



NOTICE OF MEETING OF THE BOARD OF DIRECTORS Notice is hereby given that a meeting of the Board of Directors of IDEA Public Schools will be held on August 7, 2020. The Board will convene in Open Session at 10:00 am (EST). The Board meeting will be held via conference call pursuant to the rules adopted by the Administration Commission under s. 120.54(5). Such meeting is a regular meeting.

IDEA Florida

Board Meeting Agenda

August 7, 2020

Trey Traviesa, Chair  
Lizzette Gonzalez-Reynolds, Secretary  
Nick Rhodes, Director

Meeting URL: <https://bluejeans.com/8507669770> or 1.888.240.2560 : Meeting ID: 850 766 9770

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Call to Order: 10:00am (EST)

Welcome: Chair Traviesa

1. **Approval of Minutes from June 9, 2020 business meeting** (Appendix A)
2. **Updates**
  - a. **Executive Director Tampa**
  - b. **Executive Director Jacksonville**
  - c. **VP Advancement**
3. **Action Items**
  - a. Approve 2020-2021 Budget (Appendix B)
  - b. Approve IDEA Resolutions for Tampa #1 and Tampa #2 with Master Facility Lease and Repayment Schedule for Tampa #1 and Tampa #2 (Appendix C)
  - c. Approve Master Lease for Technology with Insight Investments, LLC. (Appendix D)
4. **Public Comment**
5. **Member Comments**
6. **Adjourn**

## **Appendix A**

IDEA Public Schools- Florida  
Board of Directors Meeting  
June 9, 2020  
2:00pm EST

**Summary of Motions and Approvals**

The board passed a motion to approve the minutes from the February 26, 2020 board meeting.

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes

All in favor: Motion carries unanimously

The board passed a motion to approve the draft Performance Based Agreement for Tampa Campus #3

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes

All in favor: Motion carries unanimously

The board passed a motion to approve the draft Performance Based Agreement for Jacksonville Campus #1

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes

All in favor: Motion carries unanimously

The board passed a motion to approve the draft Performance Based Agreement for Jacksonville Campus #2

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes

All in favor: Motion carries unanimously

The board passed a motion to approve the draft Performance Based Agreement for Jacksonville Campus #3

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes

All in favor: Motion carries unanimously

The board passed a motion to approve the Resolution to become a Local Education Agency (LEA) for federal funding purposes

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes

All in favor: Motion carries unanimously

**Board Members present:** Trey Traviesa-Chair, Nick Rhodes, Lizette Reynolds

**IDEA Staff and Contractors present:** Adam Miller, Jose Luis DeLeon, Melissa Huffman, Chris Warren, Leanne Hernandez, Jessica Hess, Eric Haug, Daniel Woodring, Janine Valentine, Naomi Marsh

**Audience present:** None

Meeting is called to order by Trey Traviesa at 2:00pm PM (EST)

**Chair and Member Comments:** Trey Traviesa opened the meeting by discussing the recent events surrounding the murder of George Floyd. The members discussed how recent events have shone a spotlight on the inequities and inequalities that persist in our society and how each is continuing to reflect on how IDEA can be a force for change.

### ***Approval of Minutes***

Trey Traviesa requested a motion to approve the minutes from the February 26, 2020 Board of Directors meeting.

Motion made by: Lizette Reynolds

Second to motion made by Nick Rhodes

All in favor: Motion carries unanimously

### ***Updates***

Melissa Huffman: Regional Director of Operations, IDEA Tampa

- Site Acquisition
  - Construction on first campus at Nebraska and Fowler (IDEA Victory) set to commencement in September 2020 with a June 2021 completion date.
  - Second site near I-4 and 50<sup>th</sup> street (IDEA Hope) is now under contract with a due diligence close in mid-June and final close by mid-August.
  - Search underway for land further east along I-4 triangulating Thonotosassa, Dover, and Mango areas and within five miles of four to six PLPs. You'll learn more details today when we review the Notice of Intent submitted to HCPS for the third campus to launch in 2022.
- Talent
  - By July, Team Tampa Bay will grow to number 43 including 8 regional lead team members, 12 principals and assistant principals of instruction in residence, 21 founding teacher fellows relocating to the RGV, and two assistant principals of operations.
    - Two new Assistant Principals of Operations hired:
      - The APO for IDEA Victory is Janine Valentine

- The APO for IDEA Hope is Naomi Marsh
- We now have named three of our four 2021 Launching Principals from our current PIR cohort. All three will be part of the Rhodes Fellowship for the 2020-21 year.
- On the regional team, we are joined by two internal to IDEA transfers, one new hire and we still have our Regional Director of Staffing role open.
  - Janet Crenshaw, a successful IDEA college prep principal and most recent Vice President of School for SoLa is relocating home to Florida to be our founding Regional Director of Leader Development training, coaching, and developing our PIRs.
  - Darlene Hernandez, former IDEA API and RDIC in the RGV will be our founding Regional Director of Instructional Coaching supporting our AIRs and FTFs this year while they are in residence in RGV. When we launch next summer, as the RDIC, Darlene will lead teaching training and development including the Teacher Career Pathway program.
  - Finally, I am proud to introduce Dr. Christopher Warren, our founding Regional Director of Advancement, who will introduce himself and provide a couple additional updates about next steps with our Tampa Bay advancement landscape...Chris...
- TB Advancement Landscape: Update by Chris Warren
  - Regional Advisory Board
    - Goal is to assemble of at least 5 regional advisory board members by end of August and grow the board overtime to 9 and eventually 12 local leaders who champion and reflect collectively the various geographies and communities we'll serve in order to help IDEA:
      - develop trust and make inroads in neighborhoods
      - build partnerships to further our mission and vision
      - provide advice and guidance around key components of our work
      -

Our current, ideal board configuration includes leaders across sectors such as non-profit, mental health, social and emotional learning, community development, government policy, real estate, finance, and fundraising

Jose Luiz DeLeon: Executive Director, IDEA Jacksonville

- People Update
  - Five PIRs have been hired. They will be placed at IDEA Quest, where Jose Luiz will oversee their training and development.
- Site Acquisition Update

- Site #1 is under contract. The site is on the northside of Jacksonville.
- Potential site #2 is a ground lease on the westside of Jacksonville. IDEA is still working through details with the owner of the property.
- Potential site #3 requires significant remediation. IDEA is continuing to assess the viability of the site.

Adam Miller, VP of Advancement

- Schools of Hope: IDEA submitted a revised 5-year Schools of Hope budget requesting approximately \$89M. We are awaiting approval from the FL Department of Education.
- The Duval County School Board will vote on three Performance Based Agreements with IDEA at its June 16<sup>th</sup> Board meeting.
- The Hillsborough County School Board will vote on the Performance-Based Agreement with IDEA for Campus #3 at its June 23<sup>rd</sup> Board meeting.
- IDEA is working with charter schools in Jacksonville to create a charter school leaders group to support and encourage collaboration across the charter schools in Jacksonville.

### **Action Items**

#### ***Action Item A***

Chair Traviesa introduced the item and asked that Adam Miller explain the item. Adam explained that the draft performance-based agreement for Tampa Campus #3 was negotiated between IDEA and district staff and that it is substantively similar to the previous performance-based agreement this board approved.

Trey Traviesa looked for a motion to approve the draft performance-based agreement.

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes

All in favor: Motion carries unanimously

#### ***Action Item B***

Chair Traviesa introduced the item and asked that Adam Miller explain the item. Adam explained that the draft performance-based agreement for Jacksonville Campus #1 was negotiated between IDEA and district staff and that it is substantively similar to the previous performance-based agreement this board approved.

Trey Traviesa looked for a motion to approve the draft performance-based agreement.

Motion made by: Lizette Reynolds

Second to motion: Nick Rhodes  
All in favor: Motion carries unanimously

***Action Item C***

Chair Traviesa introduced the item and asked that Adam Miller explain the item. Adam explained that the draft performance-based agreement for Jacksonville Campus #2 was negotiated between IDEA and district staff and that it is substantively similar to the previous performance-based agreement this board approved.

Trey Traviesa looked for a motion to approve the draft performance-based agreement.

Motion made by: Lizette Reynolds  
Second to motion: Nick Rhodes  
All in favor: Motion carries unanimously

***Action Item D***

Chair Traviesa introduced the item and asked that Adam Miller explain the item. Adam explained that the draft performance-based agreement for Jacksonville Campus #3 was negotiated between IDEA and district staff and that it is substantively similar to the previous performance-based agreement this board approved.

Trey Traviesa looked for a motion to approve the draft performance-based agreement.

Motion made by: Lizette Reynolds  
Second to motion: Nick Rhodes  
All in favor: Motion carries unanimously

***Action Item E***

Chair Traviesa introduced the item and asked that Adam Miller explain the item. Adam explained that the Schools of Hope law allows Hope Operators to be designated as a Local Education Agency for the purposes of receiving federal funding. The designation will allow IDEA to apply for and receive federal grants directly from the Department of Education, providing additional autonomy and flexibility.

Trey Traviesa looked for a motion to approve the Board Resolution.

Motion made by: Lizette Reynolds  
Second to motion: Nick Rhodes  
All in favor: Motion carries unanimously

**Public Comment**

None

**Member Comments**

None

***Adjourn***

Trey Traviesa looks for a motion to adjourn at 3:00pm EST

Motion made by: Nick Rhodes

Second to motion: Lizette Reynolds

All in favor: Motion carries unanimously

I certify that the foregoing are the true and correct minutes of the meeting of the Board of Directors of IDEA Florida held on June 9, 2020.

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Lizzette Gonzalez-Reynolds, Board Secretary



## **Appendix B**

**IDEA Florida  
Board Action Item  
August 7, 2020**

**Subject:** IDEA Florida 2020-21 Budget

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**Proposed Board Action:** For Approval

**Executive Summary:**

The attached budget includes all expected sources of revenues and projected expenses for the fiscal year ending June 30, 2021. The primary sources of revenue include School of Hope grant funding and philanthropic support.

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**Supporting Documentation:** IDEA Florida 2020-21 budget

**Supplemental Information:** Schools of Hope 2020-21 grant budget

**Presenter:** Urian Anzaldua, Director of Finance, IDEA Public Schools



# **2020-21 IDEA Florida Budget**

## **August 7, 2020**

# Table of Contents

**A. IDEA Tampa Bay Pro Forma**

**B. IDEA Jacksonville Pro Forma**

Supplemental Slides

- FL Highlights: Revenue
- FL Highlights: Expense

# IDEA Tampa Bay 2020-21 Pro forma

IDEA TAMPA BAY	2020-21 PRO FORMA
	BASE CASE
STATE REVENUE	\$8,118,193
ALL OTHER REVENUE - Philanthropic	730,395
<b>TOTAL REVENUE</b>	<b>8,848,588</b>
CAMPUS EXPENSES (Staff Contracted Service)	3,697,423
CAMPUS (Discretionary)	774,000
AUXILIARY CAMPUS (Staff Contracted Service)	
AUXILIARY CAMPUS (Discretionary)	
<i>Facilities Leases</i>	-
REGIONAL EXPENSES (Staff Contracted Service)	1,472,225
REGIONAL EXPENSES (Discretionary)	2,879,622
CNP EXPENSES (Staff Contracted Service)	\$25,318
CNP EXPENSES (Discretionary)	-
<i>Management Fee * Charged against Philanthropic revenue only</i>	95,269
<b>TOTAL EXPENSES</b>	<b>\$8,848,588</b>
<b>EBIDA</b>	<b>\$0</b>
EBIDA Target	0
<b>Amount over/(under) target</b>	<b>\$0</b>

# IDEA Jacksonville 2020-21 Pro forma

IDEA Jacksonville	2020-21 PRO FORMA
	BASE CASE
STATE REVENUE	2,585,345
ALL OTHER REVENUE	80,084
<b>TOTAL REVENUE</b>	<b>2,665,429</b>
CAMPUS EXPENSES (Staff Contracted Service)	-
CAMPUS (Discretionary)	-
AUXILIARY CAMPUS (Staff Contracted Service)	-
AUXILIARY CAMPUS (Discretionary)	-
<i>Facilities Leases</i>	-
REGIONAL EXPENSES (Staff Contracted Service)	1,640,327
REGIONAL EXPENSES (Discretionary)	1,025,102
CNP EXPENSES (Staff Contracted Service)	-
CNP EXPENSES (Discretionary)	-
<i>Management Fee</i>	-
<b>TOTAL EXPENSES</b>	<b>\$2,665,429</b>
<b>EBIDA</b>	<b>\$0</b>
EBIDA Target	0
<b>Amount over/(under) target</b>	<b>\$0</b>

# Florida Highlights: Revenue

## Tampa Bay

- \$8,118,193 – School of Hope
- \$730,395 – Gates Foundation, Vinik Foundation, Triad Foundation, and Calder Foundation

## Jacksonville

- \$2,585,345 – School of Hope
  - School of Hope Funds pass to IDEA Florida via subgrant from IPS (See SOH Budget)

# Florida Highlights: Expense

## HQ Positions – Tampa Bay

- Executive Director
- Vice President of Schools
- Executive Assistant
- Regional Director of Operations
- Regional Director of Staffing
- Regional Director of Leader Development
- Regional Director of Instructional Coaching
- 8 – Principal's in Residence
- Founding Teacher Fellows

## HQ Positions – Jacksonville

- Executive Director
- Executive Assistant
- Regional Director of Operations (partial year)
- Vice Principal of Schools (partial year)
- 5 – Principal's in Residence

## HQ Shared Positions

- Vice President of Advancement
- Regional Director of Advancement
- Regional Managing Director of Academic Services
- Director of Certification Design
- 4 – Curriculum Managers



# Florida Highlights: Expenses

## Operating Expenses

- Regional Staff Travel for Trainings & Recruitment
- Regional and School Leader Professional Development
- Venues & Materials for Super Recruitment Day
- Employee Relocation Expenses
- Marketing & Advertising, Community Engagement
- Rentals: Regional Office Copy Machines
- Supplies: Supplies for student recruitment, Welcome to IDEA- Parent & Family Engagement, Marketing, Trainings
- Regional Office and School temporary signage to support recruitment



FLORIDA DEPARTMENT OF EDUCATION  
BUDGET NARRATIVE FORM

A) Name of Eligible Recipient/Fiscal Agent: .....

B) DOE Assigned Project Number: .....

C) TAPS Number: .....

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
FUNCTION	OBJECT	ACCOUNT TITLE AND NARRATIVE	FTE POSITION	AMOUNT	% ALLOCATED to this PROJECT	ALLOWABLE DOE USE ONLY	REASONABLE DOE USE ONLY	NECESSARY DOE USE ONLY
<b>Tampa Bay Region</b>								
5200	130	Psychology (LSSP), Speech		\$ -	Region			
5200	230	Health		\$ -				
5200	223	Medicare		\$ -				
5200	240	Worker's Compensation		\$ -				
5200	250	Unemployment Comensation		\$ -				
5200	210	Retirement		\$ -				
5200	290	Employee Allowances		\$ -				
7200	110	(ED),Executive Assistant (EA),	12.7	\$ 1,281,140.54				
7200	230	Health	\$0	\$ 56,793.75				
7200	223	Medicare	\$0	\$ 18,576.54				
7200	240	Worker's Compensation	\$0	\$ 7,768.84				
7200	250	Unemployment Comensation	\$0	\$ 6,674.74				
7200	210	Retirement	\$0	\$ 51,245.62				
7200	290	Employee Allowances	\$0	\$ 40,866.62				
7200	790	Recruitment Day	\$0.00	\$ 20,400.00				
7200	290	Employee Relocation Expenses	\$0.00	\$ 100,000.00				
7200	300	Community Engagement and	\$0.00	\$ 1,026,940.00				
7200	360	Machines	\$0.00	\$ 8,568.00				
7200	510	recruitment, Welcome to IDEA-	\$0.00	\$ 546,011.50				
7200	330	Trainings & Recruitment	\$0.00	\$ 832,506.00				
<b>Tampa Bay Academy Schools</b>								
5100	120	Education Teacher			Academy			
5100	230	Health						

5100	223	Medicare						
5100	240	Worker's Compensation						
5100	250	Unemployment Comensation						
5100	210	Retirement						
5100	290	Employee Allowances						
5100	150	Facilitator, Physical Education	20	\$ 478,209.28				
5100	230	Health		\$ 78,000.00				
5100	223	Medicare		\$ 6,934.03				
5100	240	Worker's Compensation		\$ 2,899.86				
5100	250	Unemployment Comensation		\$ 2,491.47				
5100	210	Retirement		\$ 19,128.37				
5100	290	Employee Allowances		\$ 88,000.00				
5200	120	Special Education Teacher						
5200	230	Health						
5200	223	Medicare						
5200	240	Worker's Compensation						
5200	250	Unemployment Comensation						
5200	210	Retirement						
5200	290	Employee Allowances						
6120	130	Emotional Counselor	3	\$ 99,154.19				
6120	230	Health		\$ 14,625.00				
6120	223	Medicare		\$ 1,437.74				
6120	240	Worker's Compensation		\$ 601.27				
6120	250	Unemployment Comensation		\$ 516.59				
6120	210	Retirement		\$ 3,966.17				
6120	290	Employee Allowances						
6120	160	Testing Coordinator						
6120	230	Health						
6120	223	Medicare						
6120	240	Worker's Compensation						
6120	250	Unemployment Comensation						
6120	210	Retirement						
6120	290	Employee Allowances						
7300	110	(PIR),Assistant Principal of	19.5	\$ 832,075.65				
7300	230	Health		\$ 43,875.00				
7300	223	Medicare		\$ 12,065.10				
7300	240	Worker's Compensation		\$ 5,045.71				
7300	250	Unemployment Comensation		\$ 4,335.11				
7300	210	Retirement		\$ 33,283.03				

7300	290	Employee Allowances		\$ 203,880.90				
7300	160	(SIS) Coordinator,	4	\$ 107,791.20				
7300	230	Health		\$ 14,625.00				
7300	223	Medicare		\$ 1,562.97				
7300	240	Worker's Compensation		\$ 653.65				
7300	250	Unemployment Comensation		\$ 561.59				
7300	210	Retirement		\$ 4,311.65				
7300	290	Employee Allowances						
5000	102	Saturday Tutoring Pay						
5000	300	Substitute Pay-Contracted Out						
5000	330	Student Field Lessons						
5000	369	Staff Laptop Lease						
5000	510	Supplies						
5000	520	Student Textbooks and Novels						
5000	610	Accelerated Reader Books						
5000	640	Document Cameras		\$ 2,000.00				
5000	643	System						
5000	690	Enterprise Software						
5200	510	Special Education						
5200	640	Signage		\$ 200,000.00				
6400	300	Development and Trainings		\$ 90,000.00				
6400	510	Professional Development						
7300	510	Front Office Staff Supplies		\$ 30,000.00				
7400	640	Exceptional Students						
9100	510	Engagement Events		\$ 50,000.00				
7400	360	Facilities Lease						
7800	600	Transportation						
7800	690	Transportation Software						
<b>Tampa Bay College Preparatory Schools</b>								
7300	110	(PIR),Assistant Principal of	16.5	\$ 533,266.65	College			
7300	230	Health		\$ 29,250.00				
7300	223	Medicare		\$ 7,732.37				
7300	240	Worker's Compensation		\$ 3,233.73				
7300	250	Unemployment Comensation		\$ 2,778.32				
7300	210	Retirement		\$ 21,330.67				
7300	290	Employee Allowances		\$ 127,440.45				
7300	150	opening)						
7300	230	Health						
7300	223	Medicare						

7300	240	Worker's Compensation						
7300	250	Unemployment Comensation						
7300	210	Retirement						
7300	290	Employee Allowances						
6120	130	Academic Counselor	2	\$	66,102.79			
6120	230	Health		\$	9,750.00			
6120	223	Medicare		\$	958.49			
6120	240	Worker's Compensation		\$	400.85			
6120	250	Unemployment Comensation		\$	344.40			
6120	210	Retirement		\$	2,644.11			
6120	290	Employee Allowances						
5100	120	Education Teacher						
5100	230	Health						
5100	223	Medicare						
5100	240	Worker's Compensation						
5100	250	Unemployment Comensation						
5100	210	Retirement						
5100	290	Employee Allowances						
5200	120	Special Education Teacher						
5200	230	Health						
5200	223	Medicare						
5200	240	Worker's Compensation						
5200	250	Unemployment Comensation						
5200	210	Retirement						
5200	290	Employee Allowances						
5100	150	Founding Teacher Fellow,	12	\$	239,104.64			
5100	230	Health		\$	39,000.00			
5100	223	Medicare		\$	3,467.02			
5100	240	Worker's Compensation		\$	1,449.93			
5100	250	Unemployment Comensation		\$	1,245.74			
5100	210	Retirement		\$	9,564.19			
5100	290	Employee Allowances		\$	60,000.00			
6120	160	Testing Coordinator						
6120	230	Health						
6120	223	Medicare						
6120	240	Worker's Compensation						
6120	250	Unemployment Comensation						
6120	210	Retirement						
6120	290	Employee Allowances						

6120	110	College Counselor, Social	7	\$ 33,051.40				
6120	230	Health		\$ 4,875.00				
6120	223	Medicare		\$ 479.25				
6120	240	Worker's Compensation		\$ 200.42				
6120	250	Unemployment Comensation		\$ 172.20				
6120	210	Retirement		\$ 1,322.06				
6120	290	Employee Allowances						
7300	160	(SIS) Coordinator, Registrar,	5	\$ 107,791.20				
7300	230	Health		\$ 14,625.00				
7300	223	Medicare		\$ 1,562.97				
7300	240	Worker's Compensation		\$ 653.65				
7300	250	Unemployment Comensation		\$ 561.59				
7300	210	Retirement		\$ 4,311.65				
7300	290	Employee Allowances						
5000	102	Saturday Tutoring Pay						
5000	300	Substitute Pay-Contracted Out						
5000	330	Student Field Lessons						
5000	369	Staff Laptop Lease						
5000	510	Supplies						
5000	520	Student Textbooks and Novels						
5000	610	Accelerated Reader Books						
5000	640	Document Cameras						
5000	643	System						
5000	690	Enterprise Software						
6400	510	campus leaders						
6400	300	Development and Trainings		\$ 60,000.00				
5200	510	Students						
5200	640	Exceptional Students		\$ 200,000.00				
9100	510	Engagement Events		\$ 100,000.00				
7400	360	Facilities Lease						
7800	600	Transportation						
7800	690	Transportation Software						
<b>Jacksonville Region</b>								
5200	130	Psychology (LSSP), Speech						
5200	230	Health						
5200	223	Medicare						
5200	240	Worker's Compensation						
5200	250	Unemployment Comensation						
5200	210	Retirement						

5200	290	Employee Allowances						
7200	110	(ED),Executive Assistant (EA),	12.65	\$ 722,233.10				
7200	230	Health		\$ 47,043.75				
7200	223	Medicare		\$ 10,471.94				
7200	240	Worker's Compensation		\$ 4,379.78				
7200	250	Unemployment Comensation		\$ 3,762.48				
7200	210	Retirement		\$ 28,889.08				
7200	290	Employee Allowances		\$ 34,186.88				
0	0	Narrative						
7200	790	Recruitment Day		\$ 20,000.00				
7200	290	Employee Relocation Expenses		\$ 100,000.00				
7200	300	Community Engagement and		\$ 670,800.00				
7200	360	Machines		\$ 8,400.00				
7200	510	recruitment, Welcome to IDEA-		\$ 52,225.00				
7200	330	Trainings & Recruitment		\$ 121,300.00				
<b>Jacksonville Academy Schools</b>								
5100	120	Education Teacher						
5100	230	Health						
5100	223	Medicare						
5100	240	Worker's Compensation						
5100	250	Unemployment Comensation						
5100	210	Retirement						
5100	290	Employee Allowances						
5100	150	Facilitator, Physical Education						
5100	230	Health						
5100	223	Medicare						
5100	240	Worker's Compensation						
5100	250	Unemployment Comensation						
5100	210	Retirement						
5100	290	Employee Allowances						
5200	120	Special Education Teacher						
5200	230	Health						
5200	223	Medicare						
5200	240	Worker's Compensation						
5200	250	Unemployment Comensation						
5200	210	Retirement						
5200	290	Employee Allowances						
6120	130	Emotional Counselor						
6120	230	Health						



6120	223	Medicare						
6120	240	Worker's Compensation						
6120	250	Unemployment Comensation						
6120	210	Retirement						
6120	290	Employee Allowances						
6120	160	Testing Coordinator						
6120	230	Health						
6120	223	Medicare						
6120	240	Worker's Compensation						
6120	250	Unemployment Comensation						
6120	210	Retirement						
6120	290	Employee Allowances						
7300	110	(PIR),Assistant Principal of	18.5	\$ 292,950.00				
7300	230	Health		\$ 14,625.00				
7300	223	Medicare		\$ 4,247.78				
7300	240	Worker's Compensation		\$ 1,776.45				
7300	250	Unemployment Comensation		\$ 1,526.27				
7300	210	Retirement		\$ 11,718.00				
7300	290	Employee Allowances		\$ 76,147.50				
7300	160	(SIS) Coordinator,						
7300	230	Health						
7300	223	Medicare						
7300	240	Worker's Compensation						
7300	250	Unemployment Comensation						
7300	210	Retirement						
7300	290	Employee Allowances						
5000	102	Saturday Tutoring Pay						
5000	300	Substitute Pay-Contracted Out						
5000	330	Student Field Lessons						
5000	369	Staff Laptop Lease						
5000	510	Supplies						
5000	520	Student Textbooks and Novels						
5000	610	Accelerated Reader Books						
5000	640	Document Cameras						
5000	643	System						
5000	690	Enterprise Software						
5200	510	Special Education						
5200	640	Signage						
6400	300	Development and Trainings		\$ 50,000.00				

6400	510	Professional Development						
7300	510	Front Office Staff Supplies						
7400	640	Exceptional Students						
9100	510	Engagement Events						
7400	360	Facilities Lease						
7800	600	Transportation						
7800	690	Transportation Software						
<b>Jacksonville College Preparatory Schools</b>								
7300	110	(PIR),Assistant Principal of	11	\$ 195,300.00				
7300	230	Health		\$ 9,750.00				
7300	223	Medicare		\$ 2,831.85				
7300	240	Worker's Compensation		\$ 1,184.30				
7300	250	Unemployment Comensation		\$ 1,017.51				
7300	210	Retirement		\$ 7,812.00				
7300	290	Employee Allowances		\$ 50,765.00				
7300	150	opening)						
7300	230	Health						
7300	223	Medicare						
7300	240	Worker's Compensation						
7300	250	Unemployment Comensation						
7300	210	Retirement						
7300	290	Employee Allowances						
6120	130	Academic Counselor						
6120	230	Health						
6120	223	Medicare						
6120	240	Worker's Compensation						
6120	250	Unemployment Comensation						
6120	210	Retirement						
6120	290	Employee Allowances						
5100	120	Education Teacher						
5100	230	Health						
5100	223	Medicare						
5100	240	Worker's Compensation						
5100	250	Unemployment Comensation						
5100	210	Retirement						
5100	290	Employee Allowances						
5200	120	Special Education Teacher						
5200	230	Health						
5200	223	Medicare						

5200	240	Worker's Compensation						
5200	250	Unemployment Comensation						
5200	210	Retirement						
5200	290	Employee Allowances						
5100	150	Founding Teacher Fellow,						
5100	230	Health						
5100	223	Medicare						
5100	240	Worker's Compensation						
5100	250	Unemployment Comensation						
5100	210	Retirement						
5100	290	Employee Allowances						
6120	160	Testing Coordinator						
6120	230	Health						
6120	223	Medicare						
6120	240	Worker's Compensation						
6120	250	Unemployment Comensation						
6120	210	Retirement						
6120	290	Employee Allowances						
6120	110	College Counselor, Social						
6120	230	Health						
6120	223	Medicare						
6120	240	Worker's Compensation						
6120	250	Unemployment Comensation						
6120	210	Retirement						
6120	290	Employee Allowances						
7300	160	(SIS) Coordinator, Registrar,						
7300	230	Health						
7300	223	Medicare						
7300	240	Worker's Compensation						
7300	250	Unemployment Comensation						
7300	210	Retirement						
7300	290	Employee Allowances						
5000	102	Saturday Tutoring Pay						
5000	300	Substitute Pay-Contracted Out						
5000	330	Student Field Lessons						
5000	369	Staff Laptop Lease						
5000	510	Supplies						
5000	520	Student Textbooks and Novels						
5000	610	Accelerated Reader Books						

5000	640	Document Cameras						
5000	643	System						
5000	690	Enterprise Software						
6400	510	campus leaders						
6400	300	Development and Trainings		\$ 40,000.00				
5200	510	Students						
5200	640	Exceptional Students						
9100	510	Engagement Events						
7400	360	Facilities Lease						
7800	600	Transportation						
7800	690	Transportation Software						
<b>D) TOTAL</b>				<b>\$ 10,703,537.05</b>				



### DOE USE ONLY (Program)

I certify that the cost for each line item budget category has been evaluated and determined to be allowable, reasonable and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

**Printed Name:** .....

**Signature:** .....

**Title:** .....

**Date:** .....

### DOE USE ONLY (Grants Management)

I certify that the cost for each line item budget category has been evaluated and determined to be allowable as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

**Printed Name:** .....

**Signature:** .....

**Title:** .....

**Date:** .....



## **Appendix C**

**IDEA Florida  
Board Action Item  
August 7, 2020**

**Subject:** Resolution related to Master Facility Lease Agreement for IDEA Tampa #1 and Tampa #2

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**Proposed Board Action:** For Approval

**Executive Summary:**

The proposed Resolutions for Tampa Site #1 and Tampa site #2 authorize the Chair and Secretary to take the actions necessary to finalize and execute the Master Facility Lease agreement and the accompanying lease repayment schedules.

IPS Enterprises, Inc., a separate and supporting organization of IDEA Texas, has obtained financing arrangements for IDEA Florida's first two sites in Tampa Bay located on Fowler Avenue (Tampa 1) and 10<sup>th</sup> Avenue (Tampa 2). Because IPS is an established organization with a strong financial history, it can obtain optimal financing arrangements. IPS Enterprises will own the real estate, obtain debt to purchase the land and complete construction and lease the facilities to IDEA Florida. IPS Enterprises acts as a pass-through company and the lease revenue in which IDEA Florida pays to IPS Enterprises will be used to pay the debt service associated with the financing.

The Master Lease Agreement is an agreement between IDEA Florida, Inc. and IPS Enterprises in which IPS Enterprises agrees to provide the facilities and IDEA Florida agrees to pay lease revenues in an amount not to exceed the attached repayment schedules. These lease revenues will be pledged to repay the debt service associated with the loans and are calculated at a Lease Payment Coverage Ratio of 1.10 for each Fiscal Year, commencing with the Fiscal Year ending 6/30/2022.

