitation of the foregoing generality, the Purchaser may at any time sell or otherwise transfer the Bonds to a Person that is (i) an Affiliate who is a Qualified Institutional Buyer of the Purchaser or (ii) a trust or other custodial arrangement established by the Purchaser or an Affiliate of the Purchaser, the owners of any beneficial interest in which are limited to Qualified Institutional Buyers who have delivered to the Borrower, the Issuer, and the selling Owner an Investment Letter substantially in the form attached as Exhibit C to this Agreement (each, a “Bank Transferee”). From and after the date of such sale or transfer, Wells Fargo Bank, National Association (and its successors) shall continue to have all of the rights of the Purchaser hereunder and under the other Loan Documents as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (i) or (ii) of this subsection shall in any way affect the obligations of the Purchaser hereunder, (B) the Borrower shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (i) or (ii) of this subsection, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the Borrower.

(c) Sales and Transfers to a Non Bank Transferee.

(i) Without limitation of the foregoing generality, the Purchaser or any Owner may at any time sell or otherwise transfer to a transferee which is not a Bank Transferee but which constitutes a Qualified Institutional Buyer that is a commercial bank having a combined capital and surplus, determined as of the date of any transfer pursuant to this subsection (c), of \$5,000,000,000 or more (each a “Non Bank Transferee”) the Bonds if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non Bank Transferee, together with addresses and related information with respect to the Non Bank Transferee, shall have been given to the Borrower, the Issuer, and the Purchaser (if the Purchaser is not the Owner) by such selling Owner and Non Bank Transferee, and (B) the Non Bank Transferee shall have

delivered to the Borrower, the Issuer, and the selling Owner, an Investor Letter.

(ii) From and after the date the Borrower, the Issuer, and the selling Owner have received written notice and an executed Investor Letter, (A) the Non Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of an Owner hereunder and under the other Loan Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non Bank Transferee and the transferring Owner shall relinquish its rights and be released from its obligations hereunder and under the other Loan Documents.

(d) Certain Pledges. The Purchaser may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement, the Bonds and the other Loan Documents to secure obligations of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

(e) Participations. The Purchaser shall have the right to grant participations in all or a portion of the Purchaser's interest in this Agreement, the Bonds and the other Loan Documents to one or more other banking institutions, and such Participants shall, except as set forth in the clause (ii) of this subsection, be entitled to the benefits of this Agreement and the other Loan Documents to the same extent as if they were a direct party to this Agreement; provided, however, that (i) no such participation by any such Participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the Issuer and the Borrower shall be required to deal only with the Purchaser with respect to any matters under this Agreement and the other Loan Documents and no such Participant shall be entitled to enforce against the Borrower any provision hereunder, including but not limited to the provisions of Section 4.06 hereof.

Section 9.09 Complete and Controlling Agreement. This Agreement and the other Loan Documents completely set forth the agreements between the Purchaser and the Borrower and fully supersede all prior agreements, both written and oral, between the Purchaser and the Borrower relating to all matters set forth herein and in the other Loan Documents.

Section 9.10 Patriot Act. The Purchaser hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Purchaser to identify the Borrower in accordance with the Patriot Act. The Borrower hereby agrees that it shall promptly provide such information upon request by the Purchaser.

Section 9.11 No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated by this Agreement and the other Loan Documents (including in connection with any amendment, waiver or other modification of this Agreement or of any other

Loan Document), the Borrower acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement and the other Loan Documents provided by the Purchaser or any Affiliate of the Purchaser are arm's length commercial transactions between the Borrower on the one hand, and the Purchaser and any Affiliate of the Purchaser on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement and the other Loan Documents; (b)(i) the Purchaser and each Affiliate of the Purchaser is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any other Person and (ii) neither the Purchaser nor any Affiliate of the Purchaser has any obligation to the Borrower with respect to the transactions contemplated by this Agreement and the other Loan Documents, except those obligations expressly set forth herein; and (c) the Purchaser and each Affiliate of the Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, and neither the Purchaser nor any Affiliate of the Purchaser has any obligation to disclose any of such interests to the Borrower. To the fullest extent permitted by Applicable Laws, the Borrower hereby waives and releases any claims that it may have against the Purchaser and each Affiliate of the Purchaser with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by this Agreement and the other Loan Documents.

Section 9.12 Payment Set Aside. To the extent that the Purchaser or any Owner receives any payment from or on behalf of the Borrower, or the Purchaser exercises its right of setoff, which payment or setoff amount or any part thereof is subsequently invalidated, declared to constitute a fraudulent conveyance or preferential transfer, set aside, or required to be repaid (including pursuant to any settlement entered into by the Purchaser or any Owner in its discretion) to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause (collectively, "Set Aside"); then, to the extent of any such Set Aside, the obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or setoff amount had not been received by the Purchaser or such Owner.

Issuer Involvement Limited. Notwithstanding anything to the contrary contained herein, or in the Bonds, the Note, or in any other instrument or document executed by or on half of the Issuer in connection herewith, (i) the Issuer shall have no obligation to take action under this Agreement, 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 expenses (including attorney's fees) in such action, or the Issuer is otherwise specifically required to perform such action by the express terms hereunder, (ii) neither the Issuer nor any member of the Issuer or any officer, employee or agent of the Issuer shall be personally liable to the Borrower, the holders of the Bonds or any other person for any action taken by the Issuer or by its officers, agents or employees for any failure to take action under this 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 Agreement, the Bonds or such other instruments or documents, shall be

payable solely from the moneys furnished to the Issuer by the Borrower under this Agreement, and no personal liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

Section 9.13 Contractual Interpretation. The Purchaser and the Borrower acknowledge that they have read and fully understand the terms of this Agreement, have consulted with such attorneys, accountants, advisors, or other professionals as they have deemed appropriate prior to executing this Agreement with adequate opportunity and time for review thereof, and are fully aware of its contents and of its legal effect. Accordingly, neither this Agreement nor any ambiguity herein shall be construed against the Purchaser or the Borrower, but not by the Issuer on the grounds that such party drafted this Agreement and instead, this Agreement shall be interpreted as though drafted equally by the Purchaser or the Borrower, but not by the Issuer.

Section 9.14 Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. No party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 9.15 Tax-Exempt Status; Arbitrage. It is the intention of the parties hereto that the interest on the Bonds shall be and remain excluded from gross income of the holder of such Bonds under the federal tax law, and to that end the covenants and agreements of the Issuer, the Purchaser and the Borrower in this Agreement with respect thereto are for the benefit of the Issuer, the Purchaser and any Owner of the Bonds.

The Issuer, the Purchaser and the Borrower covenant and agree that they have not taken or permitted to be taken and will not take or permit to be taken any action that will cause the interest on any Bond to become included in gross income for federal tax purposes pursuant to the Code or cause any Bond to become an “arbitrage bond” within the meaning of Section 148 of the Code. The Borrower specifically covenants to comply with the provisions of the Tax Agreement.

Section 9.16 Attorneys' Fees. Whenever referred to in this Agreement, "attorneys' fees" shall mean reasonable attorneys' fees.

Section 9.17 Further Assurances. From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement and the other Loan Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Purchaser, the Borrower will, at the Borrower's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Loan Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Mortgage. Upon any failure by the Borrower to do so, the Purchaser may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Borrower, all at the sole expense of the Borrower, and, to the extent permitted by law, the Borrower hereby appoints the Purchaser the agent and attorney in fact of the Borrower to do so, this appointment being coupled with an interest and being irrevocable. Without limitation of the foregoing, the Borrower irrevocably authorizes the Purchaser at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by the Purchaser to establish or maintain the validity, perfection and priority of the security interests granted in the Mortgage, and the Borrower ratifies any such filings made by the Purchaser prior to the date hereof. In addition, at any time, and from time to time, upon request by the Purchaser, the Borrower will, at the Borrower's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to verify the Borrower's identity and background in a manner satisfactory to the Purchaser.

[End of Document]

IN WITNESS WHEREOF, the parties hereto have caused this Bond Purchase and Loan Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

ISLAND VILLAGE MONTESSORI
CHARTER SCHOOL, INC.

By _____
Name:
Title:

[Signatures continue on following page]

[Signature page to Bond Purchase and Loan Agreement]

CITY OF VENICE, FLORIDA

By: _____

Name: John Holic

Title: Mayor

[SEAL]

ATTEST:

Name: Lori Stelzer

Title: City Clerk

[Signatures continue on following page]

[Signature page to Bond Purchase and Loan Agreement]

Acknowledged and agreed:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Purchaser

By _____
Name:
Title:

EXHIBIT A
FORM OF BOND

TRANSFER OF THIS BOND IS RESTRICTED
AS DESCRIBED HEREIN AND IN THE AGREEMENT

UNITED STATES OF AMERICA

STATE OF FLORIDA

CITY OF VENICE, FLORIDA
EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS
(ISLAND VILLAGE MONTESSORI CHARTER SCHOOL PROJECT),
SERIES 2016

No. R-1 \$ _____

Issue Date: _____, 2016

CITY OF VENICE, FLORIDA (the “Issuer”), for value received, hereby promises to pay, solely from the sources as hereinafter provided, to **WELLS FARGO BANK, NATIONAL ASSOCIATION** (the “Bank”), or to its registered assigns, the principal sum of _____ DOLLARS AND NO/100 CENTS (\$ _____) (the “Principal Amount”), together with interest thereon at the rate of ____%. This Bond is issued under that certain Bond Purchase and Loan Agreement dated the date hereof (the “Agreement”) among the Issuer, the Bank and Island Village Montessori Charter School, Inc. (the “Borrower”). Pursuant to the Agreement, the Issuer shall loan the proceeds of the Bond to the Borrower as evidenced by a promissory note from the Borrower to the Issuer as assigned to the Bank (the “Note”). Capitalized terms used and not otherwise defined in this Bond have the meanings given them in the Agreement.

This Bond shall mature on _____, 2031 (the “Maturity Date”) or the next succeeding Business Day if such date is not a Business Day.

Principal and interest on this Bond shall be paid on the [__th] day of each month in accordance with Schedule I attached hereto and made a part hereof. On the Maturity Date, all outstanding principal shall be due and payable. Interest shall be computed on an actual/360 simple interest basis; that is, by multiplying the applicable interest rate, times the outstanding principal balance, times the actual number of days the principal is outstanding and dividing by a year of 360 days.

The Borrower shall have the right to prepay this Bond in accordance with Section 3.01(d) of the Agreement.

The Borrower shall give the Bank or any subsequent Owner hereof and the Issuer at least fifteen (15) days prior written notice of its election to prepay all or a portion of this Bond.

Each such prepayment in part, less any applicable Prepayment Premium (as defined in the Agreement), shall be applied to reduce the principal installments of this Bond in inverse order of their maturities. Payment of the principal of, Prepayment Premium, if any, and interest on this Bond shall be made in lawful money of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts. The Issuer and Borrower have agreed that all amounts payable to the Owner with respect to any Bond held by the Owner shall be made to the Owner (without any presentment thereof, except upon payment of the final installment of principal, and without any notation of such payment being made thereon) in such manner or at such address in the United States of America as may be designated by the Owner in writing to the Issuer and the Borrower. In any case where the date of maturity of the principal of, Prepayment Premium, if any, or interest of this Bond or the date fixed for prepayment of this Bond shall not be a Business Day, then payment of such principal, Prepayment Premium or interest need not be made on such date but shall be made on the immediately succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for prepayment, and, in the case of such payment, no interest shall accrue for the period from and after such date.

Notwithstanding anything herein, upon a Determination of Taxability (as defined in the Agreement), the Borrower shall redeem the Bonds within sixty (60) days of such determination in accordance with Section 3.01(f) of the Agreement.

From and after an Event of Default (as defined in the Agreement), this Bond shall bear interest at the Default Rate.

All payments of principal and interest shall be made to the registered owner hereof at its address as it appears on the Bond registration book of the Issuer in lawful money of the United States of America.