The leasing arrangement details can be found in the supporting Sources and Uses document but are also generally described below:

**Tampa #1: Nebraska and Fowler Property**

Senior Lender: CLI Capital

Amt: Approx. \$19,325,000

Rate: Prime plus 1%, Floor of 5.05%, Ceiling of 8%

Term: 5 Year Term, 30 Year Amortization

Subordinate Lender: Building Hope (SOH Revolving Loan Fund)

Amt: Approx. \$7,900,000

Rate: Approx. 1.05% based on the following: 20% of the weekly average bond buyer index rate plus 3% (fixed at closing)

Term: Earlier of 84 months or the maturity date of the senior lender

**Tampa #2: 10<sup>th</sup> Ave**

Senior Lender: CLI Capital

Amt: Approx. \$19,030,000

Rate: Libor plus 350bps

Term: 3 Year Term, 25 Year Amortization

Subordinate Lender: Building Hope (SOH Revolving Loan Fund)

Amt: Approx. \$7,900,000

Rate: Approx. 1.05% based on the following: 20% of the weekly average bond buyer index rate plus 3% (fixed at closing)

Term: Earlier of 84 months or the maturity date of the senior lender

---

**Supporting Documentation:** Resolution Tampa #1, Resolution Tampa #2, Master Lease Agreement, Draft Sources and Uses Documents

**Supplemental Information:** Master Trust Indenture, Supplemental Master Trust Indenture #1

**Presenter:** Stephanie Perryman, VP of Treasure





RESOLUTION OF THE BOARD OF DIRECTORS OF IDEA FLORIDA, INC.  
AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE  
AGREEMENT BETWEEN IDEA FLORIDA, INC. AND IPS ENTERPRISES,  
INC. FOR PROPERTY IN TAMPA, FLORIDA (TP 1)

I, the undersigned, hereby certify that I am the Secretary of the Board of Directors (“Board”) of IDEA Florida, Inc. (“IDEA”), a non-profit corporation duly organized under the laws of the State of Florida.

I further certify that at a meeting of the Board of Directors of IDEA, duly and legally called and held in accordance with the Articles of Incorporation and Bylaws of IDEA on July \_\_, 2020, the following Resolution (the “Resolution”) was duly adopted, at which time a quorum of such body was in attendance and voting throughout, and at which such body had authority under the laws of Florida to adopt the Resolution; the Resolution has been duly recorded in said Board's minutes of said meeting; each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the date, hour, place, and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; said meeting was open to the public as required by law, and public notice of the meeting was given as required by law, and the Resolution has not been rescinded, modified, or amended and is in full force and effect on the date hereof:

WHEREAS, IPS Enterprises, Inc., a Texas nonprofit corporation (“IPS”), has entered into a loan agreement (the “Senior Loan Agreement”) with CLI Capital for an amount of Twenty-Five Million Dollars and may enter into a loan agreement with Building Hope (the “Subordinate Loan Agreement” and, together with the Senior Loan Agreement, the “Loan”) for the purpose of (i) acquiring, constructing, equipping, and financing educational facilities at 11612 N. Nebraska Ave, Tampa, FL 33612 (the “TP 1 Property”) with such Note or Notes to be issued pursuant to certain Supplemental Master Trust Indentures (the “TP 1 Project”) and (ii) paying certain costs of professional services associated therewith; and

WHEREAS, IDEA now desires to enter the Master Lease Agreement, dated July \_\_, 2020, with IPS (the “Lease”) to facilitate the financing of the TP 1 Project and to obtain the right to use and occupy the TP 1 Property upon completion; and

WHEREAS, the Board has determined that it is in the best interest of IDEA to enter into the Lease with IPS and now desires to ratify and approve the Lease, authorize the execution, delivery, and performance by IPS of the Lease, and take and authorize certain other actions in connection with the foregoing and the issuance of the Loan; and

WHEREAS, IPS is willing to enter into the Lease with IDEA on the terms and conditions set forth in the Lease between IDEA and IPS.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF IDEA FLORIDA, INC., as follows:

**Section 1.** The recitals to this Resolution are hereby approved and incorporated herein for all purposes, including the defined terms contained therein.

**Section 2.** (a) The Board does hereby approve the form, terms, and provisions of and the execution and delivery of the Lease for the TP 1 Property; with such changes as the President of the Board, the Chief Executive Officer, the Chief Financial Officer, or their designees (each an “Authorized Officer”) shall approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authorized Officer.

**Section 3.** The Board does hereby authorize each Authorized Officer to take all such actions and approve, execute and deliver all such requests, agreements, instruments, and other documents on behalf of IDEA as he may deem necessary or desirable (as conclusively evidenced by the taking of such action or the execution and delivery of such agreements, instruments or other documents by each Authorized Officer) in connection with the (i) the Loan, (ii) the Lease, and (iii) any supplement, extension, amendment, or other modification of the Lease in order to effectuate the further purposes of this Resolution, including without limitation those documents specifically described in this Resolution. All acts of each Authorized Officer authorized and directed herein are reasonably expected to benefit IDEA. Upon execution and delivery, such agreements, instruments, and other documents shall be the valid and binding obligations of IDEA enforceable in accordance with their terms.

**Section 4.** I further certify that the Board has found that the adoption of the foregoing Resolution is in the best interests of IDEA and that this Resolution is within the power of the Board to pass as provided in the Articles of Incorporation and Bylaws of IDEA.

*[Signature page follows]*

IN WITNESS WHEREOF, I hereunto subscribe my name on this the \_\_\_\_ day of \_\_\_\_\_, 2020.

---

Secretary, Board of Directors  
IDEA Florida, Inc.

RESOLUTION OF THE BOARD OF DIRECTORS OF IDEA FLORIDA, INC.  
AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE  
AGREEMENT BETWEEN IDEA FLORIDA, INC. AND IPS ENTERPRISES,  
INC. FOR PROPERTY IN TAMPA, FLORIDA (TP 2)

I, the undersigned, hereby certify that I am the Secretary of the Board of Directors (“Board”) of IDEA Florida, Inc. (“IDEA”), a non-profit corporation duly organized under the laws of the State of Florida.

I further certify that at a meeting of the Board of Directors of IDEA, duly and legally called and held in accordance with the Articles of Incorporation and Bylaws of IDEA on July \_\_, 2020, the following Resolution (the “Resolution”) was duly adopted, at which time a quorum of such body was in attendance and voting throughout, and at which such body had authority under the laws of Florida to adopt the Resolution; the Resolution has been duly recorded in said Board's minutes of said meeting; each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the date, hour, place, and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; said meeting was open to the public as required by law, and public notice of the meeting was given as required by law, and the Resolution has not been rescinded, modified, or amended and is in full force and effect on the date hereof:

WHEREAS, IPS Enterprises, Inc., a Texas nonprofit corporation (“IPS”), intends to enter into one or more loan agreements (each, a “Loan Agreement”) with PNC Bank and Building Hope (the “Lenders”) in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$26,500,000) (the “Loan”) for the purpose of (i) acquiring, constructing, equipping, and financing educational facilities at 5050 E 10th Avenue, Tampa, Florida 33619 (the “TP 2 Property”) with such Note or Notes to be issued pursuant to certain Supplemental Master Trust Indentures (the “TP 2 Project”) and (ii) paying certain costs of professional services associated therewith; and

WHEREAS, IDEA now desires to enter into a Master Lease Agreement, dated July \_\_, 2020 with IPS (the “Lease”) to facilitate the financing of the TP 2 Project and to obtain the right to use and occupy the TP 2 Property upon completion; and

WHEREAS, the Board has determined that it is in the best interest of IDEA to enter into the Lease with IPS and now desires to ratify and approve the Lease, authorize the execution, delivery, and performance by IPS of the Lease, and take and authorize certain other actions in connection with the foregoing and the issuance of the Loan; and

WHEREAS, IPS is willing to enter into the Lease with IDEA on the terms and conditions set forth in the Lease between IDEA and IPS.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF IDEA FLORIDA, INC., as follows:

**Section 1.** The recitals to this Resolution are hereby approved and incorporated herein for all purposes, including the defined terms contained therein.

**Section 2.** (a) The Board does hereby approve the form, terms, and provisions of and the execution and delivery of the Lease to be entered into between IDEA and IPS for the TP 2 Property; with such changes as the President of the Board, the Chief Executive Officer, the Chief Financial Officer, or their designees (each an “**Authorized Officer**”) shall approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authorized Officer.

**Section 3.** The Board does hereby authorize each Authorized Officer to take all such actions and approve, execute and deliver all such requests, agreements, instruments, and other documents on behalf of IDEA as he may deem necessary or desirable (as conclusively evidenced by the taking of such action or the execution and delivery of such agreements, instruments or other documents by each Authorized Officer) in connection with the (i) the Loan, (ii) the Lease, and (iii) any extension, amendment, or other modification of the Lease in order to effectuate the further purposes of this Resolution, including without limitation those documents specifically described in this Resolution. All acts of each Authorized Officer authorized and directed herein are reasonably expected to benefit IDEA. Upon execution and delivery, such agreements, instruments, and other documents shall be the valid and binding obligations of IDEA enforceable in accordance with their terms.

**Section 4.** I further certify that the Board has found that the adoption of the foregoing Resolution is in the best interests of IDEA and that this Resolution is within the power of the Board to pass as provided in the Articles of Incorporation and Bylaws of IDEA.

*[Signature page follows]*

IN WITNESS WHEREOF, I hereunto subscribe my name on this the \_\_\_\_ day of \_\_\_\_\_, 2020.

---

Secretary, Board of Directors  
IDEA Florida, Inc.

**MASTER LEASE AGREEMENT**

**Related to**

**Hillsborough County Public Schools (Tampa) Master Notes**

**between**

**IPS Enterprises, Inc.,**

**as LESSOR**

**and**

**IDEA FLORIDA, INC.,**

**as LESSEE**

**Dated as of \_\_\_\_\_, 2020**

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**THIS MASTER LEASE AGREEMENT** (the “*Lease*”) dated as of \_\_\_\_\_, 2020, is by and between the Participating Campuses of **IDEA FLORIDA, INC.**, a Florida nonprofit corporation, together with its successors and permitted assigns (“*IDEA Florida*”), and **IPS Enterprises, Inc.**, a Texas nonprofit corporation (“*IPS Enterprises*”).

**W I T N E S S E T H:**

**WHEREAS**, IPS Enterprises has agreed to finance the acquisition of certain real property and to develop and construct certain charter school facilities, including the real property described in Exhibit A attached hereto or attached to any supplement authorized hereunder, as each may be amended from time to time (the “*Real Property*”), and the buildings and other improvements thereon as (the “*Improvements*”) (the Real Property and Improvements are together referred to herein as the “*Facilities*”);

**WHEREAS**, IDEA Florida has determined that such Facilities are necessary for the provision of educational services and desires to enter into this Lease in order to facilitate the financing of the acquisition, construction and equipping of the Facilities (the “*Project*”) by IPS Enterprises, and to obtain the right to use and occupy the Facilities on the terms set forth below;

**WHEREAS**, pursuant to that certain Master Trust Indenture and Security Agreement dated as of \_\_\_\_\_, 2020 (the “*Master Indenture*”) between IPS Enterprises and Regions Bank, as trustee (the “*Master Trustee*”), as supplemented by Supplemental Master Indenture No. 1 [and No. 2] IPS Enterprises may issue and deliver a Note or series of Notes to finance and refinance the Facilities;

**WHEREAS**, under this Lease, IDEA Florida will be obligated to make Lease Payments to IPS Enterprises for the lease of the Facilities and such Lease Payments will secure the Notes issued by IPS Enterprises pursuant to the Master Indenture;

**WHEREAS**, as additional security for payment of the Notes, IPS Enterprises has [entered into two mortgages] mortgaged and granted a security interest to the Master Trustee in the Facilities;

**NOW, THEREFORE**, for valuable consideration, including the mutual covenants herein contained, the receipt and sufficiency of which is hereby confessed and acknowledged, the parties agree as follows:

**ARTICLE I**

**DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.1 Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.1 shall, for all purposes of this Lease, have the meanings herein specified. Capitalized terms used herein without being defined herein shall, for the purposes of this Lease, have the meanings assigned them in the Related Loan Documents or Related Bond Documents, as applicable, unless the context requires otherwise.

“*Addition*” means the addition of Facilities to the leasehold hereof, and the lease of additional Facilities hereunder from IPS Enterprises to IDEA Florida as provided in Section 17.1 hereof.

“*Additional Facilities*” means any Real Property or Improvements to be acquired or constructed as provided in this Lease as supplemented and amended from time to time by a Supplemental Lease.

“*Additional Rental Payments*” means (i) the cost of all taxes, insurance premiums, repayment of Protective Advances by the [Loan Administrator/State], utility charges, costs of maintenance, upkeep and repair that IDEA Florida assumes or agrees to pay with respect to the Project, and (ii) all payment obligations of IDEA Florida other than Base Rental Payments, that IDEA Florida assumes or agrees to pay to IPS Enterprises, any Related Lender, Related Issuer, Related Trustee, credit provider or credit enhancer pursuant to the terms and provisions of this Lease, Related Bond Documents, Related Loan Documents or any agreements with such parties.

“*Allocable Portion*” mean the proportionate share (expressed as a percentage) of each series of Notes or Related Bonds Outstanding that corresponds to the principal amount of such Notes or Related Bonds Outstanding allocable to any Facility, as established after the completion of all Facilities financed by a particular series of Notes or Related Bonds.

“*Additional Projects*” means the acquisition or construction of any Additional Facilities at the request of IDEA Florida.

“*Adjusted Revenues*” means, for any period of calculation, the total of all operating and nonoperating revenues of IDEA Florida directly attributable to each Participating Campus, including but not limited to State Revenues, federal and local funds for school lunches and other food programs, special education, and transportation, including accounts receivable and rights to receive the same plus investment and other income or loss of IDEA Florida for such period directly attributable to the Facilities or its operations in the Limited Jurisdiction; provided, however, that no determination thereof shall take into account (a) any other income or revenues received by IPS Enterprises from the operation of any other facility located within Florida but outside the Limited Jurisdiction or in any other state, (b) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on Debt or Related Bonds, (c) any gains or losses resulting from the early extinguishment of Debt or the reappraisal, reevaluation or write-up of assets, (d) gifts, grants, bequests or donations and income thereon that is not expressly dedicated for the benefit of the Facilities or IDEA Florida by the donor or grantor or is dedicated for a purpose inconsistent with paying principal and interest on the Notes, and (e) net unrealized gain (losses) on investments and Financial Products Agreements; provided that the Adjusted Revenues of any Participating Campus are subject to Florida Statutes, Section 1002.33(17)(b) (2018).

“*Annual Debt Service Requirements*” of any specified Person means, for any Fiscal Year, the principal of (and premium, if any) and interest and other debt service charges (which include for purposes hereof, any fees or premiums for any letter of credit, surety bond, policy of insurance, bond purchase agreement, or any similar credit or liquidity support secured in

connection therewith) on all Debt of such Person coming due at Maturity or Stated Maturity, and, for such purposes, any one or more of the following rules shall apply:

(a) Committed Take Out - if such Person has received a binding commitment, within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to refund or purchase any of its Debt at its Stated Maturity (or, if due on demand, or payable in respect of any required purchase of such Debt by such Person, at any date on which demand may be made), then the portion of the Debt committed to be refunded or purchased shall be excluded from such calculation and the principal of (and premium, if any) and interest on the Debt incurred for such refunding or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Maturity or purchase date of the Debt to be refunded or purchased, shall be added;

(b) Pro Forma Refunding - in the case of Balloon Debt, if the Person obligated thereon shall deliver to the Master Trustee a certificate of a nationally recognized firm of investment bankers or financial consultants dated within ninety (90) days prior to the date of delivery of such certificate to the Master Trustee stating that financing at a stated interest rate (which shall not be less than the Bond Buyer Revenue Bond Index or, if the Bond Buyer Revenue Bond Index is unavailable, a comparable index on the date of such certificate to refund any of such Balloon Debt) with a Stated Maturity of not greater than 30 years is reasonably attainable, then for the purpose of calculating what future Annual Debt Service Requirements will be, any installment of principal of (and premium, if any) and interest and other debt service charges on such Balloon Debt that could so be refunded shall be excluded from such calculation and the principal plus interest of the refunding debt shall be evenly allocated over the life of the refunding debt with equal principal payments plus interest deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(c) Prefunded Payments - principal of (and premium, if any) and interest and other debt service charges on Debt, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, interest, or other debt service charges are payable from funds irrevocably deposited or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust or escrowed with the Master Trustee or another Independent Person approved by the Master Trustee);

(d) Variable Rate Debt - as to any Debt that bears interest at a variable interest rate which cannot be ascertained at the time of calculation, an interest rate equal to the greater of an annual interest rate equal to the Bond Buyer Revenue Bond Index (or, if the Bond Buyer Revenue Bond Index is unavailable, a comparable index chosen by IPS Enterprise's financial advisor) and the weighted average rate of interest borne by such Debt (or other indebtedness of comparable credit quality, maturity and purchase terms in the event that such Debt was not outstanding) during the preceding Fiscal Year (or any period of comparable length ending within 180 days) prior to the date of calculation shall be presumed to apply for all future dates and the principal shall be evenly allocated over the

life of the Debt issue with an equal amount of principal deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(e) Contingent Obligations - in the case of any guarantees or other Debt described in clause (iii) of the definition of Debt, the principal of (and premium, if any) and interest and other debt service charges on such Debt for any Fiscal Year shall be deemed to be 25% of the principal of (and premium, if any) and interest and other debt service charges on the indebtedness guaranteed due in such Fiscal Year; provided, however, that if the Person that guarantees or is otherwise obligated in respect of such Debt is actually required to make any payment in respect of such Debt, the total amount payable by such Person in respect of such guarantee or other obligation in such Fiscal Year shall be included in any computation of the Annual Debt Service Requirements of such Person for such year and the amount payable by such Person in respect of such guarantee or other obligation in any future Fiscal Year shall be included in any computation of the estimated Annual Debt Service Requirements for such Fiscal Year; and

(f) Financial Products - in the event there shall have been issued or entered into in respect of all or a portion of any Debt a Financial Products Agreement with respect to Debt, interest on such Debt shall be included in the calculation of Annual Debt Service Requirements by including for such period an amount equal to the amount payable on such Debt in such period at the rate or rates stated in such Debt plus any payments payable by such Person in respect of such Financial Products Agreement minus any payments receivable by such Person in respect of such Financial Products Agreement, as calculated by the financial advisor to IPS Enterprises.

“*Architect*” means such architect, licensed under the laws of the State, or a firm of registered professional engineers, including a registered professional engineer employed by IPS Enterprises or the Master Trustee and acceptable to IDEA Florida to inspect the Facilities for conformity with the Plans and Specifications, to approve periodic draws and to approve any change orders and requests for payment of Project Costs.

“*Available Revenues*” means, for any period of determination thereof, the amount of excess (deficit) of Adjusted Revenues over Expenses for such period, plus any gifts, grants, requests or donations and income thereon restricted as to use by the donor or grantor for the sole purpose of paying Expenses of IDEA Florida, but less: (a) unrealized pledges for such period to make a donation, gift, or other charitable contribution, (b) insurance (other than business interruption) and condemnation proceeds, and (c) any gains or losses resulting from the sale, exchange or other disposition of property not in the ordinary course of business.

“*Base Rental Payments*” means the aggregate amount or amounts payable to IPS Enterprises by IDEA Florida pursuant to this Lease in consideration of the Project and the right to the use and enjoyment of the Facilities during the term of this Lease on the dates and in the amounts set forth in the Base Rental Payment Schedule; provided, however, that while any Related Bonds are Outstanding, the Base Rental Payments shall never be less than [1.05] times the debt service requirements on all Notes or Related Bonds.

*“Base Rental Payment Schedule”* means the schedule of Base Rental Payments payable to IPS Enterprises from IDEA Florida pursuant to Section 4.1 hereof and as initially set forth in Exhibit B attached hereto, as the same may be revised under the terms of this Lease, or as supplemented and amended from time to time by a Supplemental Lease.

*“Bond Counsel”* means Hunton Andrews Kurth LLP or a firm of attorneys nationally recognized as experienced in the field of bonds of governmental issuers appointed by IPS Enterprises and satisfactory to the Master Trustee and the Subordinate Lender.

*“Claims”* means all claims, lawsuits, causes of action and other legal actions and proceedings of whatever nature brought (whether by way of direct action, counter claim, cross action or impleader) against any Indemnified Party, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, to result from, to relate to or to be based upon, in whole or in part: (a) the issuance of any Related Bonds or (b) the duties, activities, acts or omissions of any person in connection with the issuance of any Related Bonds or the obligations of the various parties arising under the Related Bond Documents, (c) the disposition of the proceeds of any Related Bonds, or (d) the duties, activities, acts or omissions of any person in connection with the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Facilities or any part thereof.

*“Closing Date”* means the date any Related Bonds, such as the Senior Loan Agreement or Subordinate Loan Agreement, for the Series 2020 Facilities are initially delivered to and paid for by the lender(s) or underwriter(s) thereof.

*“Code”* means the United States Internal Revenue Code of 1986, as amended.

*“Complete”* means, with respect to each Facility, that the Facility has been developed, constructed, designed in accordance with the Plans and Specifications, and IDEA Florida has received a Certificate of Occupancy, subject only to minor punch list items that do not prevent the lawful occupancy of the Facility as a public school.

*“Completion Date”* means with respect to each Facility, the date the Facility is Complete, as evidenced by IDEA Florida’s execution and delivery to IPS Enterprises and the Master Trustee of a Final Acceptance Certificate.

*“Construction Consultant”* means the construction consultant hired by IDEA Florida for the Facilities, as identified to the Master Trustee and IPS Enterprises by IDEA Florida.

*“Contractor”* means any person or corporation, including IDEA Florida, who contracts with IPS Enterprises pursuant to Article V hereof to design, construct, or install the Facilities or any part thereof.

*“Debt”* means all:



(i) indebtedness incurred or assumed by IPS Enterprises for borrowed money or for the acquisition, construction or improvement of property other than goods that are acquired in the ordinary course of business of IPS Enterprises;

(ii) lease obligations of IPS Enterprises (including this Lease) that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(iii) all indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money for the acquisition, construction or improvement of property or capitalized lease obligations guaranteed, directly or indirectly, in any manner by IPS Enterprises, or in effect guaranteed, directly or indirectly, by IPS Enterprises through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(iv) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by IPS Enterprises whether or not IPS Enterprises has assumed or become liable for the payment thereof.

For the purpose of computing “**Debt**”, there shall be excluded (A) any particular Debt if upon or prior to the Maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Debt or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption or satisfaction of such Debt and (B) any Debt that is incurred pursuant to, secured under or for the benefit of any facility described within any Other Master Lease, whether parity thereunder or subordinate thereto; and thereafter such funds, evidences of Debt and investments so deposited shall not be included in any computation of the assets of IPS Enterprises, and the income from any such deposits shall not be included in the calculation of Pledged Revenues.

“*Deed of Trust*” means each deed of trust, mortgage, security agreement, assignment of rents and leases and fixture filing or similar agreement executed by IPS Enterprises encumbering the Facilities in favor of the Master Trustee, as beneficiary, and/or any security instrument executed in substitution therefore or in addition thereto, as such substitute or additional security instrument may be amended, supplemented or restated from time to time.

“*Depository Bank*” means any bank designated by IDEA Florida as its depository bank, currently [Regions Bank].

“*Event of Default*” means the occurrence of any of the following events:

- (a) IDEA Florida’s failure to make a Lease Payment within 3 days after the due date thereof;
- (b) failure by IPS Enterprises to acquire or construct the Facilities in accordance with the terms and conditions hereof, and such failure is not cured within thirty (30) calendar days after written notice thereof; provided, that if such failure cannot be cured within such thirty (30) day period, such failure shall not be an Event of Default if IPS Enterprises or the Master Trustee has commenced to cure such failure, including by Substitution, within such thirty (30) day period and diligently prosecutes the cure of such failure;
- (c) failure by IDEA Florida or IPS Enterprises to observe and perform any covenant, condition, or agreement, on its part to be observed or performed by it hereunder, other than as referred to in (a) or (b) above, and such failure is not cured within thirty (30) calendar days after written notice thereof is provided to the party in default by the other party hereto or the Master Trustee;
- (d) any material statement, representation, or warranty made by IDEA Florida in this Lease or in any writing ever delivered by IDEA Florida, pursuant to or in connection with this Lease, the Notes or the Related Bonds, is false, misleading, or erroneous in any material respect;
- (e) the filing by IDEA Florida of a voluntary petition in bankruptcy, or failure by IDEA Florida promptly to lift any execution, garnishment, or attachment of such consequence as would impair the ability of IDEA Florida to carry on its operations at the Facilities, or adjudication of IDEA Florida as a bankrupt or assignment or the entry by IDEA Florida into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to IDEA Florida in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar Federal or State Laws which may hereafter be enacted;
- (f) any event which shall occur or any condition which shall exist the effect of which is to cause (i) more than [\$250,000] of aggregate indebtedness of IDEA Florida to become due prior to its stated due date, and (ii) a lien to be placed on the Facilities or IDEA Florida’s interest in the Facilities, and not released within sixty (60) days; or
- (g) a final judgment against IDEA Florida for an amount in excess of \$250,000 shall be outstanding for any period of 60 days or more from the date of its entry and shall not have been discharged in full or stayed pending appeal, and, as a result thereof, a lien shall be placed on the Facilities or IDEA Florida’s interest in the Facilities.

“*Expenses*” means, for any period of time for which calculated, the total of all expenses incurred during such period by IDEA Florida for each Participating Campus which such calculation is made, determined in accordance with generally accepted accounting principles, other than (a) interest expense, (b) depreciation and amortization, (c) extraordinary losses resulting from the early extinguishment of debt, the sale or other disposition of assets not in the ordinary course of business or any reappraisal, revaluation or write-down of assets, and any other extraordinary

losses or expenses, (d) payments under this Lease, and (e) expenditures that are customarily capitalized pursuant to generally accepted accounting principles.

“*Facilities*” means all the Real Property and Improvements included in this Lease, consisting of the Series 2020 Facilities and any Additional Facilities.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the taking of which requires such an opinion, an unqualified opinion of counsel, which shall be from Bond Counsel, delivered to and in form and substance satisfactory to IPS Enterprises to the effect that such action does not violate the laws of the State of Texas, or the Master Indenture and will not adversely affect the exclusion of interest on any tax-exempt or tax-advantaged Related Bonds from gross income for purposes of federal income taxation.

“*Final Acceptance Certificate*” means, with respect to any Facilities, the certificate of IDEA Florida in the form of Exhibit D delivered as described in Section 6.1 of this Lease.

“*Fiscal Year*” means a 12 month fiscal period of IDEA Florida commencing on July 1 of any calendar year and ending on June 30 of the following year, or such other annual accounting period as IDEA Florida may hereafter adopt.

“*Hazardous Materials*” means any substances, including without limitation, asbestos or any substance containing asbestos, deemed hazardous under any Hazardous Materials Laws, including the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, petroleum, petroleum fractions, petroleum distillates, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definitions of “hazardous waste,” “hazardous materials,” “hazardous substances,” “toxic waste,” “toxic materials” or “toxic substances” under any Hazardous Materials Law.

“*Hazardous Materials Laws*” means any law relating to environmental conditions or industrial hygiene, including, without limitation, the Resource Conservation and Recovery Act of 1976 (“RCRA”), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), the Hazardous Materials Transportation Act, the Federal Water Pollution Control Act, the Clean Water Act of 1972, the Toxic Substances Control Act, the Safe Drinking Water Act, and all similar Laws now or hereafter promulgated thereunder.

“*IDEA Florida Board*” means the Board of Directors of IDEA Florida, Inc.

“*IDEA Florida Deposit Account Control Agreement*” means the Deposit Account Control Agreement dated [August 15, 2020], entered into among IDEA Florida, the Master Trustee and the Depository Bank, as the same may be amended and supplemented, and any other deposit account control agreement entered into by IDEA Florida, the Master Trustee and a Depository Bank from time to time.

“*IDEA Florida Representative*” means the Superintendent, President of the Board of Directors of IDEA Florida, the Chief Financial Officer, or any other officer or employee of IDEA

Florida who is designated in writing by resolution of IDEA Florida Board as an IDEA Florida Representative for the purposes of this Lease, such designation to remain effective until IDEA Florida files with the Master Trustee a resolution designating a different or alternative representative.

*“Improvements”* means all improvements hereafter constructed and/or installed on the Real Property.

*“Indemnified Party”* or *“Indemnified Parties”* means one or more of IPS Enterprises, IPS Enterprises Board, IDEA Florida Board, the Master Trustee, the Related Bond Trustee, the Related Issuer, the Sponsoring Entity and any of their successors, officers, directors, members, employees, agents, servants and any other person acting for or on behalf of any of them, as the case may be.

*“IPS Enterprises”* means IPS Enterprises, Inc., a Texas nonprofit corporation, and its permitted successors and assigns.

*“IPS Enterprises Board”* means the Board of Directors of IPS Enterprises.

*“IPS Enterprises Representative”* means the Chief Executive Officer of IPS Enterprises who is designated in writing by resolution of IPS Enterprises Board as a IPS Enterprises Representative for the purposes of this Lease, such designation to remain effective until IPS Enterprises files with the Master Trustee a resolution designating a different or alternative representative.

*“Laws”* means all federal, state, and local laws, rules, regulations, ordinances, codes, and orders of any entity having jurisdiction over the subject.

*“Lease”* means this Master Lease Agreement, together with any duly authorized and executed amendments and supplements hereto.

*“Lease Payment(s)”* means Base Rental Payments plus Additional Rental Payments but shall never include or be included within the lease payments described in any Other Master Lease.

*“Lease Payment Coverage Ratio”* means, for the Fiscal Year in question, the ratio obtained by dividing (i) Available Revenues for such Fiscal Year by (ii) (a) the combined actual lease payments due under the Lease and any lease agreement under which IDEA Florida leased Participating Campuses for such Fiscal Year (b) plus Annual Debt Service Requirements.

*“Lease Payment Date”* means the first calendar day of each month, commencing on the earlier of the Completion Date for each Facility or September 1, 2020, for so long as this Lease is in effect.

*“Limited Jurisdiction”* means the jurisdictional boundaries of Hillsborough County Public Schools, Florida.

*“Losses”* means losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, attorney’s, accountant’s and other professional’s fees,

litigation and court costs and expenses, amounts paid in settlement and amounts paid to discharge judgments and amounts payable by an Indemnified Party to any other person under any arrangement providing for indemnification of that person) directly or indirectly resulting from, arising out of or relating to one or more Claims.

“*Management Agreement*” means that certain Management Services Agreement, dated \_\_\_\_\_, between the IDEA Public Schools Inc. and IDEA Florida and assigned to the IPS Enterprises pursuant to the [Assignment of Management Agreement], dated \_\_\_\_\_, as such management Agreement may be amended or modified from time to time, in which the payments thereunder are hereby designated as subordinate to the Lease Payments.

“*Management Consultant*” means a consultant or firm of independent professional management consultants, or an independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation and acceptable to the Master Trustee [and the Subordinate Lender].

“*Master Indenture*” means that certain Master Trust Indenture and Security Agreement dated as of \_\_\_\_\_, 2020, between IPS Enterprises and the Master Trustee, as amended by the Supplemental Master Trust Indenture No. 1, dated as of \_\_\_\_\_, 2020 between IPS Enterprises and the Master Trustee, and as further amended or supplemented from time to time in accordance with its terms.

“*Master Trustee*” means Regions Bank, serving as master trustee pursuant to the Master Indenture or any successor thereto pursuant to the provisions of the Master Indenture.

“*Net Proceeds*” means any insurance proceeds or condemnation award paid with respect to the Facilities remaining after payment of all reasonable expenses incurred in the collection thereof.

“*Notice of Exclusive Control*” means the Notice of Exclusive Control specified in an IDEA Florida Deposit Account Control Agreement.

“*Operating Expenses*” means all reasonable and necessary current expenses of IDEA Florida related solely to and arising from the operations of the Facilities as public charter schools and provision of educational services related to the respective Facility, appearing in the budget and including without limitation (a) salaries and administrative expenses, (b) the cost of instructional supplies and materials, (c) insurance premiums, (d) payments under the Management Agreement, and (e) professional services; provided however, there shall be excluded from Operating Expenses (i) any allowance for depreciation or amortization, (ii) expenses incurred in connection with capital improvements, (iii) expenses or other amounts paid into and from any Repair and Replacement Fund and the Reserve Account created in connection with any Related Bonds, and the subaccounts of each, (iv) expenses paid from grants from state, federal or local sources, or from any Person, which were not included as part of Adjusted Revenues, (v) any payments made under the Leases and (vi) payments of Debt Service, and any similar rental or other payments made for the lease-purchase or financing of capital improvements

*“Opinion of Counsel”* means a written opinion of counsel, who may (except as otherwise expressly provided) be counsel to any party to a Bond Document, and shall be satisfactory to the Master Trustee [and the Subordinate Lender].