This Bond is one of the Bonds of a duly authorized issue of revenue bonds of the Issuer in the aggregate principal amount of \$[3,850,000] known as City of Venice, Florida Educational Facilities Revenue Refunding Bonds (Island Village Montessori Charter School Project), Series 2016 (the "Bonds"), dated as of the Issue Date referenced above. All of the Bonds are issued under and pursuant to Chapter 159, Florida Statutes, Part II, Chapter 163, Florida Statutes and the City's Charter, home rule powers, and other applicable law (collectively, the "Act"), and the Agreement.

This Bond shall be a limited obligation of the Issuer, the principal, interest and Prepayment Premium (if any) of which are payable solely from and secured by the revenues derived from the Agreement and the Note, all as described in and subject to limitations set forth in the Agreement, for the equal and ratable benefit of the Owners, from time to time of this Bond. This Bond and the interest thereon, the purchase price and Prepayment Premium, if any, shall not be deemed to constitute or create an indebtedness, liability or obligation of the Issuer, the State of Florida or any political subdivision or agency thereof within the meaning of any state

constitutional provision or statutory limitation or a pledge of the faith and credit or the taxing power of the State of Florida or any political subdivision or agency thereof.

THE BONDS AND THE PREPAYMENT PREMIUM, IF ANY, AND INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF FAITH AND CREDIT OF THE ISSUER OR THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUER, THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY PRINCIPAL OF OR PREPAYMENT PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT, IN THE CASE OF THE ISSUER, FROM THE SOURCES PROVIDED HEREIN AND IN THE AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR THE PREPAYMENT PREMIUM, IF ANY, OF THE BONDS OR INTEREST THEREON OR OTHER COSTS INCIDENT THERETO.

This Bond is secured by an assignment by the Issuer to the Bank of its rights in the Agreement and the Note, and an endorsement by the Issuer without recourse of the Note payable to the order of the Bank. Payment of this Bond is further secured by a Mortgage, Assignment of Leases and Rents and Security Agreement (the "Mortgage"), dated the date hereof, from the Borrower to the Bank. Reference is hereby made to the Agreement, the Note, and the Mortgage and to all amendments thereto for a description of the provisions, among others, with respect to the nature and extent of such security and guarantee, the rights, duties and obligations of the Issuer and the Bondholder.

An executed copy of the Agreement, is on file in the office of the Issuer. Reference is hereby made to the Agreement for the provisions, among others, with respect to the custody and application of the proceeds of this Bond, the collection and disposition of revenues, a description of the funds charged with and pledged to the payment of the principal of and interest on this Bond, the nature and extent of the security, the terms and conditions under which this Bond is or may be issued, the system of registration of this Bond, the rights, duties and obligations of the Issuer and the rights of the holder of this Bond, and, by the acceptance of this Bond, the holder hereof assents to all of the provisions of the Agreement.

The transfer of this Bond may be registered by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Borrower as bond registrar (the "Bond Registrar"), its successors and assigns, but only in the manner and subject to the limitations and conditions provided in the Agreement specifically including but not limited to Section 3.01(h) of the Agreement. Upon any such registration of transfer the Bond Registrar shall execute and deliver in exchange for this Bond a new registered Bond or Bonds without coupons, registered in the name of the transferee or transferees, in denominations authorized by the Agreement and in the aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate. The Issuer shall not be required to effect any transfer of this Bond unless the Issuer is properly indemnified for its expenses related to such transfer (including reasonable attorneys' fees) by the prospective transferee.

In certain events, on the conditions, in the manner and with the effect set forth in the Agreement, the unpaid principal of this Bond may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

Upon the occurrence of an "Event of Default" as defined in the Agreement, the holder hereof may at its option declare the entire principal balance hereof and all accrued interest thereof to be due and payable. Interest shall accrue on any overdue payment of interest and any due and unpaid portion of the principal at the per annum rate equal to the Default Rate (as defined in the Agreement) or the maximum interest rate allowed by law, whichever is lower.

Anything herein or in the Agreement to the contrary notwithstanding, the obligations of the Issuer hereunder shall be subject to the limitation that payments are solely secured by funds of the Borrower and payment of interest to the Registered Owner of this Bond shall not be required to the extent that receipt of any such payment by the owner of this Bond would be contrary to the provisions of law applicable to such Bond that limits the maximum rate of interest which may be charged or collected by such Registered Owner.

This Bond shall be governed by and construed in accordance with the laws of the State of Florida.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Agreement have happened, exist and have been performed as so required.

IN WITNESS WHEREOF, CITY OF VENICE, FLORIDA has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City Council of the Issuer and its official seal to be impressed or imprinted hereon and attested by manual or facsimile signature of the City Clerk of the City Council of the Issuer, all as of the Issue Date referenced above.

CITY OF VENICE, FLORIDA

(SEAL)

By: _____

Name: John Holic

Title: Mayor

ATTEST:

Name: Lori Stelzer

Title: City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please print or type the Name and Address, including the Zip Code of the Transferee, and the federal taxpayer identification or social security number) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration and transfer thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as it appears upon the face of the within mentioned Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

By: _____

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guaranty medallion program.

SCHEDULE I

[TO BE PROVIDED]

[End of Form of Bond]

EXHIBIT B

FORM OF NOTE

AFTER THE ENDORSEMENT AND PLEDGE OF THIS NOTE AS HEREON PROVIDED, THIS NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO A SUCCESSOR OR ASSIGNEE OF THE PURCHASER REFERRED TO IN THE AGREEMENT REFERRED TO HEREIN.

PROMISSORY NOTE

\$ _____

June __, 2016

FOR VALUE RECEIVED, ISLAND VILLAGE MONTESSORI CHARTER SCHOOL, INC., a Florida not-for-profit corporation (the "Borrower"), by this promissory note promises to pay, to the order of the CITY OF VENICE, FLORIDA (the "Issuer"), the principal sum of _____ DOLLARS AND NO/100 CENTS (\$ _____) (the "Principal Amount"). The Note is issued under that certain Bond Purchase and Loan Agreement dated the date hereof (the "Agreement") among the Issuer, the Borrower and Wells Fargo Bank, National Association (as "Purchaser"). This Promissory Note is the "Note" referred to in the Agreement, and is entitled to the benefits and subject to the conditions thereof. This Note represents a loan from the Issuer to the Borrower from proceeds made available by the Purchaser upon the purchase by the Purchaser of the Bond as referenced in the Agreement. Capitalized terms not otherwise defined herein shall have the meanings provided to such terms in the Agreement.

This Note bears interest at the rate of ____% per annum. This Note shall mature on _____, 2031 (the "Maturity Date"). In any case that the Maturity Date is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day.

Principal and interest on this Note shall be paid on the [__th] day of each month in accordance with Schedule I attached hereto and made a part hereof. Interest shall be computed on an actual/360 simple interest basis; that is, by multiplying the applicable interest rate, times the outstanding principal balance, times the actual number of days the principal is outstanding and dividing by a year of 360 days.

Each payment of principal and interest on this Note will be sufficient to enable the Issuer to pay when due the total amount of principal of (whether at maturity, upon acceleration or otherwise) and interest on the Bonds. To the extent that principal of or interest on the Bonds shall be paid, there shall be credited against unpaid principal of or interest on this Note, as the case may be, an amount equal to the principal of or interest on such Bonds so paid. The principal of and interest on this Note are payable in immediately available funds of any coin or currency of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

This Note shall be secured in part by the Mortgage (as defined in the Agreement).

In addition, the Borrower agrees to pay in immediately available funds all other amounts at the time the Issuer may require to pay the same pursuant to the Bonds or the Agreement.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional without any defense, recoupment or right of set-off by reason of any default by the Issuer under the Agreement or for any other reason.

Upon the occurrence of an Event of Default as defined in the Agreement, the holder hereof may at its option declare the entire principal balance hereof and all accrued interest thereon to be due and payable. Interest shall accrue on any overdue payment of interest and any due and unpaid portion of the principal at a rate equal to the Default Rate (as defined in the Agreement) or the maximum interest rate allowed by law, whichever is lower.

The Borrower shall have the right to prepay this Note in accordance with Section 3.01(d) of the Agreement.

The Borrower shall give the Purchaser or any subsequent Owner of the Bonds and the Issuer at least fifteen (15) days prior written notice of its election to prepay all or a portion of this Note.

Notwithstanding anything herein, upon a Determination of Taxability (as defined in the Agreement) of the Bonds, the Borrower shall prepay this Note within sixty (60) days of such determination in accordance with Section 3.01(f) of the Agreement.

The Borrower hereby promises to pay all costs of collection including reasonable attorneys' fees and disbursements, without regard to any statutory presumption, in the case of default under this Note or the Agreement. The Borrower hereby waives presentment, protest and notice of protest or dishonor.

This Note shall be construed in accordance with the laws of the State of Florida.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its corporate name by its duly authorized officers and its corporate seal to be affixed hereto all as of the day and year first above written.

ISLAND VILLAGE MONTESSORI
CHARTER SCHOOL, INC.

By: _____
Name:
Title:

[SEAL]

ATTEST:

By: _____
Name:
Title:

ENDORSEMENT

Pay to the order of Wells Fargo Bank, National Association without recourse, as the holder of the Bonds referred to in the within-mentioned Agreement, or upon transfer of the Bonds pursuant to the Agreement, as security for said Bonds. This endorsement is made and given without any warranty as to the authority or genuineness of the signature of the maker of the foregoing Promissory Note.

This the ____ day of June, 2016.

CITY OF VENICE, FLORIDA

By: _____

Name:

Title:

SCHEDULE I

[TO BE PROVIDED]

[End of Form of Note]

EXHIBIT C

FORM OF INVESTOR LETTER

[Date of Purchase]

[ADDRESSEES]

CITY OF VENICE, FLORIDA
EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS
(ISLAND VILLAGE MONTESSORI CHARTER SCHOOL PROJECT),
SERIES 2016

Ladies and Gentlemen:

[NAME OF PURCHASER] (“Purchaser”) has agreed to purchase the above referenced bonds (the “Bonds”) in the amount of [AMOUNT] which were issued in the original aggregate principal amount of \$[3,850,000] by City of Venice, Florida (the “Issuer”) bearing the interest rate as set forth in such Bonds. The undersigned, an authorized representative of the Purchaser, hereby represents to you that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.
2. 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.
3. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.
4. The Purchaser is (a) an affiliate of Wells Fargo Bank, National Association, and a qualified institutional buyer (as defined below) (b) a trust or other custodial arrangement established by Wells Fargo Bank, National Association or one of its affiliates, the owners of the beneficial interests in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”) or (c) a qualified institutional buyer that is a commercial bank having a combined capital and surplus of \$5,000,000,000 or more.
5. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the Issuer, Island Village Montessori Charter School, Inc. (the “Borrower”), the Project, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds. The Purchaser has not relied upon any involvement by the Issuer financially.

6. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Borrower, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Borrower, the Project, the Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bonds.

7. The Purchaser understands that the Bonds (i) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, and (iii) carry no rating from any credit rating agency, and are not a financial obligation of the Issuer other than from funds provided by the Borrower.

8. (i) The Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person that executes an investor letter substantially in the form of this letter and:

- (a) that is an affiliate of Wells Fargo Bank, National Association and a qualified institutional buyer (as described in the Agreement);
- (b) that is a trust or other custodial arrangement established by Wells Fargo Bank, National Association or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or
- (c) that is a qualified institutional buyer and that is a commercial bank having a combined capital and surplus of \$5,000,000,000 or more.

(ii) Notwithstanding the foregoing, the Bonds may not be transferred if the Principal Amount is less than \$250,000 without the prior written consent of the Issuer and the Borrower.