*“Other Master Lease”* means any lease now or hereafter enacted by IPS Enterprises, including but not limited to that forthcoming Lease dated by and between IPS Enterprises and IDEA Florida for the benefit of campuses within Duval County Public Schools (Jacksonville).

*“Other Master Lease Default”* means any default or event of default, as defined in any Other Master Lease.

*“Other Master Trust Indenture Default”* means any default or event of default, as defined in any Other Master Indenture.

*“Permitted Assignee”* means (a) the Master Trustee, (b) the purchaser at a foreclosure sale held pursuant to the Deed of Trust or in connection with a sale in lieu thereof, or (c) any other person designated by the Master Trustee to acquire the interest of IDEA Florida under this Lease, including the successors and assigns of any such persons.

*“Permitted Encumbrances”* has the meaning ascribed to such term in the Deed of Trust.

*“Plans and Specifications”* means architectural and engineering drawings and specifications approved by IDEA Florida and the Architect describing each of the Facilities and any similarly approved changes thereto.

*“Project”* or *“Projects”* means the undertaking by IPS Enterprises, in cooperation with IDEA Florida, of the acquisition or construction of any Facilities, consisting of the Series 2020 Project and Additional Projects.

*“Project Contract”* means a guaranteed maximum price contract between IPS Enterprises and the Contractor regarding the Project.

*“Project Costs”* means all costs of, payment of, or reimbursement for design, acquisition, construction, installation, equipping, and financing of each Project, including but not limited to the Real Property; architectural, engineering, installation and management costs; project coordination and supervisory costs; administrative costs; capital expenditures relating to design, construction, and installation; financing payments; sales tax, if any, on the Facilities; costs of feasibility, environmental, appraisal, and other reports; inspection costs; permit fees; filing and recording costs; title insurance premiums; survey costs; Costs of Issuance; and all other costs related to each Project or the financing thereof.

*“Protective Advances”* [to come from State Contract].

*“Purchase Option”* means IDEA Florida’s option to purchase IPS Enterprises’ interest in the Facilities for the Purchase Option Price on any Purchase Option Date.

*“Purchase Option Date”* means (i) any business day upon which IDEA Florida may elect to purchase the Facilities or any portion thereof for the then applicable Purchase Option Price and (ii) in the event of damage, destruction, or condemnation of the Facilities, a date established pursuant to Section 10.2 of this Lease, which is the date upon which title to the Facilities is to be transferred.

*“Purchase Option Price”* means, unless otherwise specified in a Supplemental Lease with respect to any particular Facility, a price equal to the greater of (i) the aggregate amount necessary to redeem or defease the Allocable Portion of each series of Notes or Related Bonds associated with each Facility to be purchased or (ii) \$3,000,000.

*“Real Property”* means the real property on which the Improvements are to be developed, constructed, and equipped, as more particularly described in Exhibit A, attached hereto and made a part hereof.

*“Removal”* means the release of all or a portion of the Facilities from the leasehold hereof as provided in Section 17.2 of this Lease.

*“Required Liquidity Level”* means a fund balance of IDEA Florida equivalent to 45 days’ Operating Expenses based upon audited annual financial statements.

*“Senior Lender”* means for so long as the Series 2020 Notes remain outstanding, PNC Bank, National Association, or an owner of Senior Debt.

*“Series 2020 Facilities”* means (i) 11612 N. Nebraska Avenue, Tampa, Florida 33612 and (ii) 5050 E. 10<sup>th</sup> Avenue, Tampa, Florida 33619.

*“Series 2020 Project”* means site improvements, design, construction, renovation, and/or equipment of the Series 2020 Facilities.

*“Sponsoring Entity”* means the state, municipality, county, or other political subdivision, if any, that causes a Related Issuer to be created, or for and on behalf of which a Related Issuer is formed.

*“State Revenues”* means for any period of time for which calculated, the total of all moneys received by IDEA Florida from the State of Florida for all of its charter school operations during such period, including grants and loans.

*“Subordinate Lender”* means for so long as the Series 2020 Notes remain outstanding, the Florida Department of Education, or an owner of Subordinate Debt.

*“Substitution”* means the release of all or a portion of the Facilities from the leasehold hereof and the lease of substituted Facilities hereunder as provided in Section 17.2.

*“Supplemental Lease”* means any lease agreement amending and supplementing this Lease, wherein IPS Enterprises, as lessor, leases to the IDEA Florida, as lessee, certain Facilities, in accordance with the provisions hereof and the Master Indenture.

“*Tax-Exempt Bonds*” means any Related Bonds the interest on which is excluded from gross income for federal income tax purposes.

“*Term*” means the term of this Lease as determined pursuant to Section 3.3 hereof.

“*Trustee*” means Regions Bank, having a corporate trust office in Houston, Texas, serving as Trustee pursuant to the Related Bond Indenture or any successor thereto pursuant to the provisions of the Related Bond Indenture.

“*Unrestricted Assets*” means, with regard to any Participating Campus, based upon the most recently audited financial statements, such Adjusted Revenues remaining unspent and therefore deemed surplus at the end of each Fiscal Year, as more fully described defined in Florida Statutes, Section 1002.33(17)(b) (2018).

**Section 1.2 General Rules of Construction.** When in this Lease the context requires, (i) a reference to the singular number includes the plural and vice versa; and (ii) a word denoting gender includes the masculine, feminine, and neuter.

**Section 1.3 Preamble.** The statements, findings and definitions in the preamble of this Lease are hereby adopted and made a part of this Lease.

## ARTICLE II

### REPRESENTATIONS, COVENANTS, AND WARRANTIES

**Section 2.1 Representations, Covenants and Warranties of IDEA Florida.** IDEA Florida represents, covenants, and warrants as follows:

(a) IDEA Florida is a duly formed and validly existing nonprofit corporation operating an open-enrollment charter school under the laws of the State of Florida;

(b) IDEA Florida has full power and authority to execute this Lease as a tenant and perform its obligations hereunder;

(c) the execution of this Lease and the performance of its obligations hereunder and compliance with the terms hereof by IDEA Florida will not conflict with, or constitute a default under, any law (including administrative rule), judgment, decree, order, permit, license, agreement, mortgage, lease, or other instrument to which IDEA Florida is subject or by which IDEA Florida or any of its property is bound;

(d) IDEA Florida is not in violation of any law, which violation could adversely affect the performance of its obligations under this Lease;

(e) IDEA Florida presently has sufficient Adjusted Revenues to satisfy its obligations under this Lease, and IDEA Florida will use its best efforts to manage its affairs in such a way as to maximize the amount of State Revenues, or other similar funds, available to IDEA Florida to pay Lease Payments;



(f) this Lease is the legal, valid, and binding obligation of IDEA Florida, enforceable in accordance with its terms;

(g) IDEA Florida will be the sole user of the Facilities, and IDEA Florida will use the Facilities during the term of this Lease for the purpose of operating school facilities or for other educational purposes of IDEA Florida as provided within this Lease;

(h) IDEA Florida hereby consents to both Deeds of Trust;

(i) IDEA Florida agrees to keep the Facilities free and clear of all liens, encumbrances, and security interests (other than the Permitted Encumbrances); provided, however, that IDEA Florida may, on prior notice to the Master Trustee, in good faith contest such lien, encumbrance, or security interest, and permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom; provided that adequate reserves have been established in accordance with GAAP and provided further, that the failure to pay or discharge the same would not reasonably be expected to have a material adverse effect with respect to IDEA Florida's ability to make the Lease Payments when due;

(j) no further approval, consent, or withholding of objections is required from any governmental authority with respect to this Lease.

**Section 2.2 Representations, Covenants and Warranties of IPS Enterprises.** IPS Enterprises represents, covenants, and warrants as follows:

(a) IPS Enterprises is a validly existing nonprofit corporation in good standing under the laws of the State of Texas;

(b) IPS Enterprises has the full power and authority to execute this Lease and perform its obligations thereunder;

(c) IPS Enterprises Board has duly authorized the execution of this Lease and the performance of IPS Enterprises' obligations hereunder;

(d) IPS Enterprises' execution of this Lease and the performance of its obligations hereunder and compliance with the terms hereof by IPS Enterprises will not conflict with, or constitute a default under, any law (including administrative rule), judgment, decree, order, permit, license, agreement, mortgage, lease, or other instrument to which IPS Enterprises is subject or by which IPS Enterprises or any of its property is bound;

(e) IPS Enterprises is not in violation of any law, which violation could adversely affect the performance of its obligations under this Lease;

(f) pursuant to a termination of this Lease under Section 3.3(a) or (c) hereof, IPS Enterprises will deliver to IDEA Florida all documents which are or may be necessary to vest all of IPS Enterprises' right, title, and interest in and to the Facilities in IDEA Florida and will release all liens and encumbrances in favor of IPS Enterprises created under this Lease with respect to the Facilities as provided in Article XV;

(g) other than the Deed of Trusts and Permitted Encumbrances, IPS Enterprises agrees to keep the Facilities free and clear of all liens, encumbrances, and security interests; provided, however, that IPS Enterprises may, on prior notice to the Master Trustee, in good faith contest such lien, encumbrance, or security interest, and permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom;

(h) on the Closing Date, IPS Enterprises will hold indefeasible fee simple title to the Real Property upon which the Improvements is or will be situated, subject to the Deed of Trust, Permitted Encumbrances and the encumbrance created by this Lease and, for the period of time commencing on the date of the execution of this Lease and expiring on the termination of this Lease, will warrant and forever defend all and singular IDEA Florida's leasehold interest in such property unto IDEA Florida, its successors, and assigns against every person whomsoever lawfully claiming or to claim the same, or any part thereof. Subject to compliance by IDEA Florida with the provisions of this Lease, IPS Enterprises hereby covenants to provide IDEA Florida during the term of this Lease with the quiet use and enjoyment of such property, subject to the Deed of Trust, Permitted Encumbrances and the terms of this Lease, and IDEA Florida shall peaceably and quietly have and hold and enjoy such property, without suit, trouble, or hindrance from IPS Enterprises;

(i) no further approval, consent, or withholding of objections is required from any governmental authority with respect to the execution, delivery and performance of this Lease;

(j) the Facilities, when completed, will comply with all State standards and governmental requirements pertaining to the operation of public schools and will be suitable for IDEA Florida's purposes; and

(k) this Lease is a legal, valid and binding obligation of IPS Enterprises, enforceable in accordance with its terms.

### ARTICLE III

#### LEASE OF PROPERTY AND TERM

**Section 3.1 Lease of Premises.** In consideration of the rents, covenants, agreements and conditions herein set forth, which IDEA Florida agrees to pay, keep and perform, IPS Enterprises does hereby let, demise and rent unto IDEA Florida, and IDEA Florida agrees to rent and lease from IPS Enterprises, the Facilities.

**Section 3.2 Title Matters.** During the Term of this Lease, legal title to the Facilities and any and all repairs, replacements, substitutions and modifications to the Facilities shall be in IPS Enterprises.

**Section 3.3 Term.** This Lease shall be and remain in effect with respect to the Facilities for a lease term (the "*Term*") commencing on the Closing Date and continuing until terminated, to the extent required by state law, upon the occurrence of the first of the following events:

(a) upon the exercise by IDEA Florida of its option to purchase the Facilities pursuant to Article XV of this Lease, and the payment of all sums due and owing hereunder;

(b) the effective date of termination of this Lease by IPS Enterprises or the Master Trustee pursuant to the exercise of the rights of IPS Enterprises to terminate this Lease upon the occurrence of an Event of Default; or

(c) the date on which IDEA Florida pays all Lease Payments and other amounts required to be paid by IDEA Florida pursuant to the terms of this Lease;

but in all events upon and subject to the covenants, agreements, terms, provisions and limitations hereafter set forth, all of which IDEA Florida covenants to perform and observe.

## **ARTICLE IV**

### **LEASE PAYMENTS**

**Section 4.1 Base Rental Payments.** IDEA Florida shall pay to IPS Enterprises the Base Rental Payments on each Lease Payment Date for the use and occupancy of the Facilities in accordance with the Base Rental Payment Schedule provided that any payments of amounts from one Participating Campus to pay any portion of the Base Rental Payment for any other Participating Campus may only be made from Unrestricted Assets. All Base Rental Payments shall be payable to IPS Enterprises into an account subject to an IDEA Florida Deposit Account Control Agreement as IPS Enterprises may designate by written notice to IDEA Florida.

**Section 4.2 Additional Rental Payments.** In the event that (A) any Debt Service Reserve Fund established pursuant to a Related Bond Indenture contains less than the Reserve Fund Requirement for any Related Bonds, and (B) any fees and expenses required to be paid with respect to any Notes or Related Bonds, including fees and expenses of a Related Bond Issuer, are due, then, IPS Enterprises will restore the Debt Service Reserve Fund shortfall and pay any such fees and expenses from its own funds before paying any management fees then due. IPS Enterprises shall notify IDEA of any such payment and IDEA Florida shall pay such outstanding amounts as Additional Rental Payments over not more than twelve (12) months. Any Additional Rental Payments may be paid directly to IPS Enterprises (except payments to the Debt Service Reserve Fund shall be made to the Related Bond Trustee).

**Section 4.3 IDEA Florida's Obligation Unconditional.** It is understood and acknowledged that Notes and Related Bonds will be sold to the purchasers thereof in reliance upon IDEA Florida's commitment to make Lease Payments as provided herein. Accordingly, subject to the above-referenced limitations, the obligation of IDEA Florida to make the Lease Payments from Adjusted Revenues shall be absolute and unconditional and so long as the Notes or Related Bonds remains Outstanding, (i) there shall be no suspension or discontinuance of any payments of Lease Payments or any offset against obligations to pay such amounts or recoupment of any amounts so paid and (ii) there will be no termination of this Lease or other effort to seek to avoid or to reduce the payment of Lease payments for any reason. The covenant to pay Lease Payments shall be an independent covenant. IDEA Florida shall have no right to withhold, set-off or reduce the amount of Lease Payments or the obligation to make such Lease Payments or other payments when due hereunder regardless of any claim or dispute it may have regarding this Lease. IDEA Florida expressly waives and releases any claim that it may have either now or in the future to

constructive eviction or breach of the covenant of quiet enjoyment. There shall be no abatement of Lease Payments for any reason whatsoever.

**Section 4.4 Pledge of Lease Payments.** (a) It is expressly understood and agreed that the Lease Payments payable hereunder shall be pledged to the payment of the Notes and that, so long as any Notes remain Outstanding, such Lease Payments shall be paid in the amounts and manner herein specified. In fulfillment of its obligations hereunder, IDEA Florida hereby pledges to the payment of the Lease Payments, the following: (a) all of IDEA Florida's right, title and interest in and to the Facilities, including all related additions, replacements, substitutions and proceeds; and (b) any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security by IDEA Florida or by anyone on its behalf.

(b) In fulfillment of its obligations hereunder, IDEA Florida hereby pledges to the payment of the Lease Payments, the following:

1. All of IDEA Florida's right, title and interest in and to the Project, including all related additions, replacements, substitutions and proceeds; and
2. Any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security by IDEA Florida or by anyone on its behalf.
3. All Adjusted Revenues except and excluding all such items, whether now owned or hereafter acquired by IDEA Florida, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by IDEA Florida, or which cannot be granted or pledged hereunder without the consent of other parties whose consent is not secured, or which otherwise may not be, or are not, hereby lawfully and effectively granted and pledged by IDEA Florida.

(c) IPS Enterprises covenants and agrees to deposit all Pledged Revenues into the account (or accounts) that is subject to a Company Deposit Account Control Agreement thereunder.

**Section 4.5 Fees and Expenses Payable by IPS Enterprises.**

(a) Costs of Issuance. IPS Enterprises agrees to pay promptly upon demand therefor all fees and costs paid, incurred or charged by IPS Enterprises in connection with the Notes and Related Bonds, including without limitation, (i) all out-of-pocket expenses and costs of issuance (including reasonable fees and expenses of attorneys employed by IPS Enterprises) reasonably incurred by IPS Enterprises in connection with the issuance of any Related Bonds and the administration of the Related Bond Documents, (ii) all payments required to be paid by IPS Enterprises with respect to the Notes and Related Bonds, including any continuing fees and expenses of any Related Issuer and rating agency fees.

(b) Trustee and Paying Agent. IPS Enterprises agrees to pay all costs paid, incurred or charged by the Subordinate Lender, Loan Administrator, if any, Related Bond Trustee and the Paying Agent including, without limitation, (i) all fees and out-of-pocket expenses incurred with respect to services rendered under any of the Related Bond Documents, (ii) all amounts payable to the Related Bond Trustee and the Paying Agent pursuant to the Related Bond Indenture, and (iii) all out-of-pocket expenses (including reasonable fees and expenses of attorneys employed by the Paying Agent and the Master Trustee) incurred in connection with the enforcement of any rights or remedies or the performance of duties under the Related Bond Documents.

## **ARTICLE V**

### **DEVELOPMENT AND CONSTRUCTION OF THE PROJECT**

**Section 5.1 Local Conditions.** IPS Enterprises declares that it is familiar with local conditions with respect to the development of the Facilities and construction of the Improvements.

**Section 5.2 Agreement to Design, Develop and Construct the Facilities.**

(a) IPS Enterprises agrees to design, develop, and construct the Facilities in accordance with the terms hereof. IPS Enterprises shall furnish all supervision, tools, implements, machinery, labor, materials, and accessories such as are necessary and proper for the construction of the Facilities, shall pay all permit and license fees and shall construct, build, and complete in a good and workmanlike manner, the structures, work and Improvements herein described to be constructed by IPS Enterprises at its expense upon the Real Property, all in accordance with this Lease, the Plans and Specifications, and all documents executed in connection with this Lease.

(b) IPS Enterprises shall obtain the services of the Architect, engineers, and other design professionals who shall have the obligation to develop the Plans and Specifications for each portion of the Project, which, subject to the reasonable review and approval by IDEA Florida, shall be the Plans and Specifications. The Plans and Specifications must comply in all respects with all applicable Laws.

(c) IPS Enterprises shall enter into one or more Project Contracts with Contractors for each Project.

(d) IDEA Florida agrees to cooperate with IPS Enterprises in obtaining all city, state, or federal approvals necessary for the construction and development contemplated herein.

(e) IPS Enterprises agrees that it will pay all fees, royalties, or license charges on all patented, registered or copyrighted machines, materials, methods or processes used in the construction of said work and supplied as a part of the Facilities.

**Section 5.3 Project Contract Requirements.** All Project Contracts must: (i) require the Contractor to obtain all required approvals from governmental entities for the work to be performed thereunder; (ii) require the Contractor to obtain and file statutory payment bonds and performance bonds, each of which shall name IPS Enterprises and the Master Trustee as dual obligees and each of which shall be in such amounts as to meet statutory requirements to avoid the

effective encumbrance of the Facilities with a statutory or constitutional mechanic's or materialman's lien, but in no event less than the amount of the Project Contract, and in all events be in form and issued by surety companies satisfactory to IPS Enterprises, IDEA Florida and the Architect; (iii) require that all materials furnished be of good and serviceable quality and all labor performed be good and workmanlike and in conformity with the Plans and Specifications; (iv) require the Contractor and its subcontractors to obtain the insurance set out in Section 5.6 below; (v) require that all Project Contracts and any warranties contained therein can be assigned to and directly enforced by IDEA Florida, the Master Trustee or a Permitted Assignee; (vi) provide for an express subordination of any mechanic's or materialman's lien to the Deed of Trust lien securing Notes; (vii) require, in the case of all original Contractors, an affidavit of commencement in the form prescribed by the Florida's Construction Lien Law, Florida Statutes, Chapter 713; and (viii) contain the limitations on change orders set out in Section 5.4 below.

**Section 5.4 Change Orders.** Change orders with respect to the Facilities may only be made upon the recommendation of the Contractor and with the prior written consent of IPS Enterprises. No change order shall be approved which would either separately, or in the aggregate, cause additional Project Costs to be paid from the Project Fund unless (i) sufficient funds are on deposit therein or (ii) IDEA Florida deposits such excess amount in cash with the Related Bond Trustee to pay the cost of such change order. In no event shall change orders result in a change in the Lease Payments or the Purchase Option Price unless additional debt is incurred to finance such expenditures. Such change orders and [any construction reports] shall promptly be delivered to the Subordinate Lender.

**Section 5.5 Ownership of Project.** To the extent acquired by IPS Enterprises with the proceeds made available to IPS Enterprises under the Related Loan Document, all materials and other property incorporated into the Facilities shall become a permanent part of the construction of the Facilities for the purposes of this Lease.

**Section 5.6 Insurance Required of Contractors.** During the construction of the Facilities and during any major renovation or restoration involving an aggregate expenditure of more than \$100,000, all Contractors shall be required to obtain the insurance coverage set out in Exhibit C attached hereto and incorporated by reference herein for all purposes.

## ARTICLE VI

### ACCEPTANCE AND CONDITION OF PREMISES

**Section 6.1 IDEA Florida's Inspection and Acceptance.** (a) Once the Project is Complete, IDEA Florida will cause an IDEA Florida Representative to execute and deliver to IPS Enterprises and the Master Trustee a Final Acceptance Certificate.

(b) IDEA Florida is familiar with the Facilities and will have the opportunity to fully inspect the Project during construction. IDEA Florida's execution of this Lease and the execution of the Final Acceptance Certificate by a IDEA Florida Representative shall be conclusive evidence of IDEA Florida's acceptance of the Facilities in its "AS-IS" condition, with all faults latent or patent, and that the Facilities are suitable for their intended purposes.

**Section 6.2    No Representations.** IDEA Florida agrees that IPS Enterprises has made no representations or warranties respecting the condition of the Real Property or the Project, other than those prepared by third party professionals necessary to complete the Project Contract, those included in this Lease, the Related Bond Documents and documents incorporated by reference herein and therein and attached hereto and thereto, and no promises to alter or improve the Real Property have been made by IPS Enterprises or its agents other than those specifically contained herein or incorporated herein by specific reference.

## **ARTICLE VII**

### **ALTERATIONS AND IMPROVEMENTS**

**Section 7.1    IDEA Florida's Right to Alter.** (a) Provided that the conditions of this Section are met, IDEA Florida, at its expense, shall have the right to make alterations, additions and improvements to the Facilities. All alterations, improvements, and additions shall be part of the Facilities and shall be owned by IPS Enterprises subject to the terms of this Lease and the Deed of Trust.

(b) Following the Completion Date, IDEA Florida shall have the right to make alterations and improvements conditioned on the following: (i) no alteration, modification or addition shall be made which would reduce the fair market value of the Facilities to a value below the fair market value of the Facilities without modification, and in this respect, IDEA Florida must supply IPS Enterprises and the Master Trustee with a certificate from the Architect that such alteration, modification or addition will not lessen the value of the Facilities; and (ii) no structural alteration or improvement shall be made which would adversely affect the structural integrity of the Facilities, and in this respect, IDEA Florida must supply IPS Enterprises and the Master Trustee with a certification of a licensed engineer that such alteration will leave the Facilities, as altered, in a structurally sound condition; (iii) no alteration or improvement may be made which might adversely affect the exclusion from gross income for federal income tax purposes of interest on any Related Bonds, and in this respect, IDEA Florida must furnish to the Master Trustee an opinion of nationally recognized Bond Counsel to the effect that such proposed alteration or improvement will not so effect any Related Bonds.

(c) All alterations and improvements must: (i) be performed in a good and workmanlike manner; (ii) be performed pursuant to written contracts meeting the requirements of Section 5.3 and Section 5.6 above, and (iii) result in no liens being filed against the Facilities, or if such liens are filed, IDEA Florida shall promptly obtain and file a statutory Bond to Indemnify Against Lien (as provided in Florida's Construction Lien Law or its then statutory equivalent), naming IPS Enterprises and Trustee as additional obligees.

## **ARTICLE VIII**

### **USE OF LEASED PREMISES AND COMPLIANCE WITH LAW**

**Section 8.1    Use.** IDEA Florida shall occupy, operate and maintain the Facilities for use as one or more public schools and associated community purposes as described within this Lease.

## **Section 8.2    Compliance With Laws.**

(a)     IDEA Florida shall comply with all Laws now existing or enacted or promulgated in the future, which affect the Facilities and the use and occupancy thereof. IDEA Florida shall obtain all permits and licenses necessary for the operation, possession and use of the Facilities. IDEA Florida shall make, at IDEA Florida's own cost and expense, any and all repairs, additions and alterations (whether the same constitute a capital improvement or expenditure) to the Facilities, that are required by Law or as may be ordered or required by any governmental authority, whether (i) in order to meet the special needs of IDEA Florida, or by reason of the occupancy of IDEA Florida, or otherwise, and (ii) regardless of whether such Laws, and the cost of implementing same, are imposed upon the fee owner or IPS Enterprises. In making any such alterations and improvements, IDEA Florida shall comply with the requirements set forth in Section 5.3 and Section 5.6 above.

(b)     IDEA Florida may by appropriate proceedings conducted promptly in IDEA Florida's name and at IDEA Florida's expense, contest the validity or enforcement of any such Laws, and IDEA Florida may defer compliance with same during such contest, provided IDEA Florida diligently prosecutes such contest to a final determination by the authority having jurisdiction thereof and the delay in complying therewith does not create a lien or encumbrance on the Facilities or subject IPS Enterprises or the Facilities to any liability for damages, fines, or penalties.



## ARTICLE IX

### OPERATION OF THE PROJECT

**Section 9.1 Maintenance.** (a) During the Term, IDEA Florida shall maintain, preserve and keep the Facilities in good repair, working order, and condition, and from time to time make or cause to be made all repairs, replacements, and improvements (regardless of whether same include capital expenditures) necessary to keep the Facilities in such condition. IDEA Florida agrees to pay the expenses of such maintenance. IPS Enterprises shall have no obligation or responsibility to maintain the Facilities.

(b) IDEA Florida shall have the right to enter into contracts with respect to the operation and maintenance of the Facilities, as necessary to keep the Facilities in good repair, working order, and condition; provided, however, that IDEA Florida shall not be relieved of its obligation to maintain the Facilities by entering into a contract with a third party to perform such duties. Prior to entering into any such contract, other than a contract for services incidental to the use of the Facilities as an open-enrollment charter school campus, such as contracts for janitorial services, repair and maintenance, and similar such contracts, IDEA Florida must deliver 30 days prior written notice to the Master Trustee, together with an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on any Related Bonds will not be adversely affected by such contract.

**Section 9.2 Access.** IPS Enterprises and IDEA Florida agree that IDEA Florida, any IDEA Florida Representative, IPS Enterprises, any IPS Enterprises Representative, the Trustee, any Master Trustee Representative, any Architect and any Permitted Assignee shall have the right at all reasonable times to enter and inspect the Facilities. IDEA Florida agrees that IPS Enterprises, a IPS Enterprises Representative and the Trustee and a Master Trustee Representative, without incurring any responsibility or obligation, shall have such rights of access to the Facilities as may be necessary or desirable to: (i) cause the maintenance of the Facilities in the event of failure by IDEA Florida to perform its obligations hereunder, (ii) permit IPS Enterprises or Trustee to exercise its rights or to carry out its obligations under this Lease, or (iii) determine whether IDEA Florida is in compliance with its obligations under this Lease.

**Section 9.3 Utilities.** During the Term of this Lease, IDEA Florida shall pay, directly to vendors and suppliers, all deposits, charges, fees, and costs incurred for all utility equipment and services in connection with the use and occupancy of the Facilities by IDEA Florida, including, but not limited to, water, sewer, refuse removal, electricity, gas, telephone, and cable television. IDEA Florida shall pay the costs of any janitorial and related supplies in connection with the operation of the Facilities.

**Section 9.4 Taxes.** To the extent applicable, IDEA Florida shall pay any sales, property (real or personal) use, license, or other taxes with respect to the Facilities or any part thereof, or the ownership or use of the Facilities that may be imposed, assessed, levied or becoming due and payable on or after the effective date of this Lease, together with any fines, penalties, or interest thereon. IPS Enterprises shall cooperate with IDEA Florida to request that the bills for all taxes and assessments with respect to the Facilities be sent directly from the taxing authority to IDEA

Florida. In the event that IPS Enterprises receives such bills from the taxing authority, IPS Enterprises shall promptly forward the bills to IDEA Florida. IDEA Florida shall furnish IPS Enterprises with copies of paid receipts, if any, reflecting the timely payment of such taxes or impositions, and shall furnish the Master Trustee annually, at the same time as it submits its financial statements under Section 13.4 hereof, with a certificate that all taxes or impositions have been paid. IDEA Florida, after notifying the Master Trustee and at its own expense, may contest by appropriate administrative and thereafter legal proceedings the assessed value, entitlement to any claimed exemption from taxation, validity of levy, amount of tax or imposition, or applicability of any such tax or imposition. IDEA Florida's right to contest such taxes or impositions shall be conditioned on IDEA Florida's compliance with any tender requirements of any laws governing protest of taxes and furnishing to the Master Trustee an indemnity bond or cash deposit or other security acceptable to the Master Trustee, with a surety acceptable to the Master Trustee, in the amount of the tax or imposition being contested by IDEA Florida plus an additional sum sufficient to pay costs, interest, and penalties that may be imposed or incurred in connection with or during the contest. In no event may a contest be maintained or continued that might, if adversely determined, result in a sale of the Facilities pursuant to a court order foreclosing any statutorily provided lien to secure such tax or imposition. The Facilities are used to house charter schools whose charter has been approved by the Sponsoring Entity, and whose properties should therefore be exempt from property taxes pursuant to Florida Statutes Section 196.1983. IPS Enterprises shall use all means permitted by law to maintain or obtain in a timely manner a real property tax exemption for the Facilities, the entire benefit of which shall accrue to IDEA Florida. IDEA Florida shall cooperate and shall provide such signatures or information as may be required by the appropriate jurisdictional authority in connection with any such application for tax-exemption.

**Section 9.5 Liens and Leasehold Mortgages Prohibited.** IDEA Florida shall not, directly or indirectly, mortgage, pledge, or hypothecate the Facilities or its interest in this Lease. IDEA Florida shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, lien, charge, encumbrance, or claim on or with respect to the Facilities other than the rights of IPS Enterprises and IDEA Florida under this Lease as specifically provided in this Lease and Permitted Encumbrances; provided that IDEA Florida may, on prior notice to the Master Trustee, in good faith contest such mortgage, lien, charge, encumbrance, or claim, and permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom. IDEA Florida shall promptly take such action as may be necessary to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim arising at any time during the Term of this Lease. IPS Enterprises or the Master Trustee shall have the right, but not the obligation, to discharge any such liens, charges, mortgages or encumbrances if IDEA Florida does not do so and to be reimbursed by IDEA Florida as Additional Rental Payments for any expense incurred by either of them in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

**Section 9.6 Property and Casualty Insurance or Coverage.** IDEA Florida shall maintain throughout the Term of this Lease all-risk (or its equivalent) property insurance or coverage on the Facilities in an amount not less than the greater of the replacement value of the Facilities or the amount of the Purchase Option Price then applicable, subject only to such exceptions and exclusions as are customarily contained in such policies. IDEA Florida shall ensure that at all times the limits of coverage sufficient to pay for the full replacement cost of the Facilities

(or the amount of the Purchase Option Price then applicable) at the time of the loss, without deduction for depreciation. All policies shall be issued to IDEA Florida as the first named insured or term denoting a similar meaning, but shall name IPS Enterprises and Master Trustee as loss payee as their interests may appear under a standard Mortgagee's endorsement. If IDEA Florida shall act as its own contractor for alterations and improvements that cost more than \$100,000, it shall obtain Builder's Risk Insurance for the full completed value of the Improvements. IDEA Florida shall pay the premiums for such insurance. The Net Proceeds of such insurance shall be applied as set out in Section 10.1, below.

**Section 9.7 Liability Insurance.** During the Term, IDEA Florida shall maintain a commercial general liability policy of insurance, at IDEA Florida's expense, insuring IPS Enterprises and the Master Trustee against liability arising out of the ownership, use, occupancy or maintenance of the Facilities. The initial amounts of the insurance must be at least \$1,000,000 for each occurrence, \$2,000,000 general aggregate per policy year, \$100,000 property damage, and \$10,000 medical expense; plus a \$5,000,000 commercial general liability umbrella; and will be subject to periodic increases based upon economic factors as IPS Enterprises may determine, in IPS Enterprises's discretion, exercised in good faith. The amounts of the insurance will not limit IDEA Florida's liability or relieve IDEA Florida of any obligation under this Lease. The policies must contain cross-liability endorsements, if applicable. IDEA Florida may discharge IDEA Florida's obligations under this Section by naming IPS Enterprises and the Master Trustee as additional insureds under a commercial general liability insurance policy maintained by IDEA Florida and containing the coverage and provisions described in this Section. IDEA Florida shall deliver a copy of the policy or certificate (or a renewal) to IPS Enterprises upon the execution of this Lease and prior to the expiration of the policy during the Term. If IDEA Florida fails to maintain the policy, IPS Enterprises may elect to maintain the insurance at IDEA Florida's expense. IDEA Florida may, at IDEA Florida's expense, maintain other liability insurance as IDEA Florida deems necessary.

**Section 9.8 Workers Compensation Insurance.** IDEA Florida shall maintain, payable, throughout the Term of this Lease Worker's Compensation Insurance in statutorily required limits covering all of its employees in, on, or about the Facilities. During the construction of the Facilities and during any modification, restoration or renovation of the Facilities, IDEA Florida shall require any original contractor or subcontractor to obtain and maintain such coverage on its employees.

**Section 9.9 Insurance Policy Requirements.** All policies of insurance to be obtained in connection with this Lease shall be written by companies qualified and licensed to write insurance in the State of Florida and have A.M. Best ratings of at least A.-VIII. A program or plan qualifying under the Florida Interlocal Cooperation Act shall be deemed to meet these requirements. All policies shall provide by endorsement that IPS Enterprises and Master Trustee be given at least thirty (30) days advance written notice of a proposed cancellation or material change in coverage. All policies shall provide that the Master Trustee is additional insured and the loss payee. IDEA Florida shall furnish IPS Enterprises with certificates of insurance evidencing the above required insurance on or prior to awarding the Project Contract, which certificates must be in a form on which the parties can rely as evidence of binding insurance and shall furnish certificates evidencing renewals or replacements of said policies of insurance at least

thirty (30) days prior to the expiration or cancellation of any such policies. Annually, at the same time as it submits its financial statements under Section 13.4 hereof, IDEA Florida shall furnish the Master Trustee with a statement signed by a IDEA Florida Representative that IDEA Florida is in compliance with the insurance policy requirements of this Lease.

**Section 9.10 Indemnification.**

(a) Agreements to Indemnify. TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF [TEXAS], IDEA FLORIDA AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES AGAINST ANY AND ALL LOSSES; PROVIDED, HOWEVER, IDEA FLORIDA SHALL NOT BE OBLIGATED TO INDEMNIFY AN INDEMNIFIED PARTY AGAINST LOSSES RESULTING FROM THE NEGLIGENCE, THE GROSS NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT, OR THEFT ON THE PART OF ANY INDEMNIFIED PARTY CLAIMING INDEMNIFICATION. TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF TEXAS, IDEA FLORIDA ALSO AGREES TO INDEMNIFY THE MASTER TRUSTEE, THE RELATED BOND TRUSTEE ANY RELATED ISSUER FOR, AND TO HOLD THEM HARMLESS AGAINST, ANY LOSS, LIABILITY, CLAIM OR EXPENSE INCURRED WITHOUT NEGLIGENCE OR BAD FAITH ON ITS PART, ARISING OUT OF OR IN CONNECTION WITH THE ACCEPTANCE OR ADMINISTRATION OF THE TRUST CREATED UNDER THE MASTER INDENTURE OR RELATED BOND INDENTURE OR THE PERFORMANCE OF THEIR DUTIES UNDER THE MASTER INDENTURE OR RELATED BOND INDENTURE, INCLUDING THE COSTS AND EXPENSES OF DEFENDING THEMSELVES AGAINST ANY CLAIM OR LIABILITY IN CONNECTION WITH THE EXERCISE OR PERFORMANCE OF ANY OF THEIR POWERS OR DUTIES UNDER THE RELATED BOND DOCUMENTS, INCLUDING THE MASTER INDENTURE OR RELATED BOND INDENTURE (UNLESS SUCH LOSS, LIABILITY, CLAIM OR EXPENSE ARISES FROM THE NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT OR THEFT ON THE PART OF THE INDEMNIFIED PARTY CLAIMING INDEMNIFICATION). THE MASTER TRUSTEE AND THE ISSUER MAY ENFORCE SUCH RIGHT AS THIRD PARTY BENEFICIARIES HERETO.

(b) Release. TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF [TEXAS], NONE OF THE INDEMNIFIED PARTIES SHALL BE LIABLE TO IDEA FLORIDA FOR, AND IDEA FLORIDA HEREBY RELEASES EACH OF THEM FROM ALL LIABILITY TO IDEA FLORIDA FOR (I) ALL LOSSES, CLAIMS OR DAMAGES IDEA FLORIDA MAY HAVE AGAINST ANY INDEMNIFIED PARTY RELATED TO THE ISSUANCE OF RELATED BONDS OR THE ADMINISTRATION OF THE RELATED BOND DOCUMENTS, OR (II) ALL INJURIES, DAMAGES OR DESTRUCTION TO ALL OR ANY PART OR PARTS OF ANY PROPERTY OWNED OR CLAIMED BY IDEA FLORIDA THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE OPERATION, USE, OCCUPANCY OR MAINTENANCE OF THE FACILITIES, FOLLOWING COMPLETION OF THE RESPECTIVE PROJECT CONTRACT OR ANY PART THEREOF, UNLESS SUCH LOSSES, CLAIMS, DAMAGES, INJURIES OR DESTRUCTIONS ARISE FROM THE NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT OR THEFT ON THE PART OF THE INDEMNIFIED PARTY CLAIMING INDEMNIFICATION) IN CONNECTION WITH THE

ISSUANCE OF ANY RELATED BONDS, ANY RELATED BONDS OR IN CONNECTION WITH THE PROJECT.

## ARTICLE X

### CASUALTY AND CONDEMNATION

**Section 10.1 Casualty or Condemnation.** If (i) the Facilities or any part thereof is damaged by fire or other casualty, or (ii) if title to or temporary use of all or any portion of the Facilities or the interest therein of IPS Enterprises, IDEA Florida or the Master Trustee is threatened or taken pursuant to the exercise of the power of eminent domain (whether by governmental body or by any company authorized by law to exercise powers of eminent domain):

(a) IDEA Florida shall promptly engage the services of the Construction Consultant, which shall make a determination as to the amount of insurance or condemnation proceeds anticipated to result therefrom within fifteen (15) days of the occurrence of such damage, destruction, condemnation or taking.

(b) If the Net Proceeds of any damage, destruction, condemnation or taking under the threat of condemnation with respect to the Facilities as determined by the Construction Consultant pursuant to paragraph (a) above are equal to or less than \$250,000, such proceeds shall be transferred to the Master Trustee for deposit in the Insurance and Condemnation Fund and shall be applied as provided in the Master Indenture.

(c) If the Net Proceeds of any damage, destruction, condemnation or taking under the threat of condemnation with respect to the Facilities as determined by the Construction Consultant pursuant to paragraph (a) above are greater than \$250,000, such insurance or condemnation proceeds shall be transferred to the Master Trustee for deposit in the Insurance and Condemnation Fund for any Related Bonds, as applicable, and:

i. IDEA Florida shall immediately request that the Construction Consultant prepare a report to determine (A) if the repair, reconstruction, restoration or replacement of the Facilities or a portion thereof damaged or taken is economically feasible and will restore the Facilities to the physical and operating condition as existed before and (B) if IDEA Florida will have sufficient funds from the insurance proceeds, business interruption insurance proceeds and other available funds to make the payments required hereunder when due, to pay the cost of repairing, reconstructing, restoring or replacing the portion of the Facilities affected by such loss, damage or condemnation (including without limitation architects' and attorneys' fees and expenses), to pay IDEA Florida's operating costs until completion of the repair, construction or replacement of such portion of the Facilities which report shall be delivered to the Master Trustee and any Related Bond Trustee within thirty (30) days of the occurrence of such damage, destruction, condemnation or taking. If the report determines the foregoing conditions are satisfied, then within thirty (30) days after delivery thereof, IDEA Florida shall deliver to the Master Trustee:

(1) cash in an amount equal to the funds, if any, in excess of insurance proceeds and business interruption insurance proceeds required by the report

delivered under clause (i) above for deposit in a special separate account of the Project Fund; and

(2) such other documents and information as the Holders of a majority of the Outstanding Bonds may reasonably require; and

IDEA Florida shall promptly proceed to repair, reconstruct and replace the affected portion of the Facilities, including all fixtures, furniture and equipment and effects, to its original condition to the extent possible. Each request for payment shall comply with the requirements of the Related Bond Indenture for payments from the Project Fund.

(d) IDEA Florida shall give IPS Enterprises, the Master Trustee and the Related Bond Trustee prompt written notice of any notices received by IDEA Florida relating to the condemnation or casualty of which it has notice;

(e) the Master Trustee and Related Bond Trustee shall have the right to participate in any condemnation proceeding or negotiations for any sale, conveyance or lease in lieu of condemnation;

(f) the Master Trustee and Related Bond Trustee shall have the right to participate in the adjustment of any casualty loss;

(g) IDEA Florida shall cooperate with IPS Enterprises, the Master Trustee and the Related Bond Trustee in filing any proof of loss on any insurance policy required hereunder and in any condemnation or negotiation for a conveyance in lieu thereof and, to the extent it may lawfully do so, permit IPS Enterprises, the Master Trustee or the Related Bond Trustee to prosecute any administrative proceeding or litigation in connection therewith in the name of IDEA Florida;

(h) IDEA Florida shall not have the right to compromise, settle, adjust, or consent to the settlement of any private adjustment or administrative or legal proceeding related to the adjustment of an insurance claim or possible condemnation without the prior written consent of IPS Enterprises and Related Bond Trustee.

**Section 10.2 IDEA Florida's Options if Net Proceeds are Insufficient.** If the Net Proceeds are insufficient, in the judgment of the Construction Consultant, to defray the anticipated cost of restoration, repair, modification or improvement following a condemnation or casualty, IDEA Florida may (but shall not be obligated to), by written notice to IPS Enterprises, the Master Trustee and Related Bond Trustee given within ninety (90) days following the date of such condemnation or casualty, elect either to:

- (a) Make payments in excess of the Lease Payments in the amount of such excess costs;
- (b) exercise its Purchase Option on the next succeeding Lease Payment Date occurring more than thirty (30) days following the date of its written notice by IDEA Florida of its election to exercise its Purchase Option, or
- (c) terminate this Lease.

If IDEA Florida exercises its Purchase Option pursuant to this provision, IDEA Florida shall deposit with the Related Bond Trustee, prior to the next succeeding Purchase Option Date, such funds, which taken together with the Net Proceeds, will be sufficient to pay the Purchase Option Price that would be due as of such next succeeding Purchase Option Date, together with all sums that may be due or, pursuant to written confirmation from the Related Bond Trustee, past due under this Lease as of such next succeeding Purchase Option Date, less such amounts other than the Net Proceeds that may be then held by the Related Bond Trustee and available for payment to the Bondholders pursuant to the Related Bond Indenture. If there is any balance in the accounts held by the Related Bond Trustee after paying all sums required for repair, restoration, modification or improvement of the Facilities or after payment in full of the Purchase Option Price and the payment of the reasonable costs and expense of the Related Bond Trustee, Related Bond Trustee shall disburse the balance to IDEA Florida.

Until such time as IDEA Florida exercises its Purchase Option, regardless of the insufficiency of any Net Proceeds for repair or replacement of the Facilities, and any termination of this Lease pursuant to Section 10.2(c) hereof, IDEA Florida shall remain obligated to continue to pay the Lease Payments.

## **ARTICLE XI**

### **ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING**

**Section 11.1 Assignment by IPS Enterprises.** IDEA Florida acknowledges and consents that IPS Enterprises will assign its right, title and interest in (but not its obligations, responsibilities, or liabilities under) this Lease to the Master Trustee for the benefit of the holders of the Master Notes. IDEA Florida shall pay all Lease Payments and all other amounts required to be paid to IPS Enterprises pursuant to this Lease to or at the direction of Trustee. IPS Enterprises and IDEA Florida covenant and agree to execute, acknowledge and deliver each and every further act, deed, conveyance, transfer and assurance necessary or proper for the perfection of any and all of the security interests in the Facilities provided for in the Master Indenture or Related Bond Indenture, the Related Loan Document or the Deeds of Trust whether now owned or hereafter acquired, including, but not limited to, execution and delivery of such financing statements and continuation statement as shall be necessary under applicable Laws to perfect and maintain such security interests. IDEA Florida and IPS Enterprises shall notify the Master Trustee for the benefit of the Bondholders and any investment rating service that has issued a rating or an “if rated letter” of any proposed assignment other than the initial assignment by IPS Enterprises to the Master Trustee in the Assignment of Leases. The rights of the Master Trustee under this Lease arise solely from the assignment of this Lease to the Master Trustee in the Assignment of Leases.

**Section 11.2 Assignment by IDEA Florida.** During the Term of this Lease, IDEA Florida shall not assign or sublease its interest in the Facilities or in this Lease without the prior written consent of IPS Enterprises and the Master Trustee, and in consenting to any such assignment or sublease, the Master Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Bond Counsel stating that such assignment or sublease is authorized or permitted by the Related Bond Documents.

**Section 11.3 IDEA Florida's Right to Mortgage or Sell the Facilities Restricted.**

During the Term of this Lease, IDEA Florida shall not sell, assign, transfer, convey, mortgage, or otherwise encumber its interest in the Facilities or any portion thereof or in this Lease without the prior written consent of IPS Enterprises and the Master Trustee and the Subordinate Lender, and in consenting to any such sale, assignment, transfer, conveyance mortgage or other encumbrance, the Master Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that such sale, assignment, transfer, conveyance mortgage or other encumbrance is authorized or permitted by the Related Bond Documents.

**Section 11.4 Trustee's Right to Cure Defaults.** Trustee shall have the right, but not the obligation to cure any claimed Event of Default under this Lease by IPS Enterprises or IDEA Florida.

**ARTICLE XII**

**HAZARDOUS MATERIALS**

**Section 12.1 IDEA Florida's Limited Right to Maintain Hazardous Materials.** In operating the Facilities as a public school, IDEA Florida may have need to use and store above ground reasonable quantities of Hazardous Materials at the Facilities; provided, that prior to generation, manufacture, storage, use or disposal of or transport of Hazardous Materials at, to or from the Facilities, IDEA Florida shall provide IPS Enterprises with thirty (30) days' advance written notice of that fact and obtain its consent. IPS Enterprises shall have the right, in its sole and absolute discretion, to withhold its consent to such activity by notice in writing delivered to IDEA Florida given within ten (10) days after receipt of IDEA Florida's notice regarding activities related to Hazardous Materials. IDEA Florida agrees to furnish, upon reasonable request of either IPS Enterprises or Trustee, any and all information regarding Hazardous Materials existing or to be in existence at the Facilities including, without limitation, inventory records, manifests and material safety limitations, and material safety data sheets.

**Section 12.2 IDEA Florida's Obligations Regarding Hazardous Materials.** Except as provided in Section 12.1 above, IDEA Florida covenants that Hazardous Materials shall not hereafter be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, released or otherwise placed in, on or under all or any part of the Facilities; (b) no activity shall hereafter be undertaken on all or any part of the Facilities which would cause (i) all or any part of the Facilities to become a treatment, storage or disposal facility for Hazardous Materials within the meaning of, or otherwise bring all or any part of or any interest in the Facilities within the ambit of any Hazardous Materials Law, (ii) a release or threatened release of any Hazardous Materials from the Facilities within the meaning of, or otherwise bring all or any part of the Facilities within the ambit of, any Hazardous Materials Law, or (iii) the discharge of Hazardous Materials into any watercourse, body of surface or subsurface water or wetland, or the discharge into the atmosphere of any Hazardous Materials which would require a permit under any Hazardous Materials Law; (c) no activity shall be undertaken on or with respect to all or any part of the Facilities which would cause a violation or support a claim under any Hazardous Materials Law; and (d) except as disclosed in the Phase I environmental report prepared



relating to the Facilities, no underground storage tanks or underground deposits shall be located on all or any part of the Facilities.

**Section 12.3 Notice of Hazardous Materials Claims.** IDEA Florida shall immediately advise IPS Enterprises and Trustee in writing of (a) any governmental or regulatory actions instituted or threatened under any Hazardous Materials Law affecting all or any part of or any interest in the Facilities, (b) all claims made or threatened by any third party against IDEA Florida, IPS Enterprises or the Facilities relating to damage, contribution, cost recovery, compensation, or loss or injury resulting from any Hazardous Materials, (c) the discovery of or reasonable cause to believe that any occurrence or condition on any real property adjoining or in the vicinity of the Facilities that could cause the Facilities to be classified in a manner which may support a claim under any Hazardous Materials Law, and (d) the discovery of any occurrence or condition on any part of the Facilities or any real property adjoining or in the vicinity of the Facilities which could subject IDEA Florida or IPS Enterprises or any part of the Facilities to any limitations or restrictions on the ownership, occupancy, transferability or use thereof. IPS Enterprises and the Master Trustee may elect (but shall not be obligated) to join and participate in any settlements, remedial actions, legal proceedings or other actions initiated in connection with any claims or responses under any Hazardous Materials Law and to have their reasonable attorneys' fees relating to such participation paid by IDEA Florida. At its sole cost and expense, IDEA Florida agrees to promptly and completely cure and remedy every existing and future violation of a Hazardous Materials Law occurring on or with respect to any part of the Facilities and to promptly remove all Hazardous Materials now or hereafter in, on or under all or any part of the Facilities and to dispose of the same as required by any Hazardous Materials Law(s).

**Section 12.4 Right to Retain Site Reviewers.** IPS Enterprises or the Master Trustee (by its officers, employees and agents), at the expense of IPS Enterprises, at any time and from time to time may (but shall not be obligated) contract for the services of persons or entities (the "*Site Reviewers*") to perform environmental site assessments ("*Site Assessments*") on all or any part of the Facilities to determine the existence of any environmental condition which under any Hazardous Materials Law might result in any liability, cost or expense to the owner, occupier or operator of any of the Facilities. The Site Reviewers are authorized to enter upon all or any part of the Facilities to conduct Site Assessments. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on any of the Facilities and such other tests on or of any of the Facilities as the Site Reviewers or IPS Enterprises and Trustee may deem necessary. IDEA Florida agrees to supply to the Site Reviewers and IPS Enterprises and Trustee such historical and operational information regarding the Facilities as may be reasonably requested to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The results of Site Assessments shall be furnished to IDEA Florida upon request. The cost of performing Site Assessments shall be paid by IDEA Florida.

**Section 12.5 IDEA Florida's Indemnity.** TO THE EXTENT PERMITTED BY LAW, FOLLOWING THE COMPLETION OF THE RESPECTIVE PROJECT CONTRACT IDEA FLORIDA SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM AND AGAINST (A) ANY LOSS, LIABILITY, DAMAGE, COST, EXPENSE OR CLAIM ARISING FROM THE IMPOSITION OR RECORDING OF A LIEN, THE

INCURRING OF COSTS OF REQUIRED REPAIRS, REMEDIATION, CLEAN UP OR DETOXIFICATION AND REMOVAL UNDER ANY HAZARDOUS MATERIALS LAW WITH RESPECT TO ALL OR ANY PART OF THE FACILITIES OR LIABILITY TO ANY THIRD PARTY IN CONNECTION WITH ANY VIOLATION OF A HAZARDOUS MATERIALS LAW; (B) ANY OTHER LOSS, LIABILITY, DAMAGE, EXPENSE OR CLAIM WHICH MAY BE INCURRED BY OR ASSERTED AGAINST IPS Enterprises, TRUSTEE OR ISSUER, THEIR DIRECTORS, OFFICERS, EMPLOYEES, SUCCESSORS OR ASSIGNS, DIRECTLY OR INDIRECTLY, ARISING FROM THE PRESENCE ON OR UNDER, OR THE DISCHARGE, EMISSION OR RELEASE FROM THE FACILITIES INTO OR UPON THE REAL PROPERTY, ATMOSPHERE, OR ANY WATERCOURSE, BODY OF SURFACE OR SUBSURFACE WATER OR WETLAND, ARISING FROM THE INSTALLATION, USE, GENERATION, MANUFACTURE, TREATMENT, HANDLING, REFINING, PRODUCTION, PROCESSING, STORAGE, REMOVAL, REMEDIATION CLEAN UP OR DISPOSAL OF ANY HAZARDOUS MATERIAL WHETHER OR NOT CAUSED BY IDEA FLORIDA; (C) LOSS OF VALUE OF ANY OF THE FACILITIES AS A RESULT OF ANY SUCH LIEN, REMEDIATION CLEAN UP, DETOXIFICATION, LOSS, LIABILITY, DAMAGE, EXPENSE OR CLAIM OR A FAILURE OR DEFECT IN TITLE OCCASIONED BY ANY HAZARDOUS MATERIAL OR HAZARDOUS MATERIALS LAW; AND (D) ALL FORESEEABLE INCIDENTAL AND CONSEQUENTIAL DAMAGES. THE INDEMNITY SHALL INCLUDE THE COSTS OF INVESTIGATION, SETTLEMENT AND DEFENSE OF SUCH CLAIMS AND THE ATTORNEYS' FEES OF COUNSEL OF THE INDEMNIFIED PARTY'S CHOOSING. THIS INDEMNITY SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS LEASE AND SHALL NOT MERGE INTO THE FEE TITLE TO THE PROJECT IN THE EVENT OF THE EXERCISE OF THE PURCHASE OPTION; PROVIDED, HOWEVER, THAT THIS INDEMNIFICATION SHALL NOT APPLY TO ANY LIABILITY, DAMAGES, OR EXPENSES ARISING FROM THE NEGLIGENT OR WILLFUL CONDUCT OF IPS ENTERPRISES, THE MASTER TRUSTEE OR THE ISSUER.

**Section 12.6 IPS Enterprises's and Trustee's Right to Take Remedial Action.** IPS Enterprises, Trustee or a Permitted Assignee shall have the right, but not the obligation, upon thirty (30) days' advance written notice to take any remedial action to remove any Hazardous Substance from the Facilities or clean up any contamination resulting from IDEA Florida's violation of any of the requirements of this Article. IDEA Florida shall reimburse IPS Enterprises, Trustee or a Permitted Assignee for the costs of such remedial action to the extent permitted by applicable law.

## **ARTICLE XIII**

### **SPECIAL COVENANTS OF IDEA FLORIDA**

#### **Section 13.1 Indemnification.**

(a) **Agreements to Indemnify.** IDEA Florida agrees that it will at all times indemnify and hold harmless each of the Indemnified Parties against any and all Losses other than Losses resulting from fraud, willful misconduct or theft on the part of the Indemnified Party claiming indemnification. IT IS THE EXPRESS INTENTION AND AGREEMENT OF THE PARTIES

THAT IDEA FLORIDA WILL INDEMNIFY THE INDEMNIFIED PARTIES AGAINST LOSSES WHICH ARISE FROM THE NEGLIGENCE OF ANY INDEMNIFIED PARTY.

(b) Release. None of the Indemnified Parties shall be liable to IDEA Florida for, and IDEA Florida hereby releases each of them from, all liability to IDEA Florida for, all injuries, damages or destruction to all or any part of any property owned or claimed by IDEA Florida that directly or indirectly result from, arise out of or relate to the design, construction, operation, use, occupancy, maintenance or ownership of the Facilities or any part thereof, even if such injuries, damages or destruction directly or indirectly result from, arise out of or relate to, in whole or in part, one or more acts or omissions of the Indemnified Parties (other than fraud, willful misconduct or theft on the part of the Indemnified Party claiming release) in connection with the issuance of any Related Bonds or in connection with the Facilities.

(c) Subrogation. Each Indemnified Party, as appropriate, shall reimburse IDEA Florida for payments made by IDEA Florida pursuant to this Section to the extent of any proceeds, net of all expenses of collection, actually received by it from any other source (but not from the proceeds of any claim against any other Indemnified Party) with respect to any Loss to the extent necessary to prevent a multiple recovery by such Indemnified Party with respect to such Loss. At the request and expense of IDEA Florida, each Indemnified Party shall claim or prosecute any such rights of recovery from other sources (other than any claim against another Indemnified Party) and such Indemnified Party shall assign its rights to such rights of recovery from other sources (other than any claim against another Indemnified Party), to the extent of such required reimbursement, to IDEA Florida.

(d) Notice. In case any Claim shall be brought or, to the knowledge of any Indemnified Party, threatened against any Indemnified Party in respect of which indemnity may be sought against IDEA Florida, such Indemnified Party promptly shall notify IDEA Florida in writing; provided, however, that any failure so to notify shall not relieve IDEA Florida of its obligations under this Section.

(e) Defense. IDEA Florida shall have the right to assume the investigation and defense of all Claims, including the employment of counsel and the payment of all expenses. Each Indemnified Party shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party unless (i) the employment of such counsel has been specifically authorized by IDEA Florida, in writing, (ii) IDEA Florida has failed after receipt of notice of such Claim to assume the defense and to employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both an Indemnified Party and IDEA Florida, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to IDEA Florida (in which case, if such Indemnified Party notifies IDEA Florida in writing that it elects to employ separate counsel at IDEA Florida's expense, IDEA Florida shall not have the right to assume the defense of the action on behalf of such Indemnified Party; provided, however, that IDEA Florida shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable

fees and expenses of more than one separate firm of attorneys for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Parties).

(f) Cooperation; Settlement. Each Indemnified Party shall cooperate with IDEA Florida in the defense of any action or Claim. IDEA Florida shall not be liable for any settlement of any action or Claim without IDEA Florida's consent but, if any such action or Claim is settled with the consent of IDEA Florida or there be final judgment for the plaintiff in any such action or with respect to any such Claim, IDEA Florida shall indemnify and hold harmless the Indemnified Parties from and against any Loss by reason of such settlement or judgment to the extent provided in Subsection (a).

(g) Survival; Right to Enforce. The provisions of this Section shall survive the termination of this Lease, and the obligations of IDEA Florida hereunder shall apply to Losses or Claims under Subsection (a) whether asserted prior to or after the termination of this Lease. In the event of failure by IDEA Florida to observe the covenants, conditions and agreements contained in this Section, any Indemnified Party may take any action at law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of IDEA Florida under this Section. The obligations of IDEA Florida under this Section shall not be affected by any assignment or other transfer by IPS Enterprises of its rights, titles or interests under this Lease to the Trustee pursuant to the Master Indenture or Related Bond Indenture and will continue to inure to the benefit of the Indemnified Parties after any such transfer. The provisions of this Section shall be cumulative with and in addition to any other agreement by IDEA Florida to indemnify any Indemnified Party.

(h) Trustee and Issuer. IDEA Florida also agrees to indemnify IPS Enterprises, the Master Trustee, the Related Bond Trustee, the Related Issuer and the Sponsoring Entity, and any of their officers, directors, members, employees, agents, affiliates (including without limitation, the Related Bond Trustee as Paying Agent under the Master Indenture or Related Bond Indenture) or successors (collectively, the "*Indemnitees*"), for, and to defend and hold them harmless against, any loss, liability, claims, proceedings, suits, demands, penalties, costs and expenses, including without limitation, the costs and expenses of outside and in house counsel and experts and their staffs and all expenses of document location, duplication and shipment and of preparation to defend and defending any of the foregoing ("*Losses*"), that may be imposed on, incurred by or asserted against any Indemnatee in respect of any loss, or damage to any property, or injury to or death of any person, asserted by or on behalf of any Person arising out of, resulting from, or in any way connected with the gross negligence of IDEA Florida as to the Facilities, or the conditions, occupancy, use, possession, conduct or management of, or any work done in or about the Facilities after the completion of the respective Project Contract or from the planning, design, acquisition or construction of any Project facilities or any part thereof, after the completion of the respective Project Contract. IDEA Florida further agrees to indemnify the Indemnitees against any Losses as a result of (1) any untrue statement regarding a material fact or the intentional omission to state a material fact necessary to make the statements made not misleading in any statement, information or material furnished by IDEA Florida to IPS Enterprises, the Issuer or the Master Trustee, including, but not limited to any disclosure utilized in connection with the sale of any Related Bonds or (2) the inaccuracy of the statement contained in any section of any Bond Document relating to environmental representations and warranties. The foregoing indemnification shall include,

without limitation, indemnification for any statement or information concerning IDEA Florida or its officers and members or its property contained in any official statement or other offering document furnished to IPS Enterprises, the Master Trustee, the Issuer or the purchaser of any Bonds that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning IDEA Florida, its officers and members and its property not misleading in any material respect. The foregoing is in addition to any other rights, including rights to indemnification, to which IPS Enterprises, the Master Trustee, the Issuer or the Sponsoring Entity may otherwise be entitled.

**Section 13.2 Removal of Liens.** If any lien, encumbrance or charge of any kind based on any claim of any kind (including, without limitation, any claim for income, franchise or other taxes, whether federal, state or otherwise) shall be asserted or filed against the Trust Estate (as defined in the Master Indenture), or any Lease Payment paid or payable by IDEA Florida under or pursuant to this Lease, or any order (whether or not valid) of any court shall be entered with respect to the Trust Estate, or any such Lease Payment by virtue of any claim of any kind, in any case so as to:

(a) interfere with the due payment of such amount to the Master Trustee or the due application of such amount by any Paying Agent pursuant to the applicable provisions of the Related Bond Indenture,

(b) subject the Bondholders to any obligation to refund any money applied to payment of principal (premium, if any) and interest on any Bond, or

(c) result in the refusal of the Master Trustee or any Paying Agent to make such due application because of its reasonable determination that liability might be incurred if such due application were to be made,

then IDEA Florida will promptly take such action (including, but not limited to, the payment of money, filing litigation or arbitration) as may be necessary to prevent, or to nullify the cause or result of, such interference, obligation or refusal, as the case may be. So long as IDEA Florida pursues and continues to pursue lawful recourse, and subject to adequate reserves, such lien shall not constitute an event of default until it is supported by a final, non-appealable judgment of a court of competent jurisdiction.

**Section 13.3 Tax Covenants Related to Tax-Exempt Bonds.** IDEA Florida will not, through any act or omission, adversely affect the exclusion from gross income of interest paid or payable on Tax-Exempt Bonds for federal income tax purposes, and, in the event of such action or omission, it will use all reasonable efforts to cure the effect of such action or omission. With the intent not to limit the generality of the foregoing, IDEA Florida covenants and agrees that prior to the final Maturity of any series of Tax-Exempt Bonds, unless it has received and filed with IPS Enterprises and the Master Trustee a Favorable Opinion of Bond Counsel:

(a) **Maintenance of Exempt Status.** Once identified as a 501(c) organization by the IRS, IDEA Florida will (i) conduct its operations in a manner that will result in its continued

qualification as an organization described in Section 501(c)(3) of the Code, and (ii) timely file or cause to be filed all materials, returns, reports and other documents which are required to be filed with the IRS.