[PURCHASER]

By _____
Name _____
Title _____

EXHIBIT D

CALCULATION OF FINANCIAL COVENANTS

Compliance Certificate

[LETTERHEAD OF BORROWER]

_____, 20__

TO: Wells Fargo Bank, National Association
1819 Main St., 2nd Floor
Sarasota, FL 34236

The undersigned, an officer of ISLAND VILLAGE MONTESSORI CHARTER SCHOOL, INC. (“Borrower”), gives this certificate to WELLS FARGO BANK, NATIONAL ASSOCIATION (“Bank”) in accordance with the requirements of Sections 6.01(c) and 6.17 of that certain Bond Purchase and Loan Agreement dated as of June __, 2016 (the “Agreement”), among City of Venice, Florida, the Borrower and Wells Fargo Bank, National Association. Capitalized terms used in this Certificate, unless otherwise defined herein, shall have the meanings ascribed to them in the Agreement:

(1) Based upon my review of the balance sheets and statements of income of Borrower for the fiscal year ending _____, 20____, copies of which are attached hereto, I hereby certify that:

Consolidated Debt Service Coverage Ratio:

Calculation:

- A. Cash Flow:
 - (i) Change in Net Position _____
 - (ii) Plus interest expense _____
 - (iii) Plus income tax expense _____
 - (iv) Plus depreciation expense _____
 - (v) Plus amortization expense _____
 - (vi) Minus non-cash income _____
 - (vii) Plus non-cash expense _____
 - (viii) Sum of Lines A(i) through A(vii) _____

- B. Debt Service:
 - (i) Interest expense _____
 - (ii) Plus current maturities of long-term debt as of prior fiscal year-end _____
 - (iii) Sum of Lines B(i) and B(ii) _____

C. Debt Service Coverage Ratio:

Line A(viii) divided by Line B(iii) _____:1.0

Requirement: Minimum of 1.25:1.0

In Compliance? Yes ___ No ___

(2) The undersigned hereby certifies that he/she has made a review of activities during the preceding period, for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of the Loan Documents to which it is a party;

(3) The undersigned hereby certifies that to the best of his/her knowledge, the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition on its part to be performed and no Event of Default or Default has occurred (except as may be stated in (4) or (5) below, in which case, the undersigned shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition);

(4) No Default exists on the date hereof, other than:

(if none, so state); and

(5) No Event of Default exists on the date hereof, other than:

(if none, so state).

Given this _____, 20__.

ISLAND VILLAGE MONTESSORI
CHARTER SCHOOL, INC.

By: _____
Title: _____

FORM OF BOND

**TRANSFER OF THIS BOND IS RESTRICTED
AS DESCRIBED HEREIN AND IN THE AGREEMENT**

UNITED STATES OF AMERICA

STATE OF FLORIDA

CITY OF VENICE, FLORIDA
EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS
(ISLAND VILLAGE MONTESSORI CHARTER SCHOOL PROJECT),
SERIES 2016

No. R-1

\$ _____

Issue Date: _____, 2016

CITY OF VENICE, FLORIDA (the “Issuer”), for value received, hereby promises to pay, solely from the sources as hereinafter provided, to **WELLS FARGO BANK, NATIONAL ASSOCIATION** (the “Bank”), or to its registered assigns, the principal sum of _____ DOLLARS AND NO/100 CENTS (\$ _____) (the “Principal Amount”), together with interest thereon at the rate of ____%. This Bond is issued under that certain Bond Purchase and Loan Agreement dated the date hereof (the “Agreement”) among the Issuer, the Bank and Island Village Montessori Charter School, Inc. (the “Borrower”). Pursuant to the Agreement, the Issuer shall loan the proceeds of the Bond to the Borrower as evidenced by a promissory note from the Borrower to the Issuer as assigned to the Bank (the “Note”). Capitalized terms used and not otherwise defined in this Bond have the meanings given them in the Agreement.

This Bond shall mature on _____, 2031 (the “Maturity Date”) or the next succeeding Business Day if such date is not a Business Day.

Principal and interest on this Bond shall be paid on the [__th] day of each month in accordance with Schedule I attached hereto and made a part hereof. On the Maturity Date, all outstanding principal shall be due and payable. Interest shall be computed on an actual/360 simple interest basis; that is, by multiplying the applicable interest rate, times the outstanding principal balance, times the actual number of days the principal is outstanding and dividing by a year of 360 days.

The Borrower shall have the right to prepay this Bond in accordance with Section 3.01(d) of the Agreement.

The Borrower shall give the Bank or any subsequent Owner hereof and the Issuer at least fifteen (15) days prior written notice of its election to prepay all or a portion of this Bond.

Each such prepayment in part, less any applicable Prepayment Premium (as defined in the Agreement), shall be applied to reduce the principal installments of this Bond in inverse order of their maturities. Payment of the principal of, Prepayment Premium, if any, and interest on this Bond shall be made in lawful money of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts. The Issuer and Borrower have agreed that all amounts payable to the Owner with respect to any Bond held by the Owner shall be made to the Owner (without any presentment thereof, except upon payment of the final installment of principal, and without any notation of such payment being made thereon) in such manner or at such address in the United States of America as may be designated by the Owner in writing to the Issuer and the Borrower. In any case where the date of maturity of the principal of, Prepayment Premium, if any, or interest of this Bond or the date fixed for prepayment of this Bond shall not be a Business Day, then payment of such principal, Prepayment Premium or interest need not be made on such date but shall be made on the immediately succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for prepayment, and, in the case of such payment, no interest shall accrue for the period from and after such date.

Notwithstanding anything herein, upon a Determination of Taxability (as defined in the Agreement), the Borrower shall redeem the Bonds within sixty (60) days of such determination in accordance with Section 3.01(f) of the Agreement.

From and after an Event of Default (as defined in the Agreement), this Bond shall bear interest at the Default Rate.

All payments of principal and interest shall be made to the registered owner hereof at its address as it appears on the Bond registration book of the Issuer in lawful money of the United States of America.