(b) Diversion of Funds for Unrelated Purposes. IDEA Florida will not divert any substantial part of its corpus or income for a purpose or purposes other than those for which it is organized and operated.

(c) Use of Net Proceeds. IDEA Florida will not use or permit the Facilities to be used, directly or indirectly, in any trade or business carried on by any Person who is not an Exempt Person without the prior written approval of IPS Enterprises. For the purposes of this Section 13.3(c), vendors providing services to IDEA Florida through services agreements or management contracts will be considered to be using the Facilities. IDEA Florida further agrees to notify and obtain the approval of IPS Enterprises to any amendments to previously approved service agreements or management contracts prior to allowing such amendment to take effect. "Exempt Person" means a state or local governmental unit as defined in Section 1.141-1(b) of the Regulations or an organization exempt from federal income taxation under Section 501(a) of the Code by reason of being described in Section 501(c)(3) of the Code.

(d) Notification of Changes in Operations. IDEA Florida will timely notify IPS Enterprises of any changes in its organizational documents or method of operations to the extent that IPS Enterprises does not already have knowledge of any such changes.

(e) To the extent that published rulings of the IRS, or amendments to the Code or the Regulations modify the covenants of IDEA Florida which are set forth in this Section 13.3 or which are necessary to preserve the excludability from gross income of interest on the Series 2020A Bonds for federal income tax purposes, IDEA Florida and IPS Enterprises will comply with such modifications.

**Section 13.4 Financial Reports; No Default Certificates; Notice of Default.** IDEA Florida shall cause an annual audit of its books and accounts to be made by independent certified public accountants each year. On or before the 180th day after the end of each Fiscal Year of IDEA Florida, IDEA Florida shall submit to the Master Trustee (as defined in the Master Indenture or Related Bond Indenture): (i) a copy of IDEA Florida's audited financial statements, and (ii) a certificate showing calculation of the Lease Payment Coverage Ratio for the previous Fiscal Year, which may be set forth in and be part of such audited financial statements. At the same time said audit report is delivered to IDEA Florida, IDEA Florida shall deliver to IPS Enterprises a copy thereof, a copy of the management letter of such accountants and a certificate signed by an IDEA Florida Representative stating that such person has reviewed the obligations of IDEA Florida under this Lease, the Deed of Trust, the Related Loan Documents, and the Master Indenture or Related Bond Indenture and the performance of IDEA Florida hereunder and thereunder, and has consulted with such officers and employees of IDEA Florida as he deemed appropriate and necessary for the purpose of delivering such certificate, and based on such review and consultation, no Event of Default or Other Master Lease Default and no event which, with the giving of notice or the passage of time or both, would constitute an Event of Default or Other Master Lease Default, as the case may be, has occurred and is continuing under the aforementioned documents. IPS Enterprises and

the Master Trustee shall have no duty to examine or independently verify any such audit reports or the matters described in any such certificate other than to examine the certificate for compliance with the required statements therein, and shall have no duty to furnish such audits to any third party. IDEA Florida shall also, promptly upon receiving notice thereof, notify IPS Enterprises and the Master Trustee in writing upon the occurrence of an Event of Default or Other Master Lease Default or any event which with the giving of notice or the passage of time or both would constitute an Event of Default hereunder or under the Master Indenture, Related Bond Indenture, Other Master Indenture or Other Master Lease.

**Section 13.5 Further Assurances and Corrective Instruments; Recordation.** IPS Enterprises and IDEA Florida agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention or facilitating the performance of this Lease, the Related Loan Document and the Master Indenture or Related Bond Indenture.

IDEA Florida covenants that it will act and cooperate so that this Lease, the Related Loan Document, the Master Indenture or Related Bond Indenture, any financing statements, and all supplements thereto, and any other instruments as may be required from time to time to be kept, will be recorded and filed in such manner and in such places as may from time to time be required by law in order fully to preserve and protect the security of the Holders and the rights of the Master Trustee under the Master Indenture or Related Bond Indenture.

**Section 13.6 Existence of IDEA Florida.** While any Related Bonds remain Outstanding, IDEA Florida shall maintain its corporate existence and qualification to do business in the State, and shall not merge or consolidate with any other corporation or entity or sell or dispose of all or substantially all of its assets, unless (and subject to the provisions of Section 13.3) (a) either IDEA Florida shall be the surviving corporation in the case of a merger, or the surviving, resulting, or transferee corporation, as the case may be, shall expressly and unconditionally assume, in a written instrument delivered to IPS Enterprises and the Master Trustee and the Subordinate Lender, the punctual performance and observance of all of the covenants and conditions of this Lease to be performed by IDEA Florida; (b) IDEA Florida or such surviving, resulting, or transferee corporation, as the case may be, shall not, immediately after such merger or consolidation, or sale or disposition, be in default in the performance of any covenant or condition hereunder; (c) the surviving, resulting, or transferee corporation, as the case may be, shall be duly authorized to transact business in the State; (d) IDEA Florida or such surviving, resulting, or transferee corporation, as the case may be, shall have a net worth at least equal to the net worth of IDEA Florida immediately preceding such merger or consolidation, or sale or disposition, with net worth being determined in accordance with generally accepted accounting principles; and (e) the Master Trustee shall have received, to its reasonable satisfaction, such other information, documents, certificates and opinions as the Master Trustee may reasonably require. Prior to the consummation of any such merger, sale, conveyance or transfer, (y) IDEA Florida shall deliver to IPS Enterprises, the Master Trustee, the Related Bond Trustee and the Related Issuer a Favorable Opinion of Bond Counsel and an Opinion of Counsel to the effect that such act does not violate Section 1002, Florida School Code or the Code, and (z) the surviving, resulting, or transferee entity's certification to IPS Enterprises and the Master Trustee to the effect that each

of the conditions stated in clauses (a) through (e) of the preceding sentence is and will remain satisfied as of the date of such consummation and that such consummation will not cause any such condition to not be satisfied. Furthermore, IDEA Florida or any surviving, resulting or transferee corporation shall, at all times during the term of this Lease, qualify as an accredited primary or secondary school or authorized charter school under Florida law.

**Section 13.7 Lease Payment Coverage Ratio.** (a) IDEA Florida covenants to maintain a Lease Payment Coverage Ratio of at least 1.10 for each Fiscal Year, commencing with the Fiscal Year ending June 30, 2021. Commencing with the Fiscal Year ending June 30, 2021, if such Lease Payment Coverage Ratio is below the applicable level, but above 1.00, IDEA Florida shall retain, at its expense, a Management Consultant to submit a written report and make recommendations within sixty (60) days of being retained (a copy of such report and recommendations shall be filed with the Master Trustee) with respect to financial matters of IDEA Florida which are relevant to increasing the Lease Payment Coverage Ratio to at least the required level. IDEA Florida will, subject to the exceptions in the next sentence, adopt and follow the recommendations of the Management Consultant and will thereafter calculate the Lease Payment Coverage Ratio for each succeeding fiscal quarter. So long as the Master Trustee and the Management Consultant determine that IDEA Florida is demonstrating reasonable diligence to comply with the appropriate recommendations (excepting certain limited instances when an Opinion of Counsel is obtained excusing such actions by IDEA Florida or where IDEA Florida makes a good faith determination in a statement to the Master Trustee that the Management Consultant's recommendations would violate State or federal law, the educational or charitable purpose of IDEA Florida) and the Lease Payment Coverage Ratio does not fall below 1.00 in any fiscal quarter, IDEA Florida will be deemed to have complied with its covenants hereunder. IDEA Florida shall continue to retain the Management Consultant until IDEA Florida has achieved a Lease Payment Coverage Ratio of at least the required level for at least two consecutive fiscal quarters. Notwithstanding the foregoing, if the Lease Payment Coverage Ratio falls below 1.00 in any Fiscal Year commencing with the Fiscal Year ending June 30, 2021, it shall constitute an Event of Default hereunder.

(b) Any contract entered into between IDEA Florida and any Management Consultant engaged by IDEA Florida pursuant to this Section 13.7 must meet the requirements of this Lease and the Tax Certificate.

**Section 13.8 Liquidity.** IDEA Florida covenants to accumulate funds equal to the Required Liquidity Level commencing with the Fiscal Year ending June 30, 2022. Such amount shall be based upon the audited financial results of IDEA Florida on an annual basis. Failure to maintain the Required Liquidity Level shall not be an Event of Default. However, the IDEA Florida agrees to restore the amount of any deficit within twelve (12) months of the audit indicating such shortfall.

**Section 13.9 Additional Indebtedness.** So long as IDEA Florida is not in default under this Lease, any Other Master Lease or any Bond Document, IDEA Florida reserves the right to incur indebtedness in any manner and in any amount, including the issuance of bonds or bank loans subject to any limitations in any documents or agreements to which it is a party thereto; provided, however, that no such additional borrowing shall ever encumber or create a lien upon the Facilities, except as permitted by the Deed of Trust; provided that, prior to the incurrence of



any indebtedness and for so long as the Series 2020 Notes remain outstanding, IDEA Florida will cause an IDEA Florida Representative to execute and deliver to PNC Bank, National Association and the Subordinate Lender a certificate certifying that IDEA Florida can meet its Lease Payment Coverage Ratio obligation in accordance with Section 13.7(a) hereinabove taking into account the proposed indebtedness for so long as the Note executed in connection with either the Senior Loan or the Subordinate Loan [each as defined in the \_\_\_\_] remains outstanding.

## ARTICLE XIV

### REMEDIES FOR DEFAULT

**Section 14.1 Remedies for IDEA Florida's Default.** If an Event of Default occurs by reason of the act or omission of IDEA Florida, IPS Enterprises and Trustee shall have the right, to the extent permitted by law, to take any or all of the following actions:

(a) with or without terminating this Lease, declare all Lease Payments due or to become due during the then current Fiscal Year to be immediately due and payable by IDEA Florida, in which event such Lease Payments, to the extent permitted by Law, shall be immediately due and payable;

(b) terminate this Lease and IDEA Florida's right to occupy the Facilities and employ legal process to remove IDEA Florida;

(c) enter upon the Facilities with or without terminating this Lease and without being deemed liable for trespass and complete the construction of the Facilities, applying the amounts in the Project Fund to the payment of Project Costs;

(d) exercise any remedies, rights or powers it may have under this Lease, the Deed of Trust, the Master Indenture or Related Bond Indenture, under any Laws, including any suit, action, mandamus, or special proceeding at law or in equity or in bankruptcy or otherwise for the collection of all amounts due and unpaid under the Related Bond Documents, for specific performance of any covenant or agreement contained in the Related Bond Documents or for the enforcement of any applicable legal or equitable remedy as the Master Trustee may deem most effective to protect the rights aforesaid to the extent permitted by applicable Laws; and

(e) the Master Trustee may provide a Notice of Exclusive Control to IDEA Florida's Depository Bank in accordance with the terms of the IDEA Florida Deposit Account Control Agreement.

**Section 14.2 No Holdover After Termination.** IDEA Florida shall immediately surrender possession of the Facilities to IPS Enterprises or a Permitted Assignee upon termination of this Lease under this Article. No holdover tenancy shall be permitted and IDEA Florida will, upon the termination of this Lease, become an IDEA Florida at sufferance and during such tenancy IDEA Florida shall be required to make rental payments equal to the Lease Payments.

**Section 14.3 No Waiver; Notice.** (a) No delay or failure by either party to insist upon or take action to enforce the strict performance of any covenant, agreement, term or condition of

this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Lease Payments during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with, and no breach thereof, shall be waived, altered or modified except by a written instrument. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

(b) In order to entitle any party to exercise any remedy reserved to it in this Lease it shall not be necessary to give any notice, other than such notice as may be required in this Lease.

(c) IDEA Florida shall provide written notification to IPS Enterprises and the Master Trustee upon the occurrence of any Event of Default identified in subsection (d), (e), or (f) of the definition of “Events of Default.”

**Section 14.4 IPS Enterprises’s Remedies are Cumulative.** IPS Enterprises’s remedies are cumulative and not exclusive and shall be in addition to every other remedy afforded by this Lease either now or hereafter existing at law or in equity, and IPS Enterprises may pursue one or more of such remedies without being deemed to have elected its remedies. The remedies conferred on IDEA Florida upon the occurrence of an Event of Default of IPS Enterprises shall, however, be exclusive and not cumulative.

**Section 14.5 Agreement to Pay Attorney’s Fees and Expenses.** If IDEA Florida should default under any of the provisions of this Lease and as a consequence IPS Enterprises and/or the Master Trustee should employ attorneys or incur other expenses for the collection for amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of IDEA Florida contained in this Lease, IDEA Florida agrees that it will on demand therefor reimburse IPS Enterprises and/or the Master Trustee for the reasonable fees of such attorneys and such other reasonable expenses so incurred. When the Master Trustee or IPS Enterprises incurs expenses, attorneys’ fees, or renders services after an Event of Default specified in the Master Indenture or Related Bond Indenture occurs that is related to the dissolution or liquidation by IDEA Florida or the filing by IDEA Florida of a voluntary petition for relief, or the entry of an order or decree for relief in an involuntary case, or the entry of an order or decree for dissolution, liquidation or winding up of the affairs of IDEA Florida under any applicable bankruptcy, insolvency, or similar law, the expenses, attorneys’ fees and compensation for the services are intended to constitute post-petition expenses of administration under any bankruptcy law.

## ARTICLE XV

### PREPAYMENT; OPTION TO PURCHASE

#### **Section 15.1 Prepayment.**

(a) IDEA Florida has the right to prepay Base Rental Payments due hereunder in whole or in part, and to cause IPS Enterprises to pay the principal of and interest on the Allocable Portion

of corresponding Notes or Related Bonds and to defease or redeem such Notes or Related Bonds if such Notes or Related Bonds are subject to redemption pursuant to the terms of the Master Indenture or Related Bond Indenture.

(b) In the event of prepayment in part, Base Rental Payments due after any such partial prepayment shall be in the amounts set forth in a revised Base Rental Payment Schedule taking into account said partial prepayment, which shall be signed by a IPS Enterprises Representative and an IDEA Florida Representative, shall be provided by, or caused to be provided by, IPS Enterprises to the Master Trustee and Related Bond Trustee, and shall represent a Supplemental Lease.

### **Section 15.2 Option to Purchase.**

(a) On any Purchase Option Date, IDEA Florida shall have the option to purchase IPS Enterprises's interest in any Facilities upon payment of an amount, after taking into account the Allocable Portion of funds held by the Related Bond Trustee under the Related Bond Indenture (or by the Related Lender under the Related Loan Documents) in the Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund and the applicable account of the Project Fund on the Purchase Option Date, equal the Purchase Option Price for such Facilities. IDEA Florida must give written notice to IPS Enterprises, and the corresponding Related Bond Trustee or Related Lender, as applicable, of its decision to exercise the Purchase Option not less than forty-five (45) days prior to the Purchase Option Date specified in such notice.

(b) The Related Bond Trustee or Related Lender shall use the payment of the Purchase Option Price for any Facilities purchased pursuant to this Section to defease or redeem the Notes and the Allocable Portion of the Related Bonds issued for such Facilities in accordance with the terms of the Related Bond Indenture or Related Loan Documents and to discharge the other expenses for which IDEA Florida is liable hereunder. The balance of the Purchase Option Price, if any, shall be paid to IPS Enterprises.

(c) Upon payment of the Purchase Option Price on the Purchase Option Date, IPS Enterprises shall convey the purchased Facilities to IDEA Florida, title to such Facilities shall vest in IDEA Florida, and the term of this Lease shall end as to such Facilities.

**Section 15.3 Conveyance of IPS Enterprises's Interest in the Facilities.** On any Purchase Option Date and subject to the payment in full of all amounts due and owing under this Lease, including the Purchase Option Price, for all or any portion of the Facilities (i) the Master Trustee will release the Deed of Trust with respect to such portion of the Facilities, and (ii) IPS Enterprises shall execute such conveyances, deeds and other documents as may be necessary to evidence the ownership of such Facilities by IDEA Florida.

## ARTICLE XVI

### ADDITIONAL DEBT

**Section 16.1 Issuance and Sale of Notes and Related Bonds.** Subject to applicable terms, limitations, and procedures set forth in the Master Indenture, IPS Enterprises may, from time to time, approve Notes, including Notes associated with the issuance of Related Bonds, to finance new Facilities or additional improvements to Facilities, but only upon satisfaction of the conditions to the execution and delivery of such Notes as set forth in the Master Indenture; provided that prior to or concurrently with the execution and delivery thereof, IPS Enterprises and IDEA Florida shall have entered into a Supplemental Lease providing for incremental increases in the Base Rental Payments specified therein and to be made hereunder.

**Section 16.2 Use of Proceeds.** IPS Enterprises represents and agrees that the proceeds of any Notes or Related Bonds will be deposited with the Related Bond Trustee into the accounts established pursuant to the Related Bond Indenture to be used to pay Project Costs and Costs of Issuance as provided therein.

**Section 16.3 Cooperation by IDEA Florida.** IDEA Florida agrees to take all appropriate actions, enter into Supplemental Leases and other agreements, provide the certifications contemplated by this Lease and otherwise cooperate with IPS Enterprises and its agents to effect the lawful issuance and sale of Notes and Related Bonds.

## ARTICLE XVII

### SUPPLEMENTS AND AMENDMENTS

**Section 17.1 Supplemental Leases for Addition of Property.**

(a) At any time and from time to time after the execution and delivery of this Lease, the Facilities and Additional Facilities may be financed or refinanced under the Master Indenture and leased under this Lease pursuant to a Supplemental Lease, upon compliance with all of the applicable conditions set forth in subsection (b). A Supplemental Lease may identify one or more Additional Facilities and shall identify the corresponding Notes or Related Bonds, the terms, Base Rental Payment Schedule, and the other pertinent terms of the Supplemental Lease. Supplemental Leases may be issued hereunder to secure any type of debt authorized under the Master Indenture. The number or amount of Additional Facilities that be leased hereunder is not limited, except by the additional debt limitations provided in the Master Indenture.

(b) In order for any Supplemental Lease to be effective, IPS Enterprises and IDEA Florida must deliver to the Master Trustee the following:

- i. certified copies of resolutions adopted by the board of directors of IPS Enterprises and IDEA Florida, respectively, authorizing the Additional Facilities;
- ii. certificates of a IPS Enterprises Representative and an IDEA Florida Representative stating (A) that no Event of Default under this Lease has occurred or will

result from the delivery of such Supplemental Lease and (B) that the Supplemental Lease complies with the provisions of Article XVII hereof;

- iii. executed counterparts of the Supplemental Lease;
- iv. consents by each Lender, including the Senior Lender and the Subordinate Lender, and
- v. any certificate, report, opinion or document required by Section 202 of the Master Indenture in connection with the issuance of the corresponding Notes under the Master Indenture.

(c) Form and Terms of Supplemental Leases. Each Supplemental Lease shall contain such terms, and be in substantially the form set forth in this Lease, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Lease. The Supplemental Lease may contain additional (or different) representations, warranties, covenants, defaults and remedies and other provisions with respect to the Additional Facilities, and such additional terms shall supplement and be in addition to the terms of this Lease.

#### **Section 17.2 Substitution or Removal of Property.**

(a) IPS Enterprises and IDEA Florida may amend this Lease to (i) substitute real property and/or improvements for all or a portion of the existing Facilities; (ii) remove all or a portion of real property (including undivided interests therein) or improvements (“Removal”) from the definition of Facilities, upon compliance with all of the applicable conditions set forth in subsection (b). After a Substitution or Removal, the part of the Facilities for which the Substitution or Removal has been effected shall be released from the leasehold hereunder.

(b) No Substitution or Removal shall take place hereunder until IPS Enterprises and IDEA Florida deliver to the Master Trustee the following:

- i. certified copies of resolutions adopted by the board of directors of IPS Enterprises and IDEA Florida, respectively, authorizing the Substitution or Removal;
- ii. executed counterparts of Supplemental Lease, containing: (A) in the event of (x) Removal, a legal description of that portion of the Facilities to be released; (y) Substitution, a legal description of the Facilities to be released and of the Facilities to be substituted in its place; and (B) a revised Base Rental Payment Schedule reflecting the Removal or Substitution;
- iii. Phase 1 environmental assessment of the Facilities;
- iv. with respect to a Substitution of Real Property, a leasehold owner's title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies, resulting in title insurance with respect to the Facilities after such Substitution in an amount at least equal to the aggregate principal amount of Related Bonds Outstanding;

- v. with respect to a Substitution of Real Property, evidence that the substitute Facility has an appraised value at least equal to the unpaid Allocable Portion of the Facility to be released;
- vi. with respect to the Series 2020 Facilities, consent of the Subordinate Lender;
- vii. an Opinion of Bond Counsel that the Substitution or Removal does not cause the interest on any Related Bonds issued on a tax-exempt basis to be includable in gross income of the owners thereof for purposes of federal income taxation.

**Section 17.3 Amendments.** This Lease may be supplemented and amended in writing as may be mutually agreed by IPS Enterprises and IDEA Florida, subject to the consent of the Master Trustee and for so long as the Series 2020 Notes are outstanding, the Subordinate Lender and Senior Lender; provided, that no such amendment which materially adversely affects the rights of the holders of Notes shall be effective unless it shall have been consented to by the holders of more than 50% in aggregate principal amount of the Notes Outstanding; and provided further, that no such amendment shall, without the prior written consent of the holder of each Note so affected, result in (a) an extension of any Lease Payment Date, a reduction in any Lease Payments (other than a reduction in connection the exercise of a Purchase Option or redemption or prepayment of Notes or Related Bonds) or a reduction in the Purchase Option Price, or (b) reduce the percentage of the principal amount of the Notes Outstanding the consent of the holders of which is required for the execution of any amendment hereof.

Notwithstanding the foregoing, this Lease may be amended without the consent of the Master Trustee or holders of the Notes for any of the following purposes:

- (a) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which IPS Enterprises or IDEA Florida may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the holders;
- (b) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by IPS Enterprises or IDEA Florida, other agreements, conditions, covenants and terms hereafter to be observed or performed by IPS Enterprises or the Authority, or to surrender any right reserved herein to or conferred herein on IPS Enterprises or IDEA Florida, and which in either case shall not materially adversely affect the interests of the holders;
- (c) to modify the legal description of the Facilities to add or delete the description of Property, or to provide for any Addition, Substitution and/or Removal as provided in Sections 17.1 and 17.2;
- (d) to make any modifications or changes to this Lease including any increase in Base Rental Payments resulting therefrom in order to enable the execution and delivery of any series of Notes or Related Bonds (unless otherwise provided in any Supplemental Master Indenture or Related Bond Indenture) in accordance with the Master Indenture and to make any modifications or changes necessary or appropriate in connection with the execution and delivery

of any Notes or series of Related Bonds, and which shall not materially adversely affect the interests of the holders of the Notes Outstanding;

(e) to make any modifications or amendments related to any Substitution, Addition and/or Removal under this Lease; or

(f) to make any other modification or change to the provisions of this Lease which does not materially adversely affect the interests of the holders of the Notes Outstanding.

There shall be filed with the Master Trustee with respect to each amendment to this Lease an opinion of counsel acceptable to the Master Trustee to the effect that such amendment is authorized or permitted by this Lease and that all conditions precedent with respect to the execution and delivery thereof have been fulfilled.

## ARTICLE XVIII

### MISCELLANEOUS

**Section 18.1 Notices.** Any notice required or permitted to be given hereunder by one party to another shall be in writing and shall be given using one or more of the following methods: (a) delivered in person to the address set forth below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, certified or registered mail return receipt requested, properly addressed to such party at the address hereinafter specified; (c) transmitted by facsimile (with receipt confirmed by telephone); or (d) deposited into the custody of a nationally recognized overnight delivery service, such as Federal Express Corporation, addressed to such party at the address herein specified. Any notice given in the above manner shall be deemed effective (i) if given by mail, three days after its deposit into the custody of the U.S. postal service; or (ii) if employing any other method, upon receipt. Notwithstanding the foregoing, notices to the Master Trustee shall be effective only upon receipt. The addresses for notices under this Lease and for all notices hereunder shall be:

If to IPS Enterprises:	IPS Enterprises, Inc. 9555 W. Sam Houston Parkway South, Suite 200 Houston, Texas 77099 Attention: Chief Executive Officer Telephone: (713) 900-7173
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If to IDEA Florida, Inc.:	IDEA Florida, Inc. 9321 W. Sam Houston Parkway South Houston, Texas 77099 Attention: Chief Financial Officer Facsimile: 713-777-8555 Telephone: 713-343-3333
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If to Master Trustee:	Regions Bank 3773 Richmond Avenue, Suite 1100 Houston, Texas 77046
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Attention: Corporate Trust Office  
Facsimile: 713-960-4058  
Telephone: 713-244-8041

If to Senior Lender: PNC Bank  
200 Crescent Court, Suite 400  
Dallas, Texas 75201  
Attention: Corey Huston, Vice President, Public Finance  
Telephone: 214-871-1277

If to Subordinate Lender: Florida Department of Education  
[ ]

Loan Administrator [ ]

### **Section 18.2 Certificates by IPS Enterprises and IDEA Florida.**

(a) IDEA Florida Estoppel Certificate. IDEA Florida agrees at any time and from time to time (not more than twice in any calendar year without reasonable compensation), upon not less than ten (10) Business Days' prior notice by IPS Enterprises, to execute, acknowledge and deliver to IPS Enterprises or Master Trustee or any other party specified by IPS Enterprises or Master Trustee a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which the Lease Payments payable by IDEA Florida hereunder have been paid, and stating whether or not to the best knowledge of the signer of such certificate, a breach or default has occurred in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which the signer may have knowledge.

(b) IPS Enterprises Estoppel Certificate. IPS Enterprises agrees at any time and from time to time (not more than twice in any calendar year without reasonable compensation), upon not less than ten (10) Business Days' prior notice by IDEA Florida, to furnish to IDEA Florida or Master Trustee, certificates signed by IPS Enterprises certifying (a) that this Lease is in full force and effect and unmodified (or if there have been modifications, that such document is in full force and effect as modified); (b) that IPS Enterprises is not in default under the terms of this Lease that no event has occurred which through the passage of time will result in an Event of Default by IPS Enterprises or, if IPS Enterprises is in default of this Lease, the nature of such Event of Default; and (c) as to such other matters as may be reasonably requested by IDEA Florida. In no event shall IPS Enterprises be required to certify to matters which it believes are inaccurate. The certificates may be relied upon by IDEA Florida.

**Section 18.3 Invalidity.** If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.



**Section 18.4 Captions.** The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

**Section 18.5 Table of Contents.** The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

**Section 18.6 Choice of Law.** THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCEPT AS SPECIFIED HEREIN.

**Section 18.7 Successors and Assigns.** The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, IPS Enterprises and IDEA Florida and their respective successors and (except as otherwise provided herein) assigns.

**Section 18.8 Recording.** IPS Enterprises and IDEA Florida will execute for purposes of recordation in the appropriate real property records, a memorandum or short form of the lease containing the names of the parties, a description of the Premises, the Term of this Lease, and other such provisions as either party (or a Leasehold Mortgagee) may require. The cost and expenses of recording the memorandum, or short form of this Lease, shall be borne by IDEA Florida.

**Section 18.9 Use of Terms.** Wherever used, the singular shall include the plural and the plural the singular and the use of any gender shall be applicable to all genders.

**Section 18.10 Execution in Counterparts.** This Lease may be executed in multiple counterparts, each of which shall be an original, but taken together shall constitute only one instrument.

**Section 18.11 Severability.** In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 18.12 Net Lease.** This Lease shall be deemed and construed to be a “triple net lease,” and IDEA Florida shall pay absolutely net during the Lease Term, the Lease Payments and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Lease Payments expressly provided for in this Lease).

**Section 18.13 Execution in Counterparts.** This Lease may be executed in multiple counterparts, each of which shall be an original, but taken together shall constitute only one instrument.

**Section 18.14 Integration.** This Lease supersedes and replaces any and all prior agreements entered into between the parties hereto with respect to the subject matter hereof. This Lease is entered into simultaneously with the execution of the other Related Bond Documents.

**Section 18.15 Survival of Representations and Warranties.** The representations, warranties and indemnities contained in this Lease shall survive the expiration or termination of this Lease.

**Section 18.16 Time is of the Essence.** Time is of the essence in this Lease.

**Section 18.17 Third Party Beneficiaries.** The Master Trustee, Trustee, any Related Bond Issuer, the Senior Lender and the Subordinate Lender are intended third-party beneficiaries of this Lease.

IN WITNESS WHEREOF, each of the parties have caused this Lease to be executed by its duly authorized officers as of the date first above written.

**LESSOR:**

**IPS ENTERPRISES, INC.**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LESSEE:**

**IDEA FLORIDA, INC.**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION OF REAL PROPERTY**

**Property Description**

(attached)

**EXHIBIT B**  
**MINIMUM BASE RENTAL PAYMENT SCHEDULE**

Series 2020 Facilities Base Rent Payment Schedule

Aggregate Base Rent Payment Schedule

## EXHIBIT C

### LIABILITY INSURANCE COVERAGE REQUIREMENTS

Contractor shall at its sole expense, maintain in effect at all times during the full term of its work on the Facilities, insurance coverages with limits not less than those set forth below with insurers licensed to do business in the jurisdiction where the Facilities is located and reasonably acceptable to IPS Enterprises and IDEA Florida. Such insurance shall be written on forms of policies reasonably satisfactory to IPS Enterprises and IDEA Florida. The requirements contained herein as to types or limits of insurance coverage to be maintained by Contractor are not intended to and shall not in any manner limit, qualify or quantify the liabilities and obligations assumed by Contractor or otherwise provided by law. In the event of any failure by Contractor to comply with the provisions of this Exhibit C, IPS Enterprises and IDEA Florida may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to Contractor, purchase such insurance, at Contractor's expense, provided that IPS Enterprises and IDEA Florida shall have no obligation to do so and if IPS Enterprises or IDEA Florida shall do so, Contractor shall not be relieved of or excused from the obligation to obtain and maintain such insurance amounts and coverages.

#### Contractor's Coverage:

Workers Compensation	Statutory
Employers Liability	\$500,000
Commercial Comprehensive General Public Liability Insurance including premises/operations, independent contractors, products/completed operations, personal injury, contractual liability and explosion, collapse and underground property damage naming IPS Enterprises and Trustee as additional insureds	\$500,000
Automobile Liability*	\$100,000
a.     Each Person	\$250,000
Each Occurrence Bodily Injury/Death	
b.     Property Damage	\$500,000
Each Occurrence	
Umbrella Excess Liability Insurance	
Bodily Injury	\$1,000,000 per occurrence
Property Damage	\$1,000,000 aggregate

All-Risk Builder's Risk Insurance naming IPS Enterprises, the Master Trustee and all subcontractors Contractor ("Subcontractors") as named insured as their interests may appear. The policy shall provide, by endorsement or otherwise, that Contractor shall be solely responsible for the payment of all premiums under the policy, and that IPS Enterprises, the Master Trustee shall have no obligation for the payment thereof, notwithstanding that IPS Enterprises and the Master



Trustee are named insureds under the policy. Any insured loss or claim of loss shall be adjusted by IPS Enterprises and IDEA Florida, and any settlement payments shall be made payable to the Master Trustee, subject to the requirements of any applicable mortgagee clause. Contractor shall be responsible for any loss within the deductible area of the policy. The builder's risk policy described herein shall include a waiver of subrogation in favor of the Master Trustee.

**Evidence of Insurance.** Evidence of the insurance coverage required to be maintained by Contractor under this Schedule of Insurance Requirements, represented by Certificates of Insurance issued by the insurance carriers, must be furnished to IPS Enterprises and the Master Trustee prior to Contractor starting work on the Facilities. The Certificates of Insurance shall specify the additional insured status and the waivers of subrogation required in this Exhibit C. Such Certificates of Insurance shall state that IPS Enterprises, the Master Trustee and IDEA Florida will be notified in writing thirty (30) days prior to cancellation, material change, or non-renewal of insurance. Contractor shall provide to IPS Enterprises, the Master Trustee and IDEA Florida a certified copy of any and all applicable insurance policies upon request of IPS Enterprises, the Master Trustee or IDEA Florida. Timely renewal certificates will be provided to IPS Enterprises and the Master Trustee as the coverage renews.

**Subcontractors' Insurance.** Insurance similar to that required of Contractor shall be provided by or on behalf of all Subcontractors to cover their operations performed under any contract for construction of the Facilities; provided, however, that the limits of such insurance may be adjusted in accordance with the nature of each of such Subcontractor's operations. Contractor shall in any event be held responsible for any modifications in these insurance requirements as they apply to Contractor's Subcontractors. Contractor shall maintain Certificates of Insurance from all Subcontractors, enumerating, among other things, the waivers of subrogation in favor of, and the additional insured status of, IPS Enterprises, the Master Trustee and IDEA Florida, as required herein, and shall provide to IPS Enterprises, the Master Trustee and IDEA Florida a copy of each Certificate of Insurance from each Subcontractor before that Subcontractor is permitted to begin work on the Facilities. The term "Subcontractors," as used herein, shall include subcontractors of any tier.

All Contractor's policies must: (1) meet the requirements set out in Section 9.9 of this Lease and name IPS Enterprises and Master Trustee as additional insureds and the Master Trustee as the loss payee.

**EXHIBIT D**  
**FORM OF FINAL ACCEPTANCE CERTIFICATE**

The Participating Campuses within IDEA FLORIDA, INC. (the “*IDEA Florida*”), as IDEA Florida under that certain MASTER LEASE AGREEMENT dated as of \_\_\_\_\_, 2020, as amended and supplemented (the “*Lease*”), with IPS ENTERPRISES, INC. (“*IPS Enterprises*”), hereby acknowledges receipt in good condition of all of that portion of the Series 20\_\_ Facilities consisting of the \_\_\_\_\_ Campus as described in the Lease and in the Plans and Specifications with respect to such Series 20\_\_ Facilities, hereby accepts such property and improvements and hereby certifies that IPS Enterprises has fully and satisfactorily performed all covenants and conditions to be performed by it under the Lease with regard to the acquisition, design, construction, equipping, and installation of such property and improvements and that such property and improvements constitute all of the Facilities. IDEA Florida has obtained the insurance required by Section 9.6 of the Lease and same are in full force and effect.

There is no litigation, action, suit, or proceeding pending, or to the best of my knowledge, threatened, before any court, administrative agency, arbitrator, or governmental body that challenges the organization or the existence of IDEA Florida; the authority of its officers and officials; the proper authorization, approval, or execution of the Lease and other authorization, approval or execution of the Lease and other documents contemplated thereby; or the ability of IDEA Florida otherwise to perform its obligations under the Lease and the other documents and the transactions contemplated thereby.

IDEA Florida waives any and all express or implied warranties of suitability.

This Certificate does not and shall not prejudice any rights against third parties presently extant on the day hereof or which may come into existence hereafter.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned in the Lease.

DATE: \_\_\_\_\_, 20\_\_.

IDEA FLORIDA, INC.,  
IDEA FLORIDA REPRESENTATIVE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Sources & Uses

**IPS Enterprises, Inc.**  
**Tampa 1 Single Phase Construction**  
**Sources and Uses**

Assumes August 18, 2020 funding

19,040,256.56

**Sources of Funds**

**Working  
Budget**

Senior Loan	Taxable Rate	6.00%	19,040,000.00
Less: OID			
Subordinate Loan	Taxable Rate	1.05%	7,900,000.00

<b>Total Sources</b>			<b>26,940,000.00</b>
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**Uses of Funds**

Land Acquisition & Associated Costs			
Professional Services			
Prime Construction Costs			26,000,000.00
Owner's Project Contingency			
Other Construction Costs			
Financing Costs			253,104.00
Capitalized Interest			675,000.00
Excess Cash			11,896.00

Through Feb 28 2022

<b>Total - Use of Loans</b>			<b>26,940,000.00</b>
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**Notes:**

1. Assumes a funding August 18, 2020
2. Subordinate loan will fund in full at closing, affecting the amount of capitalized interest necessary.
3. Subordinate debt is expected to be interest-only for two years. In year three, the sub debt is assumed to begin to amortize over 30 years.
4. Senior debt will function as a draw-down facility, with draws expected to begin fall 2020 (Oct/Nov)
5. Senior debt is expected to be interest-only through construction (which is November 2021 per draw schedule). Thereafter, the senior debt is assumed to be
6. Senior debt is assumed to have a 5-year maturity. Sub-debt is assumed to have a 7-year maturity.

Financial Advisor	40,000
Financial Advisor Expenses	
Senior Lender	
Origination fee	38,080.00
Appraisal & Update	3500
Lender Legal Counsel	35,000.00
Legal Expenses	1,500.00
Lender's Local Counsel	
Real estate tax monitoring	1,165.00
Environmental fee	475.00
Flood Verification Fee	30.00
Construction Cost Review	3,250.00
Good Standing Fee	104.00
Less: Deposit	

Up to \$11.5MM on senior loan

Borrower's Counsel	
Fee	35,000.00
Expenses	
Florida Counsel	
Fee	20,000.00
Expenses	
Subordinate Lender Upfront	-
Subordinate Lender Counsel	-
Subordinate Lender Ongoing	
Title Company	
Policy Amounts	70,000.00
Other Fees	5,000.00
Total	253,104.00

confirmed as of preliminary settlement statement  
Expect increases to fit w/in Senior Loan Amount

Owner's Title Policy

Par Amount		19,040,000.00									
Term (Months)		60									
Rate		6.00% Taxable Per Annum									
		Subordinate Debt Available for Draws									
		7,779,722.50									
		Monthly	Cumulative			Senior Debt	Total	Senior Debt	Principal	Interest	Outstanding
		Construction	Construction	COI	Excess Cash	Interest	Drawdown	Monthly Pymnt	Paid	Paid	Senior Debt
18-Aug	2020	Draw	Draws								Principal
18-Aug	2020	588,839.00	588,839	253,104.00	11,896.00	-	853,839.00	-	-	-	-
1-Sep	2020	233,000.00	821,839			-	1,086,839.00	-	-	-	-
1-Oct	2020	6,159,500.00	6,981,339			-	7,246,339.00	-	-	-	-
1-Nov	2020	1,174,000.00	8,155,339			-	8,420,339.00	-	-	-	640,616.50
1-Dec	2020	905,700.00	9,061,039			3,203.08	9,329,242.08	3,203.08		3,203.08	1,549,519.58
1-Jan	2021	975,700.00	10,036,739			7,747.60	10,312,689.68	7,747.60		7,747.60	2,532,967.18
1-Feb	2021	1,398,700.00	11,435,439			12,664.84	11,724,054.52	12,664.84		12,664.84	3,944,332.02
1-Mar	2021	2,027,200.00	13,462,639			19,721.66	13,770,976.18	19,721.66		19,721.66	5,991,253.68
1-Apr	2021	1,964,700.00	15,427,339			29,956.27	15,765,632.44	29,956.27		29,956.27	7,985,909.94
1-May	2021	2,117,200.00	17,544,539			39,929.55	17,922,761.99	39,929.55		39,929.55	10,143,039.49
1-Jun	2021	2,131,700.00	19,676,239			50,715.20	20,105,177.19	50,715.20		50,715.20	12,325,454.69
1-Jul	2021	1,807,200.00	21,483,439			61,627.27	21,974,004.47	61,627.27		61,627.27	14,194,281.97
1-Aug	2021	1,884,200.00	23,367,639			70,971.41	23,929,175.88	70,971.41		70,971.41	16,149,453.38
1-Sep	2021	1,174,200.00	24,541,839			80,747.27	25,184,123.14	80,747.27		80,747.27	17,404,400.64
1-Oct	2021	643,161.00	25,185,000			87,022.00	25,914,306.15	87,022.00		87,022.00	18,134,583.65
1-Nov	2021	815,000.00	26,000,000			90,672.92	26,819,979.06	90,672.92		90,672.92	19,040,256.56
1-Dec	2021						\$114,154.42			114,154.42	19,040,256.56
1-Jan	2022						26,819,979.06	\$114,154.42	18,953.14	95,201.28	19,040,256.56
1-Feb	2022						26,819,979.06	\$114,154.42	18,953.14	95,201.28	19,040,256.56
1-Mar	2022							\$114,154.42	18,953.14	95,201.28	19,021,303.43
1-Apr	2022							\$114,154.42	19,047.90	95,106.52	19,002,255.52
1-May	2022							\$114,154.42	19,143.14	95,011.28	18,983,112.38
1-Jun	2022							\$114,154.42	19,238.86	94,915.56	18,963,873.52
1-Jul	2022							\$114,154.42	19,335.05	94,819.37	18,944,538.47
1-Aug	2022							\$114,154.42	19,431.73	94,722.69	18,925,106.74
1-Sep	2022							\$114,154.42	19,528.89	94,625.53	18,905,577.86
1-Oct	2022							\$114,154.42	19,626.53	94,527.89	18,885,951.33
1-Nov	2022							\$114,154.42	19,724.66	94,429.76	18,866,226.66
1-Dec	2022							\$114,154.42	19,823.29	94,331.13	18,846,403.38
1-Jan	2023							\$114,154.42	19,922.40	94,232.02	18,826,480.97
1-Feb	2023							\$114,154.42	20,022.02	94,132.40	18,806,458.96
1-Mar	2023							\$114,154.42	20,122.13	94,032.29	18,786,336.83
1-Apr	2023							\$114,154.42	20,222.74	93,931.68	18,766,114.10
1-May	2023							\$114,154.42	20,323.85	93,830.57	18,745,790.25
1-Jun	2023							\$114,154.42	20,425.47	93,728.95	18,725,364.78
1-Jul	2023							\$114,154.42	20,527.60	93,626.82	18,704,837.18
1-Aug	2023							\$114,154.42	20,630.23	93,524.19	18,684,206.95
1-Sep	2023							\$114,154.42	20,733.39	93,421.03	18,663,473.56
1-Oct	2023							\$114,154.42	20,837.05	\$93,317.37	18,642,636.51
1-Nov	2023							\$114,154.42	20,941.24	\$93,213.18	18,621,695.27
1-Dec	2023							\$114,154.42	21,045.94	\$93,108.48	18,600,649.33
1-Jan	2024							\$114,154.42	21,151.17	\$93,003.25	18,579,498.16
1-Feb	2024							\$114,154.42	21,256.93	\$92,897.49	18,558,241.23
1-Mar	2024							\$114,154.42	21,363.21	\$92,791.21	18,536,878.01
1-Apr	2024							\$114,154.42	21,470.03	\$92,684.39	18,515,407.98
1-May	2024							\$114,154.42	21,577.38	\$92,577.04	18,493,830.60
1-Jun	2024							\$114,154.42	21,685.27	\$92,469.15	18,472,145.34
1-Jul	2024							\$114,154.42	21,793.69	\$92,360.73	18,450,351.64
1-Aug	2024							\$114,154.42	21,902.66	\$92,251.76	18,428,448.98
1-Sep	2024							\$114,154.42	22,012.18	\$92,142.24	18,406,436.81
1-Oct	2024							\$114,154.42	22,122.24	\$92,032.18	18,384,314.57
1-Nov	2024							\$114,154.42	22,232.85	\$91,921.57	18,362,081.72
1-Dec	2024							\$114,154.42	22,344.01	\$91,810.41	18,339,737.71
1-Jan	2025							\$114,154.42	22,455.73	\$91,698.69	18,317,281.98
1-Feb	2025							\$114,154.42	22,568.01	\$91,586.41	18,294,713.97
1-Mar	2025							\$114,154.42	22,680.85	\$91,473.57	18,272,033.12
1-Apr	2025							\$114,154.42	22,794.25	\$91,360.17	18,249,238.87
1-May	2025							\$114,154.42	22,908.23	\$91,246.19	18,226,330.64
1-Jun	2025							\$114,154.42	23,022.77	\$91,131.65	18,203,307.87
1-Jul	2025							\$114,154.42	23,137.88	\$91,016.54	18,180,169.99
1-Aug	2025							18,271,070.84	18,180,169.99	\$90,900.85	-
1-Sep	2025	26,000,000		253,104		554,979.06	26,808,083.06		19,078,162.84	4,770,681.55	\$18,385,225.26

Par Amount 7,900,000.00  
Term (Months) 84 7  
Rate 1.05% Taxable Per Annum

		Monthly Payment	Principal Paid	Interest Paid	Remaining Principal	
18-Aug	2020					
18-Aug	2020			\$0.00	7,900,000.00	
1-Sep	2020	2,765.00		\$2,765.00	7,900,000.00	
1-Oct	2020	6,912.50		\$6,912.50	7,900,000.00	
1-Nov	2020	6,912.50		\$6,912.50	7,900,000.00	
1-Dec	2020	6,912.50		\$6,912.50	7,900,000.00	
1-Jan	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Feb	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Mar	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Apr	2021	6,912.50		\$6,912.50	7,900,000.00	
1-May	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Jun	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Jul	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Aug	2021	6,912.50		\$6,912.50	7,900,000.00	78,802.50
1-Sep	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Oct	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Nov	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Dec	2021	6,912.50		\$6,912.50	7,900,000.00	
1-Jan	2022	6,912.50		\$6,912.50	7,900,000.00	
1-Feb	2022	6,912.50		\$6,912.50	7,900,000.00	120,277.50 Cap-I through this date
1-Mar	2022	6,912.50		\$6,912.50	7,900,000.00	
1-Apr	2022	6,912.50		\$6,912.50	7,900,000.00	
1-May	2022	6,912.50		\$6,912.50	7,900,000.00	
1-Jun	2022	6,912.50		\$6,912.50	7,900,000.00	
1-Jul	2022	6,912.50		\$6,912.50	7,900,000.00	
1-Aug	2022	6,912.50		\$6,912.50	7,900,000.00	82,950.00
1-Sep	2022	\$25,591.37	18,678.87	\$6,912.50	7,881,321.13	
1-Oct	2022	\$25,591.37	18,695.21	\$6,896.16	7,862,625.92	
1-Nov	2022	\$25,591.37	18,711.57	\$6,879.80	7,843,914.35	
1-Dec	2022	\$25,591.37	18,727.94	\$6,863.43	7,825,186.40	
1-Jan	2023	\$25,591.37	18,744.33	\$6,847.04	7,806,442.07	
1-Feb	2023	\$25,591.37	18,760.73	\$6,830.64	7,787,681.34	
1-Mar	2023	\$25,591.37	18,777.15	\$6,814.22	7,768,904.19	
1-Apr	2023	\$25,591.37	18,793.58	\$6,797.79	7,750,110.62	
1-May	2023	\$25,591.37	18,810.02	\$6,781.35	7,731,300.60	
1-Jun	2023	\$25,591.37	18,826.48	\$6,912.50	7,712,474.12	
1-Jul	2023	\$25,591.37	18,842.95	\$6,748.41	7,693,631.16	
1-Aug	2023	\$25,591.37	18,859.44	\$6,731.93	7,674,771.72	\$307,096.42
1-Sep	2023	\$25,591.37	18,875.94	\$6,715.43	7,655,895.78	
1-Oct	2023	\$25,591.37	18,892.46	\$6,698.91	7,637,003.32	
1-Nov	2023	\$25,591.37	18,908.99	\$6,682.38	7,618,094.33	
1-Dec	2023	\$25,591.37	18,925.54	\$6,665.83	7,599,168.79	
1-Jan	2024	\$25,591.37	18,942.10	\$6,912.50	7,580,226.69	
1-Feb	2024	\$25,591.37	18,958.67	\$6,912.50	7,561,268.02	
1-Mar	2024	\$25,591.37	18,975.26	\$6,616.11	7,542,292.77	
1-Apr	2024	\$25,591.37	18,991.86	\$6,599.51	7,523,300.90	
1-May	2024	\$25,591.37	19,008.48	\$6,582.89	7,504,292.42	
1-Jun	2024	\$25,591.37	19,025.11	\$6,566.26	7,485,267.31	
1-Jul	2024	\$25,591.37	19,041.76	\$6,549.61	7,466,225.55	
1-Aug	2024	\$25,591.37	19,058.42	\$6,532.95	7,447,167.13	\$307,096.42
1-Sep	2024	\$25,591.37	19,075.10	\$6,516.27	7,428,092.03	
1-Oct	2024	\$25,591.37	19,091.79	\$6,499.58	7,409,000.24	
1-Nov	2024	\$25,591.37	19,108.49	\$6,482.88	7,389,891.75	
1-Dec	2024	\$25,591.37	19,125.21	\$6,466.16	7,370,766.54	
1-Jan	2025	\$25,591.37	19,141.95	\$6,449.42	7,351,624.59	
1-Feb	2025	\$25,591.37	19,158.70	\$6,432.67	7,332,465.89	
1-Mar	2025	\$25,591.37	19,175.46	\$6,415.91	7,313,290.43	
1-Apr	2025	\$25,591.37	19,192.24	\$6,399.13	7,294,098.19	
1-May	2025	\$25,591.37	19,209.03	\$6,382.34	7,274,889.16	
1-Jun	2025	\$25,591.37	19,225.84	\$6,365.53	7,255,663.32	
1-Jul	2025	\$25,591.37	19,242.66	\$6,348.71	7,236,420.66	
1-Aug	2025	\$25,591.37	19,259.50	\$6,331.87	7,217,161.16	\$307,096.42
1-Sep	2025	\$25,591.37	19,276.35	\$6,315.02	7,197,884.80	
1-Oct	2025	\$25,591.37	19,293.22	\$6,298.15	7,178,591.58	
1-Nov	2025	\$25,591.37	19,310.10	\$6,281.27	7,159,281.48	
1-Dec	2025	\$25,591.37	19,327.00	\$6,264.37	7,139,954.49	
1-Jan	2026	\$25,591.37	19,343.91	\$6,247.46	7,120,610.58	
		1,210,998.61	779,389.42	432,299.83		

Par Amount -  
Term (Months) 66 5.5 Years  
Rate 0.00% Taxable Per Annum

	18-Aug	2020	Monthly Payment	Principal Paid	Interest Paid	Remaining Principal	
1	18-Aug	2020			\$0.00	-	
2	1-Sep	2020	-		\$0.00	-	
3	1-Oct	2020	-		\$0.00	-	
4	1-Nov	2020	-		\$0.00	-	
5	1-Dec	2020	-		\$0.00	-	
6	1-Jan	2021	-		\$0.00	-	
7	1-Feb	2021	-		\$0.00	-	
8	1-Mar	2021	-		\$0.00	-	
9	1-Apr	2021	-		\$0.00	-	
10	1-May	2021	-		\$0.00	-	
11	1-Jun	2021	-		\$0.00	-	-
12	1-Jul	2021	-		\$0.00	-	
13	1-Aug	2021	-		\$0.00	-	
14	1-Sep	2021	-		\$0.00	-	
15	1-Oct	2021	-		\$0.00	-	
16	1-Nov	2021	-		\$0.00	-	
17	1-Dec	2021	-		\$0.00	-	\$0.00
18	1-Jan	2022	-		\$0.00	-	
19	1-Feb	2022	-		\$0.00	-	
20	1-Mar	2022	-		\$0.00	-	
21	1-Apr	2022	-		\$0.00	-	
22	1-May	2022	-		\$0.00	-	
23	1-Jun	2022	-		\$0.00	-	-
24	1-Jul	2022	-		\$0.00	-	
25	1-Aug	2022	-		\$0.00	-	
26	1-Sep	2022	-		\$0.00	-	
27	1-Oct	2022	-		\$0.00	-	
28	1-Nov	2022	-		\$0.00	-	
29	1-Dec	2022	-	-	\$0.00	-	
30	1-Jan	2023	-	-	\$0.00	-	
31	1-Feb	2023	-	-	\$0.00	-	
32	1-Mar	2023	-	-	\$0.00	-	
33	1-Apr	2023	-	-	\$0.00	-	
34	1-May	2023	-	-	\$0.00	-	
35	1-Jun	2023	-	-	\$0.00	-	-
36	1-Jul	2023	-	-	\$0.00	-	
37	1-Aug	2023	-	-	\$0.00	-	
38	1-Sep	2023	\$0.00	-	\$0.00	-	
39	1-Oct	2023	\$0.00	-	\$0.00	-	
40	1-Nov	2023	\$0.00	-	\$0.00	-	
41	1-Dec	2023	\$0.00	-	\$0.00	-	
42	1-Jan	2024	\$0.00	-	\$0.00	-	
43	1-Feb	2024	\$0.00	-	\$0.00	-	
44	1-Mar	2024	\$0.00	-	\$0.00	-	
45	1-Apr	2024	\$0.00	-	\$0.00	-	
46	1-May	2024	\$0.00	-	\$0.00	-	
47	1-Jun	2024	\$0.00	-	\$0.00	-	-
48	1-Jul	2024	\$0.00	-	\$0.00	-	
49	1-Aug	2024	\$0.00	-	\$0.00	-	
50	1-Sep	2024	\$0.00	-	\$0.00	-	
51	1-Oct	2024	\$0.00	-	\$0.00	-	
52	1-Nov	2024	\$0.00	-	\$0.00	-	
53	1-Dec	2024	\$0.00	-	\$0.00	-	
54	1-Jan	2025	\$0.00	-	\$0.00	-	
55	1-Feb	2025	\$0.00	-	\$0.00	-	
56	1-Mar	2025	\$0.00	-	\$0.00	-	
57	1-Apr	2025	\$0.00	-	\$0.00	-	
58	1-May	2025	\$0.00	-	\$0.00	-	
59	1-Jun	2025	\$0.00	-	\$0.00	-	-
60	1-Jul	2025	\$0.00	-	\$0.00	-	
61	1-Aug	2025	\$0.00	-	\$0.00	-	
62	1-Sep	2025	\$0.00	-	\$0.00	-	
63	1-Oct	2025	\$0.00	-	\$0.00	-	
64	1-Nov	2025	\$0.00	-	\$0.00	-	
65	1-Dec	2025	\$0.00	-	\$0.00	-	
66	1-Jan	2026	\$0.00	-	\$0.00	-	
67	28-Feb	2023	-	-	\$0.00	-	\$0.00

IDEA Florida  
Tampa 1 Financing  
Senior Debt: CLI Capital

			Senior Debt	Sub-Loan	Sub-Loan #2	Total Monthly Debt Service	Annual Debt Service	Monthly Lease Payment	Net Annual Lease Payments
0	18-Aug	2020	-	-	-	-			
1	1-Sep	2020	-	2,765.00	-	2,765.00			
2	1-Oct	2020	-	6,912.50	-	6,912.50			
3	1-Nov	2020	-	6,912.50	-	6,912.50			
4	1-Dec	2020	3,203.08	6,912.50	-	10,115.58			
5	1-Jan	2021	7,747.60	6,912.50	-	14,660.10			
6	1-Feb	2021	12,664.84	6,912.50	-	19,577.34			
7	1-Mar	2021	19,721.66	6,912.50	-	26,634.16			
8	1-Apr	2021	29,956.27	6,912.50	-	36,868.77			
9	1-May	2021	39,929.55	6,912.50	-	46,842.05			
10	1-Jun	2021	50,715.20	6,912.50	-	57,627.70			
11	1-Jul	2021	61,627.27	6,912.50	-	68,539.77			
12	1-Aug	2021	70,971.41	6,912.50	-	77,883.91	375,339.38		0
13	1-Sep	2021	80,747.27	6,912.50	-	87,659.77			
14	1-Oct	2021	87,022.00	6,912.50	-	93,934.50			
15	1-Nov	2021	90,672.92	6,912.50	-	97,585.42			
16	1-Dec	2021	114,154.42	6,912.50	-	121,066.92		133,173.61	
17	1-Jan	2022	114,154.42	6,912.50	-	121,066.92		133,173.61	
18	1-Feb	2022	114,154.42	6,912.50	-	121,066.92		133,173.61	
19	1-Mar	2022	114,154.42	6,912.50	-	121,066.92		133,173.61	
20	1-Apr	2022	114,154.42	6,912.50	-	121,066.92		133,173.61	
21	1-May	2022	114,154.42	6,912.50	-	121,066.92		133,173.61	
22	1-Jun	2022	114,154.42	6,912.50	-	121,066.92		133,173.61	
23	1-Jul	2022	114,154.42	6,912.50	-	121,066.92		133,173.61	
24	1-Aug	2022	114,154.42	6,912.50	-	121,066.92	1,368,781.97	133,173.61	1,198,562.51
25	1-Sep	2022	114,154.42	25,591.37	-	139,745.79		153,720.37	
26	1-Oct	2022	114,154.42	25,591.37	-	139,745.79		153,720.37	
27	1-Nov	2022	114,154.42	25,591.37	-	139,745.79		153,720.37	
28	1-Dec	2022	114,154.42	25,591.37	-	139,745.79		153,720.37	
29	1-Jan	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
30	1-Feb	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
31	1-Mar	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
32	1-Apr	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
33	1-May	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
34	1-Jun	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
35	1-Jul	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
36	1-Aug	2023	114,154.42	25,591.37	-	139,745.79	1,676,949.46	153,720.37	1,844,644.41
37	1-Sep	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
38	1-Oct	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
39	1-Nov	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
40	1-Dec	2023	114,154.42	25,591.37	-	139,745.79		153,720.37	
41	1-Jan	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
42	1-Feb	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
43	1-Mar	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
44	1-Apr	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
45	1-May	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
46	1-Jun	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
47	1-Jul	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
48	1-Aug	2024	114,154.42	25,591.37	-	139,745.79	1,676,949.46	153,720.37	1,844,644.41
49	1-Sep	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
50	1-Oct	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
51	1-Nov	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
52	1-Dec	2024	114,154.42	25,591.37	-	139,745.79		153,720.37	
53	1-Jan	2025	114,154.42	25,591.37	-	139,745.79		153,720.37	
54	1-Feb	2025	114,154.42	25,591.37	-	139,745.79		153,720.37	
55	1-Mar	2025	114,154.42	25,591.37	-	139,745.79		153,720.37	
56	1-Apr	2025	114,154.42	25,591.37	-	139,745.79		153,720.37	
57	1-May	2025	114,154.42	25,591.37	-	139,745.79		153,720.37	
58	1-Jun	2025	114,154.42	25,591.37	-	139,745.79		153,720.37	
59	1-Jul	2025	114,154.42	25,591.37	-	139,745.79		153,720.37	
60	1-Aug	2025	18,271,070.84	\$7,242,752.52	-	#####	1,676,949.46	#####	1,844,644.41
61	1-Sep	2025		25,591.37	-	25,591.37		28,150.51	
62	1-Oct	2025		25,591.37	-	25,591.37		28,150.51	
63	1-Nov	2025		25,591.37	-	25,591.37		28,150.51	
64	1-Dec	2025		25,591.37	-	25,591.37		28,150.51	
65	1-Jan	2026		25,591.37	-	25,591.37		28,150.51	
66	28-Feb	2023		#REF!	-	#REF!	#REF!		

1-Aug-25	
Senior Debt	#####
Sub-Debt	7,217,161.16
-	-
Total Refi Amt	#####
Estimated COI	500,000.00
DSRF	1,900,000.00
Total Principal	#####
Annual Pmt	\$1,911,413.73

Assumes 5.5% interest rate and 30-year term



**IPS Enterprises, Inc.**  
**Tampa 2&3 Single Phase Construction**  
**Sources and Uses**

Assumes August 18, 2020 closing

19,059,234.80

**Working**  
**Budget**

**Sources of Funds**

Senior Loan	Taxable Rate	4.00%	19,060,000.00
Less: OID			
Subordinate Loan	Taxable Rate	1.05%	7,900,000.00

<b>Total Sources</b>	<b>26,960,000.00</b>
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**Uses of Funds**

Land Acquisition & Associated Costs	
Professional Services	
Prime Construction Costs	26,000,000.00
Owner's Project Contingency	
Other Construction Costs	
Financing Costs	280,144.00
Capitalized Interest	679,000.00
Excess Cash	856.00

Through Feb 28 2022

<b>Total - Use of Loans</b>	<b>26,960,000.00</b>
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**Notes:**

1. Assumes a closing August 18, 2020
2. Subordinate loan will fund in full at closing, affecting the amount of capitalized interest necessary.
3. Subordinate debt is expected to be interest-only for two years. In year three, the sub debt is assumed to begin to amortize over 30 years.
4. Senior debt will function as a draw-down facility, with draws expected to begin fall 2020 (Oct/Nov)
5. Senior debt is expected to be interest-only for 18 months, capitalized. Thereafter, the senior debt is assumed to begin to amortize over 25 years.
6. Senior debt is assumed to have a 5-year maturity. Sub-debt is assumed to have a 7-year maturity.