This Bond is one of the Bonds of a duly authorized issue of revenue bonds of the Issuer in the aggregate principal amount of \$[3,850,000] known as City of Venice, Florida Educational Facilities Revenue Refunding Bonds (Island Village Montessori Charter School Project), Series 2016 (the "Bonds"), dated as of the Issue Date referenced above. All of the Bonds are issued under and pursuant to Chapter 159, Florida Statutes, Part II, Chapter 163, Florida Statutes and the City's Charter, home rule powers, and other applicable law (collectively, the "Act"), and the Agreement.

This Bond shall be a limited obligation of the Issuer, the principal, interest and Prepayment Premium (if any) of which are payable solely from and secured by the revenues derived from the Agreement and the Note, all as described in and subject to limitations set forth in the Agreement, for the equal and ratable benefit of the Owners, from time to time of this Bond. This Bond and the interest thereon, the purchase price and Prepayment Premium, if any, shall not be deemed to constitute or create an indebtedness, liability or obligation of the Issuer, the State of Florida or any political subdivision or agency thereof within the meaning of any state constitutional provision or statutory limitation or a pledge of the faith and credit or the taxing power of the State of Florida or any political subdivision or agency thereof.

THE BONDS AND THE PREPAYMENT PREMIUM, IF ANY, AND INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF FAITH AND CREDIT OF THE ISSUER OR THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUER, THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY PRINCIPAL OF OR PREPAYMENT PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT, IN THE CASE OF THE ISSUER, FROM THE SOURCES PROVIDED HEREIN AND IN THE AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR THE PREPAYMENT PREMIUM, IF ANY, OF THE BONDS OR INTEREST THEREON OR OTHER COSTS INCIDENT THERETO.

This Bond is secured by an assignment by the Issuer to the Bank of its rights in the Agreement and the Note, and an endorsement by the Issuer without recourse of the Note payable to the order of the Bank. Payment of this Bond is further secured by a Mortgage, Assignment of Leases and Rents and Security Agreement (the "Mortgage"), dated the date hereof, from the Borrower to the Bank. Reference is hereby made to the Agreement, the Note, and the Mortgage and to all amendments thereto for a description of the provisions, among others, with respect to the nature and extent of such security and guarantee, the rights, duties and obligations of the Issuer and the Bondholder.

An executed copy of the Agreement, is on file in the office of the Issuer. Reference is hereby made to the Agreement for the provisions, among others, with respect to the custody and application of the proceeds of this Bond, the collection and disposition of revenues, a description of the funds charged with and pledged to the payment of the principal of and interest on this Bond, the nature and extent of the security, the terms and conditions under which this Bond is or may be issued, the system of registration of this Bond, the rights, duties and obligations of the Issuer and the rights of the holder of this Bond, and, by the acceptance of this Bond, the holder hereof assents to all of the provisions of the Agreement.

The transfer of this Bond may be registered by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Borrower as bond registrar (the "Bond Registrar"), its successors and assigns, but only in the manner and subject to the limitations and conditions provided in the Agreement specifically including but not limited to Section 3.01(h) of the Agreement. Upon any such registration of transfer the Bond Registrar shall execute and deliver in exchange for this Bond a new registered Bond or Bonds without coupons, registered in the name of the transferee or transferees, in denominations authorized by the Agreement and in the aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate. The Issuer shall not be required to effect any transfer of this Bond unless the Issuer is properly indemnified for its expenses related to such transfer (including reasonable attorneys' fees) by the prospective transferee.

In certain events, on the conditions, in the manner and with the effect set forth in the Agreement, the unpaid principal of this Bond may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

Upon the occurrence of an "Event of Default" as defined in the Agreement, the holder hereof may at its option declare the entire principal balance hereof and all accrued interest thereof to be due and payable. Interest shall accrue on any overdue payment of interest and any due and unpaid portion of the principal at the per annum rate equal to the Default Rate (as defined in the Agreement) or the maximum interest rate allowed by law, whichever is lower.

Anything herein or in the Agreement to the contrary notwithstanding, the obligations of the Issuer hereunder shall be subject to the limitation that payments are solely secured by funds of the Borrower and payment of interest to the Registered Owner of this Bond shall not be required to the extent that receipt of any such payment by the owner of this Bond would be contrary to the provisions of law applicable to such Bond that limits the maximum rate of interest which may be charged or collected by such Registered Owner.

This Bond shall be governed by and construed in accordance with the laws of the State of Florida.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Agreement have happened, exist and have been performed as so required.

IN WITNESS WHEREOF, CITY OF VENICE, FLORIDA has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City Council of the Issuer and its official seal to be impressed or imprinted hereon and attested by manual or facsimile signature of the City Clerk of the City Council of the Issuer, all as of the Issue Date referenced above.

CITY OF VENICE, FLORIDA

(SEAL)

By: _____
Name: John Holic
Title: Mayor

ATTEST:

Name: Lori Stelzer
Title: City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please print or type the Name and Address, including the Zip Code of the Transferee, and the federal taxpayer identification or social security number) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration and transfer thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as it appears upon the face of the within mentioned Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

By: _____

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guaranty medallion program.

SCHEDULE I

[TO BE PROVIDED]

[End of Form of Bond]

This instrument was prepared by or under the supervision of (and after recording should be returned to):

(Space reserved for Clerk of Court)

Grace E. Dunlap, Esq.
Bryant Miller Olive P.A.
One Tampa City Center, Suite 2700
Tampa, Florida 33762

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (the "Agreement") is dated as of June __, 2016 and is entered into between SARASOTA COUNTY, FLORIDA, a political subdivision of the State of Florida ("Sarasota County"), and the CITY OF VENICE, FLORIDA, a municipality of the State of Florida ("City of Venice") and consented to by ISLAND VILLAGE MONTESSORI CHARTER SCHOOL, INC. (the "Borrower"), a Florida non-profit organization.