Financial Advisor	67,000
Financial Advisor Expenses	
Senior Lender	
Origination fee	38,120.00
Appraisal & Update	3500
Lender Legal Counsel	35,000.00
Legal Expenses	1,500.00
Lender's Local Counsel	
Real estate tax monitoring	1,165.00
Environmental fee	475.00
Flood Verification Fee	30.00
Construction Cost Review	3,250.00
Good Standing Fee	104.00
Less: Deposit	
Borrower's Counsel	
Fee	35,000.00
Expenses	
Florida Counsel	
Fee	20,000.00
Expenses	
Subordinate Lender Upfront	-
Subordinate Lender Counsel	-
Subordinate Lender Ongoing	
Title Company	
Policy Amounts	70,000.00
Other Fees	5,000.00
Total	280,144.00

Up to \$11.5MM on senior loan

confirmed as of preliminary settlement statement  
Expect increases to fit w/in Senior Loan Amount

Owner's Title Policy

Par Amount  
Term (Months)  
Rate

19,060,000.00  
60  
4.00% Taxable Per Annum

Subordinate Debt Available for Draws 7,779,722.50

		Monthly Construction Draw	Cumulative Construction Draws	COI	Excess Cash	Senior Debt Interest	Total Drawdown	Senior Debt Monthly Pymnt	Principal Paid	Interest Paid	Outstanding Senior Debt Principal
18-Aug	2020										
18-Aug	2020	588,839.00	588,839	280,144.00	856.00	-	869,839.00	-	-	-	-
1-Sep	2020	233,000.00	821,839			-	1,102,839.00	-	-	-	-
1-Oct	2020	6,159,500.00	6,981,339			-	7,262,339.00	-	-	-	-
1-Nov	2020	1,174,000.00	8,155,339			-	8,436,339.00	-	-	-	656,616.50
1-Dec	2020	905,700.00	9,061,039			2,188.72	9,344,227.72	2,188.72		2,188.72	1,564,505.22
1-Jan	2021	975,700.00	10,036,739			5,215.02	10,325,142.74	5,215.02		5,215.02	2,545,420.24
1-Feb	2021	1,398,700.00	11,435,439			8,484.73	11,732,327.47	8,484.73		8,484.73	3,952,604.97
1-Mar	2021	2,027,200.00	13,462,639			13,175.35	13,772,702.82	13,175.35		13,175.35	5,992,980.32
1-Apr	2021	1,964,700.00	15,427,339			19,976.60	15,757,379.42	19,976.60		19,976.60	7,977,656.92
1-May	2021	2,117,200.00	17,544,539			26,592.19	17,901,171.61	26,592.19		26,592.19	10,121,449.11
1-Jun	2021	2,131,700.00	19,676,239			33,738.16	20,066,609.78	33,738.16		33,738.16	12,286,887.28
1-Jul	2021	1,807,200.00	21,483,439			40,956.29	21,914,766.07	40,956.29		40,956.29	14,135,043.57
1-Aug	2021	1,884,200.00	23,367,639			47,116.81	23,846,082.88	47,116.81		47,116.81	16,066,360.38
1-Sep	2021	1,174,200.00	24,541,839			53,554.53	25,073,837.42	53,554.53		53,554.53	17,294,114.92
1-Oct	2021	643,161.00	25,185,000			57,647.05	25,774,645.46	57,647.05		57,647.05	17,994,922.96
1-Nov	2021	815,000.00	26,000,000			59,983.08	26,649,628.54	59,983.08		59,983.08	18,669,906.04
1-Dec	2021					62,899.69	26,712,528.23	62,899.69		62,899.69	18,932,805.73
1-Jan	2022					63,109.35	26,775,637.58	63,109.35	-	63,109.35	18,995,915.08
1-Feb	2022					63,319.72	26,838,957.30	63,319.72	-	63,319.72	19,059,234.80
1-Mar	2022							\$100,605.70	37,074.92	63,530.78	19,022,159.88
1-Apr	2022							\$100,605.70	37,198.50	63,407.20	18,984,961.38
1-May	2022							\$100,605.70	37,322.50	63,283.20	18,947,638.88
1-Jun	2022							\$100,605.70	37,446.91	63,158.80	18,910,191.97
1-Jul	2022							\$100,605.70	37,571.73	63,033.97	18,872,620.25
1-Aug	2022							\$100,605.70	37,696.97	62,908.73	18,834,923.28
1-Sep	2022							\$100,605.70	37,822.62	62,783.08	18,797,100.65
1-Oct	2022							\$100,605.70	37,948.70	62,657.00	18,759,151.95
1-Nov	2022							\$100,605.70	38,075.20	62,530.51	18,721,076.76
1-Dec	2022							\$100,605.70	38,202.11	62,403.59	18,682,874.65
1-Jan	2023							\$100,605.70	38,329.45	62,276.25	18,644,545.19
1-Feb	2023							\$100,605.70	38,457.22	62,148.48	18,606,087.98
1-Mar	2023							\$100,605.70	38,585.41	62,020.29	18,567,502.57
1-Apr	2023							\$100,605.70	38,714.03	61,891.68	18,528,788.54
1-May	2023							\$100,605.70	38,843.07	61,762.63	18,489,945.47
1-Jun	2023							\$100,605.70	38,972.55	61,633.15	18,450,972.92
1-Jul	2023							\$100,605.70	39,102.46	61,503.24	18,411,870.46
1-Aug	2023							\$100,605.70	39,232.80	61,372.90	18,372,637.66
1-Sep	2023							\$100,605.70	39,363.58	61,242.13	18,333,274.08
1-Oct	2023							\$100,605.70	39,494.79	\$61,110.91	18,293,779.29
1-Nov	2023							\$100,605.70	39,626.44	\$60,979.26	18,254,152.86
1-Dec	2023							\$100,605.70	39,758.53	\$60,847.18	18,214,394.33
1-Jan	2024							\$100,605.70	39,891.05	\$60,714.65	18,174,503.28
1-Feb	2024							\$100,605.70	40,024.02	\$60,581.68	18,134,479.25
1-Mar	2024							\$100,605.70	40,157.44	\$60,448.26	18,094,321.81
1-Apr	2024							\$100,605.70	40,291.30	\$60,314.41	18,054,030.52
1-May	2024							\$100,605.70	40,425.60	\$60,180.10	18,013,604.92
1-Jun	2024							\$100,605.70	40,560.35	\$60,045.35	17,973,044.57
1-Jul	2024							\$100,605.70	40,695.55	\$59,910.15	17,932,349.01
1-Aug	2024							\$100,605.70	40,831.21	\$59,774.50	17,891,517.81
1-Sep	2024							\$100,605.70	40,967.31	\$59,638.39	17,850,550.50
1-Oct	2024							\$100,605.70	41,103.87	\$59,501.83	17,809,446.63
1-Nov	2024							\$100,605.70	41,240.88	\$59,364.82	17,768,205.75
1-Dec	2024							\$100,605.70	41,378.35	\$59,227.35	17,726,827.40
1-Jan	2025							\$100,605.70	41,516.28	\$59,089.42	17,685,311.13
1-Feb	2025							\$100,605.70	41,654.66	\$58,951.04	17,643,656.46
1-Mar	2025							\$100,605.70	41,793.51	\$58,812.19	17,601,862.95
1-Apr	2025							\$100,605.70	41,932.83	\$58,672.88	17,559,930.12
1-May	2025							\$100,605.70	42,072.60	\$58,533.10	17,517,857.52
1-Jun	2025							\$100,605.70	42,212.84	\$58,392.86	17,475,644.68
1-Jul	2025							\$100,605.70	42,353.55	\$58,252.15	17,433,291.13
1-Aug	2025							17,491,402.10	17,433,291.13	\$58,110.97	-
1-Sep	2025	26,000,000		280,144		557,957.30	26,838,101.30		19,059,234.80	3,114,958.37	\$17,592,007.80

Par Amount 7,900,000.00  
Term (Months) 84 7  
Rate 1.05% Taxable Per Annum

		Monthly Payment	Principal Paid	Interest Paid	Remaining Principal
18-Aug	2020				
18-Aug	2020			\$0.00	7,900,000.00
1-Sep	2020	2,765.00		\$2,765.00	7,900,000.00
1-Oct	2020	6,912.50		\$6,912.50	7,900,000.00
1-Nov	2020	6,912.50		\$6,912.50	7,900,000.00
1-Dec	2020	6,912.50		\$6,912.50	7,900,000.00
1-Jan	2021	6,912.50		\$6,912.50	7,900,000.00
1-Feb	2021	6,912.50		\$6,912.50	7,900,000.00
1-Mar	2021	6,912.50		\$6,912.50	7,900,000.00
1-Apr	2021	6,912.50		\$6,912.50	7,900,000.00
1-May	2021	6,912.50		\$6,912.50	7,900,000.00
1-Jun	2021	6,912.50		\$6,912.50	7,900,000.00
1-Jul	2021	6,912.50		\$6,912.50	7,900,000.00
1-Aug	2021	6,912.50		\$6,912.50	7,900,000.00
					78,802.50
1-Sep	2021	6,912.50		\$6,912.50	7,900,000.00
1-Oct	2021	6,912.50		\$6,912.50	7,900,000.00
1-Nov	2021	6,912.50		\$6,912.50	7,900,000.00
1-Dec	2021	6,912.50		\$6,912.50	7,900,000.00
1-Jan	2022	6,912.50		\$6,912.50	7,900,000.00
1-Feb	2022	6,912.50		\$6,912.50	7,900,000.00
1-Mar	2022	6,912.50		\$6,912.50	7,900,000.00
1-Apr	2022	6,912.50		\$6,912.50	7,900,000.00
1-May	2022	6,912.50		\$6,912.50	7,900,000.00
1-Jun	2022	6,912.50		\$6,912.50	7,900,000.00
1-Jul	2022	6,912.50		\$6,912.50	7,900,000.00
1-Aug	2022	6,912.50		\$6,912.50	7,900,000.00
					82,950.00
1-Sep	2022	\$25,591.37	18,678.87	\$6,912.50	7,881,321.13
1-Oct	2022	\$25,591.37	18,695.21	\$6,896.16	7,862,625.92
1-Nov	2022	\$25,591.37	18,711.57	\$6,879.80	7,843,914.35
1-Dec	2022	\$25,591.37	18,727.94	\$6,863.43	7,825,186.40
1-Jan	2023	\$25,591.37	18,744.33	\$6,847.04	7,806,442.07
1-Feb	2023	\$25,591.37	18,760.73	\$6,830.64	7,787,681.34
1-Mar	2023	\$25,591.37	18,777.15	\$6,814.22	7,768,904.19
1-Apr	2023	\$25,591.37	18,793.58	\$6,797.79	7,750,110.62
1-May	2023	\$25,591.37	18,810.02	\$6,781.35	7,731,300.60
1-Jun	2023	\$25,591.37	18,826.48	\$6,912.50	7,712,474.12
1-Jul	2023	\$25,591.37	18,842.95	\$6,748.41	7,693,631.16
1-Aug	2023	\$25,591.37	18,859.44	\$6,731.93	7,674,771.72
					\$307,096.42
1-Sep	2023	\$25,591.37	18,875.94	\$6,715.43	7,655,895.78
1-Oct	2023	\$25,591.37	18,892.46	\$6,698.91	7,637,003.32
1-Nov	2023	\$25,591.37	18,908.99	\$6,682.38	7,618,094.33
1-Dec	2023	\$25,591.37	18,925.54	\$6,665.83	7,599,168.79
1-Jan	2024	\$25,591.37	18,942.10	\$6,912.50	7,580,226.69
1-Feb	2024	\$25,591.37	18,958.67	\$6,912.50	7,561,268.02
1-Mar	2024	\$25,591.37	18,975.26	\$6,616.11	7,542,292.77
1-Apr	2024	\$25,591.37	18,991.86	\$6,599.51	7,523,300.90
1-May	2024	\$25,591.37	19,008.48	\$6,582.89	7,504,292.42
1-Jun	2024	\$25,591.37	19,025.11	\$6,566.26	7,485,267.31
1-Jul	2024	\$25,591.37	19,041.76	\$6,549.61	7,466,225.55
1-Aug	2024	\$25,591.37	19,058.42	\$6,532.95	7,447,167.13
					\$307,096.42
1-Sep	2024	\$25,591.37	19,075.10	\$6,516.27	7,428,092.03
1-Oct	2024	\$25,591.37	19,091.79	\$6,499.58	7,409,000.24
1-Nov	2024	\$25,591.37	19,108.49	\$6,482.88	7,389,891.75
1-Dec	2024	\$25,591.37	19,125.21	\$6,466.16	7,370,766.54
1-Jan	2025	\$25,591.37	19,141.95	\$6,449.42	7,351,624.59
1-Feb	2025	\$25,591.37	19,158.70	\$6,432.67	7,332,465.89
1-Mar	2025	\$25,591.37	19,175.46	\$6,415.91	7,313,290.43
1-Apr	2025	\$25,591.37	19,192.24	\$6,399.13	7,294,098.19
1-May	2025	\$25,591.37	19,209.03	\$6,382.34	7,274,889.16
1-Jun	2025	\$25,591.37	19,225.84	\$6,365.53	7,255,663.32
1-Jul	2025	\$25,591.37	19,242.66	\$6,348.71	7,236,420.66
1-Aug	2025	\$25,591.37	19,259.50	\$6,331.87	7,217,161.16
					\$307,096.42
1-Sep	2025	\$25,591.37	19,276.35	\$6,315.02	7,197,884.80
1-Oct	2025	\$25,591.37	19,293.22	\$6,298.15	7,178,591.58
1-Nov	2025	\$25,591.37	19,310.10	\$6,281.27	7,159,281.48
1-Dec	2025	\$25,591.37	19,327.00	\$6,264.37	7,139,954.49
1-Jan	2026	\$25,591.37	19,343.91	\$6,247.46	7,120,610.58
		1,210,998.61	779,389.42	432,299.83	

120,277.50 Cap-I through this date

Par Amount -  
Term (Months) 66 5.5 Years  
Rate 0.00% Taxable Per Annum

	18-Aug	2020	Monthly Payment	Principal Paid	Interest Paid	Remaining Principal	
1	18-Aug	2020			\$0.00	-	
2	1-Sep	2020	-		\$0.00	-	
3	1-Oct	2020	-		\$0.00	-	
4	1-Nov	2020	-		\$0.00	-	
5	1-Dec	2020	-		\$0.00	-	
6	1-Jan	2021	-		\$0.00	-	
7	1-Feb	2021	-		\$0.00	-	
8	1-Mar	2021	-		\$0.00	-	
9	1-Apr	2021	-		\$0.00	-	
10	1-May	2021	-		\$0.00	-	
11	1-Jun	2021	-		\$0.00	-	-
12	1-Jul	2021	-		\$0.00	-	
13	1-Aug	2021	-		\$0.00	-	
14	1-Sep	2021	-		\$0.00	-	
15	1-Oct	2021	-		\$0.00	-	
16	1-Nov	2021	-		\$0.00	-	
17	1-Dec	2021	-		\$0.00	-	\$0.00
18	1-Jan	2022	-		\$0.00	-	
19	1-Feb	2022	-		\$0.00	-	
20	1-Mar	2022	-		\$0.00	-	
21	1-Apr	2022	-		\$0.00	-	
22	1-May	2022	-		\$0.00	-	
23	1-Jun	2022	-		\$0.00	-	-
24	1-Jul	2022	-		\$0.00	-	
25	1-Aug	2022	-		\$0.00	-	
26	1-Sep	2022	-		\$0.00	-	
27	1-Oct	2022	-		\$0.00	-	
28	1-Nov	2022	-		\$0.00	-	
29	1-Dec	2022	-	-	\$0.00	-	
30	1-Jan	2023	-	-	\$0.00	-	
31	1-Feb	2023	-	-	\$0.00	-	
32	1-Mar	2023	-	-	\$0.00	-	
33	1-Apr	2023	-	-	\$0.00	-	
34	1-May	2023	-	-	\$0.00	-	
35	1-Jun	2023	-	-	\$0.00	-	-
36	1-Jul	2023	-	-	\$0.00	-	
37	1-Aug	2023	-	-	\$0.00	-	
38	1-Sep	2023	\$0.00	-	\$0.00	-	
39	1-Oct	2023	\$0.00	-	\$0.00	-	
40	1-Nov	2023	\$0.00	-	\$0.00	-	
41	1-Dec	2023	\$0.00	-	\$0.00	-	
42	1-Jan	2024	\$0.00	-	\$0.00	-	
43	1-Feb	2024	\$0.00	-	\$0.00	-	
44	1-Mar	2024	\$0.00	-	\$0.00	-	
45	1-Apr	2024	\$0.00	-	\$0.00	-	
46	1-May	2024	\$0.00	-	\$0.00	-	
47	1-Jun	2024	\$0.00	-	\$0.00	-	-
48	1-Jul	2024	\$0.00	-	\$0.00	-	
49	1-Aug	2024	\$0.00	-	\$0.00	-	
50	1-Sep	2024	\$0.00	-	\$0.00	-	
51	1-Oct	2024	\$0.00	-	\$0.00	-	
52	1-Nov	2024	\$0.00	-	\$0.00	-	
53	1-Dec	2024	\$0.00	-	\$0.00	-	
54	1-Jan	2025	\$0.00	-	\$0.00	-	
55	1-Feb	2025	\$0.00	-	\$0.00	-	
56	1-Mar	2025	\$0.00	-	\$0.00	-	
57	1-Apr	2025	\$0.00	-	\$0.00	-	
58	1-May	2025	\$0.00	-	\$0.00	-	
59	1-Jun	2025	\$0.00	-	\$0.00	-	-
60	1-Jul	2025	\$0.00	-	\$0.00	-	
61	1-Aug	2025	\$0.00	-	\$0.00	-	
62	1-Sep	2025	\$0.00	-	\$0.00	-	
63	1-Oct	2025	\$0.00	-	\$0.00	-	
64	1-Nov	2025	\$0.00	-	\$0.00	-	
65	1-Dec	2025	\$0.00	-	\$0.00	-	
66	1-Jan	2026	\$0.00	-	\$0.00	-	
67	28-Feb	2023	-	-	\$0.00	-	\$0.00

IDEA Florida  
Tampa 2 & 3 Campus Debt Model  
Senior Debt - PNC Bank

			Senior Debt	Sub-Loan	Sub-Loan #2	Total Monthly Debt Service	Annual Debt Service	Monthly Lease Payment	Net Annual Lease Payments
0	18-Aug	2020	-	-	-	-			
1	1-Sep	2020	-	2,765.00	-	2,765.00			
2	1-Oct	2020	-	6,912.50	-	6,912.50			
3	1-Nov	2020	-	6,912.50	-	6,912.50			
4	1-Dec	2020	2,188.72	6,912.50	-	9,101.22			
5	1-Jan	2021	5,215.02	6,912.50	-	12,127.52			
6	1-Feb	2021	8,484.73	6,912.50	-	15,397.23			
7	1-Mar	2021	13,175.35	6,912.50	-	20,087.85			
8	1-Apr	2021	19,976.60	6,912.50	-	26,889.10			
9	1-May	2021	26,592.19	6,912.50	-	33,504.69			
10	1-Jun	2021	33,738.16	6,912.50	-	40,650.66			
11	1-Jul	2021	40,956.29	6,912.50	-	47,868.79			
12	1-Aug	2021	47,116.81	6,912.50	-	54,029.31	276,246.38		0
13	1-Sep	2021	53,554.53	6,912.50	-	60,467.03			
14	1-Oct	2021	57,647.05	6,912.50	-	64,559.55			
15	1-Nov	2021	59,983.08	6,912.50	-	66,895.58			
16	1-Dec	2021	62,899.69	6,912.50	-	69,812.19			
17	1-Jan	2022	63,109.35	6,912.50	-	70,021.85			
18	1-Feb	2022	63,319.72	6,912.50	-	70,232.22	Payments Capitalized thru this date		
19	1-Mar	2022	100,605.70	6,912.50	-	107,518.20		118,270.02	
20	1-Apr	2022	100,605.70	6,912.50	-	107,518.20		118,270.02	
21	1-May	2022	100,605.70	6,912.50	-	107,518.20		118,270.02	
22	1-Jun	2022	100,605.70	6,912.50	-	107,518.20		118,270.02	
23	1-Jul	2022	100,605.70	6,912.50	-	107,518.20		118,270.02	
24	1-Aug	2022	100,605.70	6,912.50	-	107,518.20	1,047,097.63	118,270.02	645,109.21
25	1-Sep	2022	100,605.70	25,591.37	-	126,197.07		138,816.78	
26	1-Oct	2022	100,605.70	25,591.37	-	126,197.07		138,816.78	
27	1-Nov	2022	100,605.70	25,591.37	-	126,197.07		138,816.78	
28	1-Dec	2022	100,605.70	25,591.37	-	126,197.07		138,816.78	
29	1-Jan	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
30	1-Feb	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
31	1-Mar	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
32	1-Apr	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
33	1-May	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
34	1-Jun	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
35	1-Jul	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
36	1-Aug	2023	100,605.70	25,591.37	-	126,197.07	1,514,364.84	138,816.78	1,514,364.84
37	1-Sep	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
38	1-Oct	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
39	1-Nov	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
40	1-Dec	2023	100,605.70	25,591.37	-	126,197.07		138,816.78	
41	1-Jan	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
42	1-Feb	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
43	1-Mar	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
44	1-Apr	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
45	1-May	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
46	1-Jun	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
47	1-Jul	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
48	1-Aug	2024	100,605.70	25,591.37	-	126,197.07	1,514,364.84	138,816.78	1,514,364.84
49	1-Sep	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
50	1-Oct	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
51	1-Nov	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
52	1-Dec	2024	100,605.70	25,591.37	-	126,197.07		138,816.78	
53	1-Jan	2025	100,605.70	25,591.37	-	126,197.07		138,816.78	
54	1-Feb	2025	100,605.70	25,591.37	-	126,197.07		138,816.78	
55	1-Mar	2025	100,605.70	25,591.37	-	126,197.07		138,816.78	
56	1-Apr	2025	100,605.70	25,591.37	-	126,197.07		138,816.78	
57	1-May	2025	100,605.70	25,591.37	-	126,197.07		138,816.78	
58	1-Jun	2025	100,605.70	25,591.37	-	126,197.07		138,816.78	
59	1-Jul	2025	100,605.70	25,591.37	-	126,197.07		138,816.78	
60	1-Aug	2025	17,491,402.10	\$7,242,752.52	-	#####	1,514,364.84	#####	1,665,801.33
61	1-Sep	2025							
62	1-Oct	2025							
63	1-Nov	2025							
64	1-Dec	2025							
65	1-Jan	2026							
66	28-Feb	2023		#REF!	-	#REF!	#REF!		

1-Aug-25	
Senior Debt	#####
Sub-Debt	7,217,161.16
-	-
Total Refi Amt	#####
Estimated COI	500,000.00
DSRF	1,850,000.00
Total Principal	#####
Annual Pmt	\$1,857,745.52

Assumes 5.5% interest rate and 30-year term

MASTER TRUST INDENTURE AND SECURITY AGREEMENT

Related to

IDEA Florida – Hillsborough County Public Schools (Tampa)

between

IPS ENTERPRISES, INC.

and

REGIONS BANK,  
as Master Trustee

Dated as of

\_\_\_\_\_, 2020

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## MASTER TRUST INDENTURE AND SECURITY AGREEMENT

THIS MASTER TRUST INDENTURE AND SECURITY AGREEMENT (this “**Master Indenture**”), dated as of \_\_\_\_\_, 2020, is between IPS ENTERPRISES, INC., a Texas nonprofit corporation (the “**Company**”), and REGIONS BANK, an Alabama state banking corporation, not in its individual capacity but solely as the Master Trustee (the “**Master Trustee**”).

### WITNESSETH:

WHEREAS, the Company is authorized by law and deems it necessary and desirable to enter into this Master Indenture for the purpose of providing for the incurrence of Debt and the issuance of Notes hereunder to evidence and secure such Debt for the benefit of Participating Campuses within IDEA Florida, Inc., a Florida nonprofit corporation (“**IDEA Florida**”);

WHEREAS, from time to time the Company may enter into additional master trust indentures and security agreements for additional organizations with each such indenture secured by mutually exclusive collateral;

WHEREAS, all acts and things necessary to constitute these presents a valid indenture and agreement according to its terms have been done and performed and the execution of this Master Indenture has in all respects been duly authorized, and the Company, in the exercise of the legal right and power vested in it, has executed this Master Indenture and may incur Debt and make, execute, issue and deliver Notes hereunder.

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH:

### GRANTING CLAUSES

In order to declare the terms and conditions upon which Notes are to be authenticated, issued and delivered, and to secure the payment of Notes and the performance and observance of all of the covenants and conditions herein or therein contained, and in consideration of the premises, of the purchase and acceptance of Notes by the holders thereof and of the sum of One Dollar to them duly paid by the Master Trustee at the execution of these presents, the receipt and sufficiency of which is hereby acknowledged, the Company has executed and delivered this Master Indenture and by these presents does hereby convey, grant, assign, transfer, pledge, set over, confirm and grant a security interest in and to the Master Trustee, its successor or successors and its or their assigns forever, all and singular the property, real and personal, hereinafter described (said property being herein sometimes referred to as the “**Trust Estate**”) to wit:

(a) all Pledged Revenues of the Company except and excluding all such items, whether now owned or hereafter acquired by the Company, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Company, or which cannot be granted, pledged, or assigned hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and

assigned by the Company, provided that the Company may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property;

(b) all moneys and securities, if any, at any time held by the Master Trustee in the Revenue Fund and any other fund or account established under the terms of this Master Indenture, or held by other banks or fiduciary institutions which are collaterally assigned to the Master Trustee as security for the Notes including any depository account specified in the Company Deposit Account Control Agreement and all securities, financial assets (as defined in Section 8-102(a)(9) of the UCC) and securities entitlements (within the meaning of Section 8-102(a)(17) of the UCC) and, with respect to Book-Entry Securities, in the applicable Federal Book-Entry Regulations, carried in or credited to such fund or account;

(c) All right, title and interests of the Company in the Leases (as defined below), as amended from time to time and as assigned to the Trustee under the Assignment of Rents and Leases, between the Company and IDEA Florida, including but not limited to the Lease Revenues (as defined herein), any and all security heretofore or hereafter granted or held for the payment thereof, and the present and continuing right to bring actions and proceedings under the Lease or for the enforcement thereof and to do any and all things which the Master Trustee is or may become entitled to do thereunder, but excluding the Company's Unassigned Rights (as defined herein);

(d) all accounts, general intangibles, bank accounts holding any portion of the Pledged Revenues, contract rights and related rights of the Company (each as defined in the UCC), whether now owned or hereafter acquired or arising and wherever located;

(e) any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as additional security hereunder by the Company or by anyone on its behalf to the Master Trustee, subject to the terms thereof, including without limitation, funds of the Company held by the Master Trustee as security for the Notes;

(f) any real and personal property subject to the lien of any Deed of Trust (as hereinafter defined); and

(g) proceeds of the foregoing, including cash proceeds and cash equivalents, products, accessions and replacements.

In addition to the foregoing, the "Trust Estate" includes all goods, documents, instruments, tangible and electronic chattel paper, letter of credit rights, investment property, accounts, deposit accounts, general intangibles (including payment intangibles and software) money and other items of personal property, including proceeds (as each such term is defined in the UCC) which constitute any of the property described in the foregoing Granting Clauses; provided that, the Trust Estate described above shall never include and no collateral described herein may ever be included within the trust estate described in any Other Master Indenture (as defined herein).

TO HAVE AND TO HOLD IN TRUST, upon the terms herein set forth, subject to Section 210 hereof, for the equal and proportionate benefit, security, and protection of all Note Holders issued under and secured by this Master Indenture without privilege, priority or distinction as to

the lien or otherwise of any of the Notes over any other; provided, however, that if the Company shall pay, or cause to be paid, the principal of the Notes or the obligations secured thereby and the redemption or prepayment premium, if any, and the interest and any other amounts due or to become due thereon in full at the times and in the manner mentioned in the Notes according to the true intent and meaning thereof, and the Company shall keep, perform and observe all the covenants and conditions pursuant to the terms of this Master Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment this Master Indenture and the rights hereby granted and the restrictions hereby incurred shall cease, determine and be void; otherwise this Master Indenture shall be and remain in full force and effect. Notwithstanding anything in this Master Indenture to the contrary, when all of the Notes are no longer Outstanding, the Master Trustee may execute a release of the lien of this Master Indenture on the Deed of Trust and any property of the Company encumbered thereby.

NOW, THEREFORE, in consideration of the premises, the Company covenants and agrees with the Master Trustee, for the equal and proportionate benefit of the respective Note Holders from time to time, as follows:

## **ARTICLE I**

### **DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION**

#### Section 101. Construction of Terms; Definitions.

(a) For all purposes of this Master Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) The term “***Master Indenture***” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(2) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article throughout this Master Indenture, and include the plural as well as the singular. Reference to any Person means that Person and its successors and assigns.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(5) The terms used in this Master Indenture and not defined herein have the meanings assigned to them in the Related Bond Documents.

(b) The following terms have the meanings assigned to them below whenever they are used in this Master Indenture:

“**Accountant**” means a Person engaged in the practice of accounting who is a certified public accountant and who (except as otherwise expressly provided herein) may be employed by or affiliated with the Company.

“**Annual Debt Service Requirements**” of any specified Person means, for any Fiscal Year, the principal of (and premium, if any) and interest and other debt service charges (which include for purposes hereof, any fees or premiums for any letter of credit, surety bond, policy of insurance, bond purchase agreement, or any similar credit or liquidity support secured in connection therewith) on all Debt of such Person coming due at Maturity or Stated Maturity, and, for such purposes, any one or more of the following rules shall apply:

(a) Committed Take Out - if such Person has received a binding commitment, within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to refund or purchase any of its Debt at its Stated Maturity (or, if due on demand, or payable in respect of any required purchase of such Debt by such Person, at any date on which demand may be made), then the portion of the Debt committed to be refunded or purchased shall be excluded from such calculation and the principal of (and premium, if any) and interest on the Debt incurred for such refunding or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Maturity or purchase date of the Debt to be refunded or purchased, shall be added;

(b) Pro Forma Refunding - in the case of Balloon Debt, if the Person obligated thereon shall deliver to the Master Trustee a certificate of a nationally recognized firm of investment bankers or financial consultants dated within ninety (90) days prior to the date of delivery of such certificate to the Master Trustee stating that financing at a stated interest rate (which shall not be less than the Bond Buyer Revenue Bond Index or, if the Bond Buyer Revenue Bond Index is unavailable, a comparable index on the date of such certificate to refund any of such Balloon Debt) with a Stated Maturity of not greater than 30 years is reasonably attainable, then for the purpose of calculating what future Annual Debt Service Requirements will be, any installment of principal of (and premium, if any) and interest and other debt service charges on such Balloon Debt that could so be refunded shall be excluded from such calculation and the principal plus interest of the refunding debt shall be evenly allocated over the life of the refunding debt with equal principal payments plus interest deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(c) Prefunded Payments - principal of (and premium, if any) and interest and other debt service charges on Debt, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, interest, or other debt service charges are payable from funds irrevocably deposited or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust or escrowed with the Master Trustee or another Independent Person approved by the Master Trustee);

(d) Variable Rate Debt - as to any Debt that bears interest at a variable interest rate which cannot be ascertained at the time of calculation, an interest rate equal to the

greater of an annual interest rate equal to the Bond Buyer Revenue Bond Index (or, if the Bond Buyer Revenue Bond Index is unavailable, a comparable index chosen by the Company's financial advisor) and the weighted average rate of interest borne by such Debt (or other indebtedness of comparable credit quality, maturity and purchase terms in the event that such Debt was not outstanding) during the preceding Fiscal Year (or any period of comparable length ending within 180 days) prior to the date of calculation shall be presumed to apply for all future dates and the principal shall be evenly allocated over the life of the Debt issue with an equal amount of principal deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(e) Contingent Obligations - in the case of any guarantees or other Debt described in clause (iii) of the definition of Debt, the principal of (and premium, if any) and interest and other debt service charges on such Debt for any Fiscal Year shall be deemed to be 25% of the principal of (and premium, if any) and interest and other debt service charges on the indebtedness guaranteed due in such Fiscal Year; provided, however, that if the Person that guarantees or is otherwise obligated in respect of such Debt is actually required to make any payment in respect of such Debt, the total amount payable by such Person in respect of such guarantee or other obligation in such Fiscal Year shall be included in any computation of the Annual Debt Service Requirements of such Person for such year and the amount payable by such Person in respect of such guarantee or other obligation in any future Fiscal Year shall be included in any computation of the estimated Annual Debt Service Requirements for such Fiscal Year; and

(f) Financial Products - in the event there shall have been issued or entered into in respect of all or a portion of any Debt a Financial Products Agreement with a Qualified Provider with respect to Debt, interest on such Debt shall be included in the calculation of Annual Debt Service Requirements by including for such period an amount equal to the amount payable on such Debt in such period at the rate or rates stated in such Debt plus any payments payable by such Person in respect of such Financial Products Agreement minus any payments receivable by such Person in respect of such Financial Products Agreement, as calculated by the financial advisor to the Company.

***“Authorized Denominations”*** means the amounts, if any, set forth therefor in the Supplemental Master Indenture authorizing any series of Notes.

***“Authorized Representative”*** means the President, Chief Executive Officer, or Chief Financial Officer of any Person, or any other person duly appointed by the Governing Body of such Person to act on behalf of such Person, each as evidenced by a written certificate furnished to the Master Trustee containing the specimen signature of such person or persons and signed by an authorized officer. The Master Trustee may conclusively rely on such written certificate until it is given written notice to the contrary.

***“Balloon Debt”*** means Debt where the principal of (and premium, if any) and interest and other debt service charges on such Debt due (or payable in respect of any required purchase of such Debt by such Person on demand) in any Fiscal Year either are equal to or exceed 25% of the total principal of (any premium, if any) and interest and other debt service charges on such Debt or exceed by more than 50% the greatest amount of principal of (and premium, if any)

and interest and other debt service charges on such Debt due in any preceding or succeeding Fiscal Year.

**“Base Rental Payments”** means all amounts payable to the Company from IDEA Florida as base rental payments pursuant to a Lease.

**“Board Resolution”** means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body to have been duly adopted by the Governing Body and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

**“Code”** means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions, if any, of any successor internal revenue laws of the United States.

**“Company”** means IPS Enterprises, Inc., a Texas nonprofit corporation, its permitted successors and assigns, and any resulting, surviving or transferee Person permitted hereunder.