WITNESSETH:

WHEREAS, both the City of Venice and Sarasota County are public bodies corporate and politic, both the City of Venice and Sarasota County having been organized and now existing governmental entities, which have powers under and by virtue of Chapter 159, Florida Statutes (the "Act"), and each are properly constituted entities and each a "public agency" under the Florida Interlocal Cooperation Act of 1969 (Part I of Chapter 163, Florida Statutes, as amended); and

WHEREAS, the City of Venice and Sarasota County have determined to provide assistance in the borrowing of funds for the refinancing of outstanding debt of the Borrower; and

WHEREAS, the Borrower offers tuition-free public charter school education to students in grades K-12 to the community and currently operates in a two locations in the State of Florida, including the City of Venice and Sarasota County; and

WHEREAS, the City of Venice has agreed to issue bonds to be purchased by Wells Fargo Bank, National Association (the "Bank") as herein described and desires to enter into this interlocal agreement with Sarasota County, to allow for the refinancing of the City of Venice's outstanding Industrial Revenue Bonds (Island Village Montessori Charter School, Inc. Project), Series 2007 (the "Series 2007 Bonds") and the refinancing of certain outstanding debt of the Borrower (the "Loans"); and

WHEREAS, the proceeds of the Series 2007 Bonds and the Loans were used to finance and refinance the cost of acquisition, construction and equipping of its educational facilities on its main campus located at 2001 Pinebrook Road and 2341 Kilpatrick Road, Venice, Florida (the "Venice Project") and at its campus located at 11011 Clark Road (State Road 72), Sarasota, Florida 34241 (the "Sarasota County Project," and together with the Venice Project, the "Project"); and

WHEREAS, the City of Venice is now desirous of assisting the Borrower in refinancing the Project through the loaning of the proceeds of certain bonds as described below to provide funds to the Borrower from the Bank for the refinancing of the Project; and

WHEREAS, the City of Venice has authorized and approved the issuance of its City of Venice not to exceed \$3,850,000 Educational Facilities Revenue Refunding Bonds (Island Village Montessori Charter School Project), Series 2016 (the "Bonds"), pursuant to the authority of the Act and secured as more particularly described in the Bond Purchase and Loan Agreement (the "Financing Agreement"), dated as of the first day of the month of issuance of the Bonds, by and among the City of Venice, the Bank and the Borrower (the "Financing"); and

WHEREAS, Sarasota County and the City of Venice County each constitutes a "public agency" within the meaning of Section 163.01, Florida Statutes, as amended (the "Interlocal Act"), and each is authorized under the Interlocal Act to enter into interlocal agreements providing for it to jointly exercise with another "public agency" any power, privilege or authority which it could exercise separately; and

WHEREAS, Sarasota County and the City of Venice have agreed to enter into this Agreement for the purposes stated above; and

WHEREAS, the Interlocal Act authorizes Sarasota County and the City of Venice to enter into this Agreement and confers upon the City of Venice authorization to enter into the Financing and to apply the proceeds thereof for the refinancing of the Project; and

WHEREAS, the parties hereto desire to agree to the Financing by the City of Venice for such purposes and such agreement by such parties is in the public interest; and

WHEREAS, the Borrower has determined that the provision of funds by the City of Venice to the Borrower will assist in the development and furtherance of the education and the residents of the State of Florida, and shall serve a public purpose by improving educational opportunities, and providing adequate educational facilities therein and will promote the economic development of educational facilities and agreed to indemnify the City of Venice and Sarasota County in connection with their execution of this Agreement; and

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Authorization to Enter into Financing. The City of Venice and Sarasota County do hereby agree that the City of Venice is hereby authorized to enter into the Financing Agreement with the Bonds to be issued in a principal amount not exceeding \$3,850,000 and to make the proceeds thereof available to the Borrower to refinance the Project (the "Financing"), with approximately \$1,300,000 of such proceeds to be applied to refinance the Sarasota County Project located within unincorporated Sarasota County. Sarasota County is hereby authorized to exercise all powers relating to the Financing vested in Sarasota County pursuant to the Constitution and the laws of the State of Florida and to do all things within the jurisdiction of Sarasota County which are necessary or convenient for the Financing to the same extent as if Sarasota County were directly entering into its own financing for such purposes without any further authorization from Sarasota County to exercise such powers or to take such actions. It is the intent of this Agreement and the parties hereto that the City of Venice be vested, to the maximum extent permitted by law, with all powers which Sarasota County might exercise with respect to the Financing and the making of the proceeds thereof available to the Borrower to refinance the Sarasota County Project in Sarasota County as though the City of Venice were entering into the Financing as its own special limited obligation.

SECTION 2. Qualifying Project.

A. Each of the parties hereto represents that the Project within its jurisdiction constitutes a "project" as such term is used in Part II, Chapter 159, Florida Statutes.

B. Based solely on the representations and information provided by the Borrower, the City of Venice hereby represents, determines and agrees as follows:

1. The Project located within the City of Venice is appropriate to the needs and circumstances of, and shall make a significant contribution to the economic growth of the City of Venice; shall provide or preserve gainful employment; and shall serve a public purpose by advancing educational opportunities for the economic prosperity, the public health, or the general welfare of the State of Florida and its people.

2. The Borrower is financially responsible and fully capable and willing to fulfill its obligations under the Financing documents, including the obligation to make payments in the amounts and at the times required, to operate, repair, and maintain at its own expense the Project, and to serve the purposes of Part II, Chapter 159, Florida Statutes and such other responsibilities as may be imposed under the Financing documents.

3. The City of Venice will be able to cope satisfactorily with the impact of the Project located in the City of Venice and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the construction, operation, repair, and maintenance of the Project in the City of Venice and on account of any increases in population or other circumstances resulting therefrom.

4. Adequate provision will be made in the Financing document for the operation, repair, and maintenance of the Project at the expense of the Borrower and for the payment of principal of and interest on the Bonds.

C. Based solely on the representations and information provided by the Borrower, Sarasota County hereby represents, determines and agrees as follows:

1. The Sarasota County Project which is located within Sarasota County is appropriate to the needs and circumstances of, and shall make a significant contribution to the economic growth of Sarasota County; shall provide or preserve gainful employment; and shall serve a public purpose by advancing the educational opportunities for the economic prosperity, the public health, or the general welfare of the State of Florida and its people.

2. Sarasota County will be able to cope satisfactorily with the impact of the Sarasota County Project which is located in Sarasota County and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the construction, operation, repair, and maintenance of such Sarasota County Project and on account of any increases in population or other circumstances resulting therefrom.

SECTION 3. No Pecuniary Liability of Sarasota County; Limited Obligation of City of Venice. Neither the provisions, covenants or agreements contained in this Agreement and any obligations imposed upon the City of Venice hereunder, nor the Financing entered into pursuant to this Agreement, shall constitute an indebtedness or liability of Sarasota County. The Financing, when completed, including, without limitation, the interest component thereof, shall be a limited and special obligation of the City of Venice payable solely from certain revenues and other amounts pledged thereto by the terms of the Financing Agreement and other documents related to the Financing.

SECTION 4. No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be a covenant or agreement of any member, officer, agent or employee of the City of Venice or Sarasota County in his or her individual capacity, and no member, officer, agent or employee of the City of Venice or Sarasota County shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the execution of this Agreement or the Financing.

The execution of this Agreement by Sarasota County and the City of Venice shall not be construed as (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective party to enter into the Financing, (iii) an evaluation of the likelihood of the payment of the obligations under the Financing, or (iv) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Project, and neither the City of Venice or Sarasota County shall be construed by

reason of its execution of this Agreement to make any endorsement, finding or recommendation or to have waived any right of the City of Venice or Sarasota County or to have estopped the City of Venice or Sarasota County from asserting any rights or responsibilities either may have in such regard.

SECTION 5. Allocation of Responsibilities. The City of Venice shall take all actions it deems necessary or appropriate in connection with the Financing, including, in its discretion, the preparation, review, execution and filing with government agencies of certificates, opinions, agreements and other documents to be delivered at the closing of the Financing and the establishment of any funds and accounts related thereto.

Neither the City of Venice nor Sarasota County shall be liable for the costs of the Financing or the costs incurred by either of them in connection with the preparation, review, execution or approval of this Agreement or any documentation or opinions required to be delivered in connection therewith by the City of Venice, Sarasota County or counsel to either. All of such costs shall be paid from the proceeds of the Financing or from other moneys of the Borrower.

SECTION 6. Indemnity. The Borrower, by its approval and acknowledgment at the end of this Agreement, agrees to indemnify and hold harmless the City of Venice and Sarasota County, their respective officers, employees and agents, from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever, including, but not limited to, losses, claims, damages, liabilities or expenses (including reasonable fees and expenses of attorneys, accountants, consultants and other experts), arising out of, resulting from, or in any way connected with this Agreement or the Financing, other than any such losses, damages, liabilities or expenses, in the case of Sarasota County, arising from the willful misconduct of Sarasota County, and, in the case of the City of Venice, arising from the willful misconduct of the City of Venice. The indemnity provided by this Section 6 shall survive the expiration or termination of this Agreement.

SECTION 7. Term. This Agreement will remain in full force and effect from the date of its execution, subject to the provisions of Section 8 hereof, until such time as it is terminated by one party hereto upon 10 days' advance written notice to the other party hereto. Notwithstanding the foregoing, it is agreed that this Agreement may not be terminated so long as any amount under the Financing remains outstanding or unpaid. Nothing herein shall be deemed in any way to limit or restrict either party hereto from issuing its own obligations or entering into any other agreement for the financing or refinancing of any facility which either party hereto may choose to finance or refinance.

SECTION 8. Filing of Agreement. It is agreed that this Agreement shall be filed by the Borrower or its authorized agent or representative with the Clerk of the Circuit Court of Sarasota County, Florida, all in accordance with the Interlocal Act, and that this Agreement shall not become effective until so filed.

SECTION 9. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

SECTION 10. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO AND THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT.

SECTION 11. Governing Law. This Agreement is being delivered and is intended to be performed in the State of Florida, and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of such State.

SECTION 12. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed by the proper officers thereof, all as of the date first above written.

CITY OF VENICE, FLORIDA

(SEAL)

By: _____

Name: John Holic

Title: Mayor

ATTEST:

By: _____

Name: _____

Title: City Clerk

STATE OF FLORIDA

COUNTY OF SARASOTA

The foregoing Interlocal Agreement was acknowledged before me this ____ day of _____, 2016 by John Holic, the Mayor of the City of Venice, who is personally known to me or who has produced _____ as identification and who did/did not take an oath.

Print Name: _____

Notary Public

My commission expires: _____

[First Signature Page | Interlocal Agreement]

APPROVED BY THE BOARD OF COUNTY COMMISSIONERS OF SARASOTA COUNTY, FLORIDA, this ___ day of June, 2016.

BOARD OF COUNTY COMMISSIONERS OF SARASOTA COUNTY, FLORIDA

(SEAL)

By: _____
Alan Maio, Chairman

Attest:

KAREN E. RUSHING, Clerk of the Circuit Court and Ex-Officio Clerk of the Board or County Commissioners of Sarasota County, Florida

By: _____
Deputy Clerk

Approved as to form and correctness:

By: _____
County Attorney

STATE OF FLORIDA

COUNTY OF SARASOTA

The foregoing Interlocal Agreement was acknowledged before me this ___ day of _____, 2016 by Alan Maio, the Chairman of the Board of County Commissioners of Sarasota County, Florida, who is personally known to me or who has produced _____ as identification and who did/did not take an oath.

Print Name: _____
Notary Public

My commission expires: _____

[Second Signature Page | Interlocal Agreement]

APPROVAL AND ACKNOWLEDGMENT

The Island Village Montessori Charter School, Inc., a Florida not-for-profit corporation, hereby approves this Interlocal Agreement and acknowledges its acceptance of its obligations arising under Sections 5 and 6 of the Interlocal Agreement by causing this Approval and Acknowledgment to be executed by its proper officer as of the date of said Interlocal Agreement.

**ISLAND VILLAGE MONTESSORI CHARTER
SCHOOL, INC., as Corporation**

By: _____
Executive Director

[Third Signature Page | Interlocal Agreement]