**“Company Deposit Account Control Agreement”** means the Deposit Account Control Agreement dated [August 15, 2020], entered into among the Company, the Master Trustee and the Depository Bank, and any other deposit account control agreement entered into by the Company, the Master Trustee and a Depository Bank from time to time.

**“Company Unassigned Rights”** means, under the Leases, the rights of the Company to (a) inspect books and records of IDEA Florida, (b) give or receive notices, approvals, consents, requests and other communications, (c) receive payment or reimbursement for expenses, (d) immunity from and limitation of liability, (e) indemnification from liability by IDEA Florida, and (f) security for IDEA Florida’s indemnification obligation.

**“Consent,” “Order,” and “Request”** each means a written consent, order or request signed in the name of the Company and delivered to the Master Trustee by an Authorized Representative, or any other Person designated by the Company to execute any such instrument on behalf of the Company as evidenced by an Officer’s Certificate.

**“Corporate Trust Office”** means the address or addresses of the Master Trustee designated from time to time in accordance with Section 104.

**“Debt”** means all Senior and Subordinate Debt and all:

- (i) indebtedness incurred or assumed by the Company, whether on a senior or subordinate basis as provided herein, for borrowed money or for the acquisition, construction or improvement of property other than goods that are acquired in the ordinary course of business of the Company;
- (ii) lease obligations of the Company that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;



(iii) all indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money for the acquisition, construction or improvement of property or capitalized lease obligations guaranteed, directly or indirectly, in any manner by the Company, or in effect guaranteed, directly or indirectly, by the Company through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(iv) all indebtedness (other than items described under Section 201(c)) secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Company whether or not the Company has assumed or become liable for the payment thereof.

For the purpose of computing “**Debt**”, there shall be excluded (A) any particular Debt if upon or prior to the Maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Debt or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption or satisfaction of such Debt and (B) any Debt that is incurred pursuant to, secured under or for the benefit of any facility described within any Other Master Indenture, whether parity thereunder or subordinate thereto; and thereafter such funds, evidences of Debt and investments so deposited shall not be included in any computation of the assets of the Company, and the income from any such deposits shall not be included in the calculation of Pledged Revenues.

“**Deed of Trust**” means any Deed of Trust and Security Agreement from the Company to the Master Trustee, as such Deed of Trust may be amended, supplemented or restated, and/or any security instrument executed in substitution therefor or in addition thereto, as such substitute or additional security instrument may be amended, supplemented or restated from time to time and that shall include but not be limited to the Mortgage and Security Agreement, dated \_\_\_\_\_, and the Second Lien Mortgage and Security Agreement, dated \_\_\_\_\_.

“**Defeasance Obligations**” means any obligations authorized under Texas law and the related financing documents to be deposited in escrow for the defeasance of any Debt.

“**Depository Bank**” means any bank designated by the Company and acceptable to the Senior Lender and Subordinate Lender as the Company’s depository bank, currently Regions Bank.

“**Event of Default**” is defined in Section 601 of this Master Indenture.

“**Facility**” or “**Facilities**” means, individually or collectively, as the context shall require, the Property and Improvements leased to and operated by IDEA Florida, as such are defined, and as may be revised from time to time, pursuant to the terms of the Leases and financed

in whole or in part with proceeds of Notes issued hereunder and made part of the Trust Estate pursuant to any Supplemental Master Indenture or Supplement to the Deed of Trust.

***“Financial Products Agreement”*** means any type of financial management instrument or contract, which shall include, but not be limited to, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or a series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk forward supply agreements; and (v) any other type of contract or arrangement that the Governing Body of the Company determines is to be used, or is intended to be used, to manage or reduce the cost of debt (including but not limited to a bond insurance policy), to convert any element of debt from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

***“Fiscal Year”*** means any twelve-month period beginning on July 1 of any calendar year and ending on June 30 of the following year or such other twelve-month period selected by the Company as the fiscal year for the Company.

***“Governing Body”*** means the board of directors of the Company or any duly authorized committee of the board of directors of the Company.

***“Initial Senior Lender”*** means PNC Bank, National Association.

***“Initial Subordinate Lender”*** means the Florida Department of Education.

***“Independent”***, when used with respect to any specified Person, means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Company, IDEA Florida or IDEA Public Schools, a Texas non-profit corporation and (iii) is not connected with the Company, IDEA Florida or IDEA Public Schools, a Texas non-profit corporation, as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person’s opinion or certificate shall be furnished to the Master Trustee, such Person shall be appointed by Order and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

***“Insurance Consultant”*** means a firm of Independent professional insurance brokers knowledgeable in the operations of educational facilities and having a favorable reputation for skill and experience in the field of educational facilities insurance consultation and which may include a broker or agent with whom the Company transacts business.

***“Interest Payment Date”*** means the Stated Maturity of an installment of interest on any Note.

“**Lease**” or “**Leases**” means, individually or collectively, as the context shall require, the Master Lease and each lease agreement pursuant to which IDEA Florida leases any Facilities in Hillsborough County from the Company, as the same may be amended or supplemented, including in connection with the issuance of additional Debt, provided that, the Lease shall never include the properties or payments within any Other Lease, as that term is defined in the Master Lease.

“**Lease Revenues**” means, for any period of time for which calculated, the total of all moneys received by the Company from IDEA Florida pursuant to each Lease during such period.

“**Limited Jurisdiction**” means the jurisdictional boundaries of Hillsborough County Public Schools, Florida.

“**Management Consultant**” means a firm of Independent professional management consultants, or an Independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

“**Master Indenture**” means this Master Trust Indenture and Security Agreement, as amended and supplemented from time to time in accordance with its terms.

“**Master Lease**” means that certain Master Lease Agreement, dated as of \_\_\_\_\_, 2020, by and between the Company, as lessor, and IDEA Florida, as lessee, under which the Company leases to IDEA Florida the Related Project, as originally executed and as it may from time to time be amended or supplemented in accordance with the terms thereof.

“**Master Trustee**” means Regions Bank, an Alabama state banking corporation, serving as trustee pursuant to this Master Indenture, and its successors and assigns.

“**Maturity**,” when used with respect to any Debt (or any Note), means the date on which the principal of such Debt (or Note) becomes due and payable as therein or herein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption or otherwise.

“**Maximum Annual Debt Service**” means, as of any date of calculation, the highest Annual Debt Service Requirements with respect to all Outstanding Debt for the applicable Fiscal Year.

“**Note**” means any Senior Note or Subordinate Note of the Company issued pursuant to Section 201 of this Master Indenture and executed, authenticated, and delivered pursuant to Section 203 hereof.

“**Note Holder**” means a Person in whose name a Note is registered in the Note Register; or in the case of additional Debt in the process of issuance, the underwriter or bank who has executed the related purchase contract.

“**Note Register**” and “**Note Registrar**” have the respective meanings specified in Section 205 hereof.

“**Notice of Exclusive Control**” means the Notice of Exclusive Control specified in a Company Deposit Account Control Agreement.

“**Officer’s Certificate**” means a certificate of the Company signed by an Authorized Representative or any other Person designated by any of such Persons to execute an Officer’s Certificate as evidenced by a certificate of the Company delivered to the Master Trustee.

“**Opinion of Counsel**” means a written opinion of counsel selected by the Company, who may (except as otherwise expressly provided) be counsel to any party to any transaction involving the issuance of Notes pursuant to Section 201 hereof.

“**Other Master Indenture**” means any Master Indenture and Security Agreement now or hereafter enacted into by the Company and identified in any Supplemental Master Indenture, including, but not limited to, that certain Master Indenture and Security Agreement, dated \_\_\_\_\_, by and between the Company and Regions Bank (related to IDEA Public Schools Louisiana, Inc.) and the forthcoming Master Indenture and Security Agreement by and between the Company and Regions Bank, as Master Trustee, (related to IDEA Florida - Duval County Public Schools (Jacksonville)), and the Master Indenture and Security Agreement by and between the Company and Regions Bank (related to IDEA Ohio, Inc.).

“**Other Master Lease**” means any Master Lease Agreement now or hereafter enacted into by the Company and identified in any Supplemental Master Indenture, including, but not limited to, that certain Master Lease Agreement, dated \_\_\_\_\_, by and between the Company and Regions Bank (related to IDEA Public Schools Louisiana, Inc.) and the forthcoming Master Lease Agreement by and between the Company and Regions Bank, as Master Trustee, (related to IDEA Florida - Duval County Public Schools (Jacksonville)), and the Master Lease Agreement by and between the Company and Regions Bank (related to IDEA Ohio, Inc.).

“**Other Master Lease Default**” means any default or event of default, as defined in any Other Master Lease.

“**Other Master Trust Indenture Default**” means any default or event of default, as defined in any Other Master Indenture.

“**Outstanding**,” when used with respect to the Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Master Indenture, except:

- (i) Notes theretofore cancelled by the Master Trustee or the Paying Agent;
- (ii) Notes for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 902 of this Master Indenture) in the necessary amount has been theretofore deposited with the Master Trustee or any Paying Agent for such Notes in trust for such Note Holders pursuant to this Master

Indenture or any Supplemental Master Indenture authorizing such Notes; provided, that if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Master Indenture or irrevocable provision therefor satisfactory to the Master Trustee has been made; and

(iii) Notes upon transfer of or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Master Indenture or any Supplemental Master Indenture authorizing such Notes; provided, however, that in determining whether the holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Master Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any other obligor upon the Notes or any other Person obligated thereon. If there is any conflict between the aforementioned provisions of this subsection (iii) and Section 103 of this Master Indenture, Section 103 shall control.

***“Participating Campus(es)”*** refers to the IDEA Florida campuses within the Limited Jurisdiction that are (i) acquired, constructed, improved, renovated, equipped or refinanced with the proceeds of any Related Bonds, (ii) identified in and made part of the Trust Estate in any Supplemental Master Indenture, and (iii) operated under separate charters.

***“Paying Agent”*** means any Person authorized by the Company in any Related Bond Document to pay the principal of (and premium, if any) or interest on any series of Notes.

***“Person”*** means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

***“Place of Payment”*** for any series of Notes means a city or any political subdivision thereof designated as such in the Notes of such series.

***“Pledged Revenues”*** means, for any period of calculation, the total of all revenues of the Company directly attributable to the Participating Campuses, including but not limited to Lease Revenues and any gifts, grants, bequests or donations expressly dedicated to IDEA Florida for the Facilities or its operations within the Limited Jurisdiction, including accounts receivable and rights to receive same plus investment and other income or loss of the Company in any fund or account created under this Master Indenture or Related Bond Documents for such period; provided, however, that no determination thereof shall take into account (a) any other income or revenues received by the Company from the operation of any other facility located in in Florida or any other state under any Other Master Lease, (b) revenues from any management agreement between the Company and IDEA Florida, (c) income derived from Defeasance Obligations that

are irrevocably deposited in escrow to pay the principal of or interest on Debt or Related Bonds, (d) any gains or losses resulting from the early extinguishment of Debt or the reappraisal, reevaluation or write-up of assets, (e) gifts, grants, bequests or donations and income thereon that is not expressly dedicated for the benefit of the Facilities or IDEA Florida by the donor or grantor or is dedicated for a purpose inconsistent with paying principal and interest on the Notes, and (f) net unrealized gain (losses) on investments and Financial Products Agreements.

***“Principal Payment Date”*** means the Stated Maturity of any installment of principal on any Note.

***“Qualified Provider”*** means any financial institution or insurance company that is a party to a Financial Products Agreement if the unsecured long-term debt obligations of such financial institution or insurance company (or of the parent or a subsidiary of such financial institution or insurance company if such parent or subsidiary guarantees the performance of such financial institution or insurance company under such Financial Products Agreement), or obligations secured or supported by a letter of credit, contract, guarantee, agreement, insurance policy or surety bond issued by such financial institution or insurance company (or such guarantor parent or subsidiary), are rated in one of the two highest rating categories of a Rating Service at the time of the execution and delivery of the Financial Products Agreement.

***“Rating Service”*** means each nationally recognized securities rating service which at the time has a credit rating assigned to any series of Notes or Related Bonds (or any other indebtedness secured by Notes) at the request of the Company.

***“Record Date”*** means the regular record date specified for each series of Notes.

***“Related Bond Documents”*** means the Related Bonds, the Related Bond Indenture, the Related Loan Documents, and the Related Deed of Trust.

***“Related Bond Indenture”*** means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued including but not limited to loan agreements entered into in connection with the Senior Lender and Subordinate Lender.

***“Related Bonds”*** means bonds, promissory notes, or other obligations with respect to which any Notes are issued and any other revenue bonds or similar obligations issued by any state of the United States, any municipal corporation, any non-municipal corporation, or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to the Company in consideration, whether in whole or in part, of the execution, authentication and delivery of a Note or Notes to such governmental issuer.

***“Related Bonds Outstanding”*** means all Related Bonds which have been duly authenticated and delivered by a Related Bond Trustee under a Related Bond Indenture that remain Outstanding thereunder and under the laws of the State.

**“Related Bond Trustee”** means any trustee under any Related Bond Indenture, and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Issuer.

**“Related Deed of Trust”** means any Deed of Trust or other mortgage instrument delivered by the Company to the Master Trustee in connection with Related Bonds or any Debt.

**“Related Issuer”** means any issuer of a series of Related Bonds including but not limited to the Senior Lender and the Subordinate Lender.

**“Related Loan Documents”** means any loan agreement, credit agreement or other document pursuant to which a Related Issuer loans the proceeds of a series of Related Bonds to the Company.

**“Related Project”** means any project financed or refinanced by Debt issued under this Master Indenture and for which Debt remains outstanding, including the Facilities.

**“Responsible Officer,”** when used with respect to the Master Trustee, means the officer in the Corporate Trust Office of the Master Trustee having direct responsibility for administration of this Master Indenture.

**“Revenue Fund”** has the meaning specified in Section 405 hereof.

**“Senior Debt”** means and principal of, premium, if any, and interest on any Debt authorized under Section 212(a) issued by the Company or issued to refund or refinance any Senior Debt and evidenced by Senior Notes issued pursuant to the provisions of this Master Indenture.

**“Senior Lender”** means for so long as the Series 2020 notes remain outstanding, PNC Bank, National Association, or an owner of Senior Debt.

**“Senior Notes”** means the Series 2020 Notes and any Notes now or hereafter issued pursuant to Section 201 (excluding any Subordinate Note) hereof and designated as Senior Notes pursuant to any Supplemental Master Indenture authorizing their issuance.

**“Series 2020 Notes”** means any of the Notes issued pursuant to a Supplemental Master Indenture and secured by this Master Indenture to evidence payment obligations of the Company with respect to The Florida Public Facilities Authority Lease Revenue Bonds (IPS Enterprises, Inc.—IDEA Florida – Hillsborough County Public Schools (Tampa) Project), Series 2020.

**“Short-term Debt”** means indebtedness that is subordinate (in terms of payment of principal and interest) to any Debt under this Master Indenture; shall be utilized for the acquisition, construction, renovation or equipping of educational facilities; and shall be payable within seven (7) years of the incurrence of said indebtedness.

**“State”** means the State of Texas unless otherwise noted.

**“Stated Maturity,”** when used with respect to any Debt or any Note or any installment of interest thereon, means the date specified in such Debt or Note as the fixed date on which the principal of such Debt or Note or such installment of interest is due and payable.

**“Subordinate Debt”** means and principal of, premium, if any, and interest on any Debt authorized under Section 212(c) issued by the Company or issued to refund or refinance any Subordinate Debt and evidenced by Subordinate Notes issued pursuant to the provisions of this Master Indenture.

**“Subordinate Lender”** for so long as the Series 2020 notes remain outstanding, means the Florida Department of Education, or an owner of Subordinate Debt.

**“Subordinate Notes”** means any Notes issued pursuant to Section 201 (excluding any Senior Note) hereof and designated as Subordinate Notes pursuant to any Supplemental Master Indenture authorizing their issuance.

**“Supplemental Master Indenture”** means an indenture amending or supplementing this Master Indenture entered into pursuant to Article VIII hereof.

**“Trust Estate”** means the property described as the Trust Estate in the Granting Clauses of this Master Indenture or any Supplemental Master Indenture that is subject to the lien and security interest of this Master Indenture.

**“UCC”** means the Uniform Commercial Code as in effect in the State.

Section 102. Form of Documents Delivered to Master Trustee. Every certificate and every Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Master Indenture shall include a statement that the Person making such certification or opinion has read such covenant or condition and the definitions relating thereto, has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether such covenant or condition has been complied with, and a statement whether such condition or covenant has been complied with. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such Person’s certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.



Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Indenture, they may, but need not, be consolidated and form one instrument.

Section 103. Acts of Note Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Indenture to be given or taken by Note Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Note Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee or Paying Agent, and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Note Holders signing such instrument or instruments. Proof of execution of any such instrument, or of a writing appointing any such agent, shall be sufficient for any purpose of this Master Indenture and (subject to Section 701) conclusive in favor of the Master Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Master Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by any Note Holder shall bind every holder of any Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Note.

(e) The ownership of Related Bonds may be proved by the registration books for such Related Bonds maintained pursuant to the Related Bond Indenture.

(f) In determining whether the holders of the requisite aggregate principal amount of Notes have concurred in any demand, direction, request, notice, consent, waiver or other action under this Master Indenture, or for any other purpose of this Master Indenture, Notes or Related Bonds that are owned by the Company shall be disregarded and deemed not to be Outstanding or outstanding under the Related Bond Indenture, as the case may be, for the purpose of any such determination, provided that for the purposes of determining whether the Master Trustee shall be protected in relying on any such direction, consent or waiver, only such Notes or Related Bonds

which the Master Trustee has actual notice or knowledge are so owned shall be so disregarded and deemed not to be Outstanding Notes or Related Bonds. Outstanding Notes or Related Bonds so owned that have been pledged in good faith may be regarded as Outstanding or outstanding under the Related Bond Indenture, as the case may be, for purposes of this Section, if the pledgee shall establish to the satisfaction of the Master Trustee the pledgee's right to vote such Notes or Related Bonds. In case of a dispute as to such right, any decision by the Master Trustee taken upon the advice of counsel shall be full protection to the Master Trustee. In the event that a Note secures the obligation of a Person under an agreement or instrument that provides for the making of advances to or on behalf of such Person, such Note shall only be counted to be Outstanding in a principal amount equal to the amount so advanced or otherwise due and owing under the terms of such agreement (and only if such amount remains outstanding or unpaid) to or on behalf of such Person. In the event that a Note secures a Financial Products Agreement, such Note shall only be deemed to be Outstanding in a principal amount equal to any amount with which the Company is in default with respect to the payment thereof. In no event, however, shall the amount owed to a Note Holder be counted twice because there are the same amounts due and owing under two Notes relating to the same obligations (e.g., the principal amount reimbursable to the provider of a liquidity facility as the holder of bonds purchased by such liquidity provider as well as the principal amount of such purchased bonds by such liquidity provider as holder of the purchased bonds).

(g) At any time prior to (but not after) the time the Master Trustee takes action in reliance upon evidence, as provided in this Section 103, of the taking of any action by the holders of the percentage in aggregate principal amount of Notes specified herein in connection with such action, any holder of such Note or Related Bond that is shown by such evidence to be included in Notes the holders of which have consented to such action may, by filing written notice with the Master Trustee and upon proof of holding as provided in this Section 103, revoke such action so far as it concerns such Note or Related Bond. Except upon such revocation or such action taken by the holder of a Note or Related Bond in any direction, demand, request, waiver, consent, vote or other action of the holder of such Note or Related Bond which by any provision hereof is required or permitted to be given shall be conclusive and binding upon such Note Holder and upon all future Note Holders and owners of such Note or Related Bond, and of any Note or Related Bond issued in lieu thereof, whether or not any notation in regard thereto is made upon such Note or Related Bond. Any action taken by the holders of the percentage in aggregate principal amount of Notes specified herein in connection with such action shall be conclusively binding upon the Company, the Master Trustee and the holders of all of such Notes or Related Bonds.

Section 104. Notices, etc., to Master Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Note Holders or other document provided or permitted by this Master Indenture to be made upon, given or furnished to, or filed with:

(1) the Master Trustee by any Note Holder or by any specified Person shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with and actually received by a Responsible Officer of the Master Trustee at Trustee at its Corporate Trust Office located at 3773 Richmond Avenue, Suite 1100, Houston Texas 77046, Attention: Corporate Trust, or at any other address subsequently furnished in writing to the Company and the Note Holders by the Master Trustee;

(2) the Company by any Note Holder or by any Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Company at IPS Enterprises, Inc., 2115 W. PIKE BLVD, WESLACO, TX 78596, Attention: Chief Executive Officer, or at any other address subsequently furnished in writing to the Master Trustee by the Company.

Section 105. Notices to Note Holders; Waiver. Where this Master Indenture provides for notice to Note Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Note Holder affected by such event, at his address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the first giving of such notice. In any case where notice to Note Holders is given by mail, neither the failure to mail such notice, nor any default in any notice so mailed to any particular Note Holder shall affect the sufficiency of such notice with respect to other Note Holders. Where this Master Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Note Holders shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 106. Successors and Assigns. All covenants and agreements in this Master Indenture by the Company and the Master Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 107. Severability Clause. If any provision of this Master Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reasons, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy.

Section 108. Benefits of Master Indenture. Nothing in this Master Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto, and their successors hereunder and the Note Holders, any benefit or any legal or equitable right, remedy or claim under this Master Indenture.

Section 109. Governing Law. This Master Indenture shall be governed in all respects, including validity, interpretation and effect by, and shall be enforceable in accordance with, the law of the State.

Section 110. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

## **ARTICLE II**

### **ISSUANCE AND FORM OF NOTES**

#### **Section 201. Series, Amount and Denomination of Notes.**

(a) At any time and from time to time after the execution and delivery of this Master Indenture, Notes shall be issued under this Master Indenture in series issued pursuant to a Supplemental Master Indenture. Each series shall be designated to differentiate the Notes of such series from the Notes of any other series. Notes shall be issued as fully registered notes with the Notes of each series to be lettered and numbered as may be designated in the Supplemental Master Indenture authorizing any series. The aggregate principal amount of Notes of each series that may be created under this Master Indenture is not limited, except by the additional Debt limitations provided in this Master Indenture. A series of Notes may consist of a single Note or more than one Note.

(b) Each Supplemental Master Indenture authorizing the issuance of a Note or series of Notes shall set forth the purpose for which the Debt evidenced thereby is being incurred, the principal amount, maturity date or dates, interest rate or rates and the other pertinent terms of the Note or series of Notes and the name of the Company.

(c) Notes may be issued hereunder to evidence (i) any type of Debt, including without limitation any Debt in a form other than a promissory note (such as commercial paper, bonds, or similar debt instruments), (ii) any obligation to make payments pursuant to a Financial Products Agreement, (iii) any obligations to make payments pursuant to a Contingent Obligation (as such term is used in Section (e) of the definition of Annual Debt Service Requirements), or (iv) debt consisting of an obligation to reimburse payments made under a letter of credit, surety bond, bond insurance policy, standby bond purchase agreement or similar credit or liquidity support obtained to secure payment of other Debt. The Supplemental Master Indenture pursuant to which any Notes are issued may provide for such supplements or amendments to the provisions hereof, including without limitation Article II hereof, as are necessary to permit the issuance of such Notes hereunder.

(d) Any Note evidencing obligations under a Financial Products Agreement shall be equally and ratably secured hereunder with all other Notes issued hereunder, except as otherwise expressly provided herein; provided, however, that (i) to be secured hereunder, the Master Trustee must receive, at the time of execution and delivery of such Financial Products Agreement, an Officer's Certificate stating that such Financial Products Agreement was entered into by the Company with a Qualified Provider, as provided hereunder, and is entitled to the benefits of this Master Indenture and (ii) such Note, with respect to such Financial Products Agreement, shall be deemed to be Outstanding hereunder solely for the purpose of receiving payment hereunder and the Qualified Provider shall not be entitled to exercise any rights of a Note Holder hereunder unless amounts payable by the Company are due and unpaid.

(e) Any Subordinate Note shall be expressly subordinated to all Senior Notes pursuant to the provisions set forth in Sections 212(c) and 410 of this Master Indenture.

Section 202. Conditions to Issuance of Notes. Any Note or series of Notes shall be authenticated by the Master Trustee and delivered to the lender or purchaser only upon its receipt of the following:

(a) An Officer's Certificate stating (1) for so long as any Series 2020 Bonds or loans from the State of Florida remain outstanding, that no Event of Default, no payment default under any other Master Trust Indenture or payment default under any Other Master Lease has occurred or is continuing or will result from the issuance of such Note or series of Notes and (2) that the Supplemental Master Indenture relating thereto authorizes such Debt and that such Supplemental Master Indenture complies with the provisions of Article VIII hereof; and

(b) An original executed counterpart of a Supplemental Master Indenture providing for the issuance of such Note or series of Notes; and

(c) An Opinion of Counsel to the effect that (1) the conditions to issuance of any particular Note or series of Notes set forth in this Section 202 and in Section 212 (except, with respect to Section 212, in connection with the Series 2020 Notes) of this Master Indenture have been satisfied, (2) upon the execution of such Note or series of Notes by the Company and the authentication thereof by the Master Trustee, such Note or series of Notes will be the valid and binding obligations of the Company enforceable in accordance with its (their) terms, subject to the customary bankruptcy, insolvency and equitable principles exceptions and such other exceptions as may be acceptable to the initial payee thereof, (3) registration of such Note or series of Notes under the Securities Act of 1933, as amended, is not required, or, if such registration is required, that the Company has complied with all applicable provisions of said Act, and (4) qualification of this Master Indenture and any Supplemental Master Trust Indenture providing for the issuance of such Note or series of Notes under the Trust Indenture Act of 1939, is not required, or if such qualification is required, that the Company has complied with all applicable provisions of such Act.

(d) The title insurance policy, or endorsement thereof, required by Section 212, if necessary and if permitted by the laws of the State.

(e) The Insurance Certificate as set forth and required in Section 213(c) hereof.

(f) If in connection with the issuance of additional Debt, any other certificate, report or other item required under Section 212.

(g) The fully executed Master Lease or any fully executed amendment or supplement thereto necessary to evidence either or both the additional Facilities subject to the Master Lease or the payment obligations of IDEA Florida associated with such Note or series of Notes.

Section 203. Execution, Authentication and Delivery.

(a) Notes shall be executed by the Company through the chairman of its Governing Body or its president or any officer authorized by the Governing Body and attested to by the secretary or an assistant secretary of the Company, as appropriate, and Notes may have the corporate seal impressed or reproduced thereon. The signature of any officer on the Notes may be manual or facsimile.

(b) Notes bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(c) At any time, and from time to time, after the execution and delivery of this Master Indenture, the Company may deliver executed Notes to the Master Trustee together with the Supplemental Master Indenture creating such series; and upon the receipt of the Supplemental Master Indenture, the Master Trustee shall authenticate and deliver such Notes as provided in this Master Indenture and the relevant Supplemental Master Indenture.

(d) No Note shall be entitled to any benefit under this Master Indenture or be valid or obligatory for any purpose, unless there appears on or attached to such Note a certificate of authentication substantially in the form set forth below executed by the Master Trustee by its manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder. The form of certificate of authentication shall be as follows:

#### CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

\_\_\_\_\_

REGIONS BANK, as Master Trustee, or its agent

By: \_\_\_\_\_  
Authorized Signature

Section 204. Form and Terms of Notes. The Notes of each series of Notes shall contain such terms, and be in substantially the form set forth in the Supplemental Master Indenture creating such series, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Master Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any regulatory body, or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their signing of the Notes. The Notes of any series or the relevant Supplemental Master Indenture may contain additional (or different) representations, warranties, covenants, defaults and remedies and other provisions which do not contradict the terms of this Master Indenture, to the extent provided in the related Supplemental Master Indenture, and such additional terms shall supplement and be in addition to the terms of this Master Indenture. Unless the Notes of a series have been registered under the Securities Act of 1933, each Note of such series shall be endorsed with a legend which shall read substantially as follows: "This Note has not been registered under the Securities Act of 1933."

Section 205. Registration, Transfer and Exchange.

(a) The Company shall cause to be kept at the Corporate Trust Office of the Master Trustee in Houston, Texas, a register (sometimes herein referred to as the “**Note Register**”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. The Master Trustee is hereby appointed Note Registrar (the “**Note Registrar**”) for the purpose of registering Notes and transfers of Notes as herein provided. The Master Trustee may delegate any of its duties hereunder pursuant to the terms of a Supplemental Master Indenture. In such case, the Note Register may consist of one or more records of ownership of the various series of Notes and any part of such register may be maintained by the agent of the Master Trustee relating to such series.

(b) Upon surrender for transfer of any Note at the office or agency of the Company in a Place of Payment, the Company shall execute, and the Master Trustee or its designated agent shall authenticate and deliver, in the name of the designated transferee, one or more new Notes of any Authorized Denominations, of a like aggregate principal amount, series, Stated Maturity and interest rate.

(c) At the option of the Note Holder, Notes may be exchanged for Notes of any Authorized Denomination, of a like aggregate principal amount, series, Stated Maturity and interest rate, upon the surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Master Trustee or its designated agent shall authenticate and deliver the Notes which the Note Holder making the exchange is entitled to receive.

(d) All Notes issued upon any transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Master Indenture as the Notes surrendered upon such transfer or exchange.

(e) Every Note presented or surrendered for transfer or exchange shall (if so required by the Company or the Master Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Master Trustee or its designated agent duly executed by the holder thereof or his attorney duly authorized in writing.

(f) No charge shall be made for any transfer or exchange of Notes, and any transfer or exchange of Notes shall be made without expense or without charge to Note Holders; however, the Master Trustee or its designated agent under any Supplemental Master Indenture may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to such transfer or exchange.

Section 206. Mutilated, Destroyed, Lost and Stolen Notes.

(a) If (i) any mutilated Note is surrendered to the Master Trustee or the Paying Agent, and the Master Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Master Trustee such security or indemnity as may be required by the Master Trustee to save each of the Master Trustee and the Company harmless, then, in the absence of notice to the Company or the Master Trustee that such Note has been acquired by a bona fide purchaser, the Company shall execute and, upon its request, the Master Trustee shall

authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

(b) In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company may, in its discretion, instead of issuing a new Note, pay such Note.

(c) Upon the issuance of any new Note under this Section, the Master Trustee or its designated agent under any Supplemental Master Indenture may require the payment by the Company of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Master Trustee) connected therewith.

(d) Every new Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits and security of this Master Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

#### Section 207. Method of Payment of Notes.

(a) The principal of, premium, if any, and interest on the Notes shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, premium, if any, and interest shall be payable at the principal payment office of the Master Trustee in Houston, Texas, or at the office of any alternate Paying Agent or agents named in any such Notes. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Note is issued or the election referred to in the next sentence is made, payment of the principal of, premium, if any, and interest on the Notes and payment of any redemption or prepayment price on any Note pursuant to Section 303 hereof shall be made to the Person appearing on the Note Register as the Note Holder and shall be paid by check or draft mailed to the Note Holder at his address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by the Note Holder; provided, however, that any Supplemental Master Indenture creating any Note may provide that the principal of, premium, if any, and interest on such Note may be paid, upon the request of the Note Holder, by wire transfer. Anything to the contrary in this Master Indenture notwithstanding, if an Event of Default has not occurred and is not continuing hereunder and the Company so elects or is required, payments on a Note shall be made directly by the Company, by check or draft hand delivered to the Note Holder or its designee or shall be made by the Company by wire transfer to the Note Holder, in either case delivered on or prior to the date on which such payment is due. The Company shall give written notice to the Master Trustee (on which the Master Trustee may conclusively rely) of any such payment to the Master Trustee concurrently with the making thereof, specifying the amount paid and identifying the Note or Notes with respect to which



such payment was made by series designation, number and the Note Holder. Except with respect to Notes directly paid, the Company agrees to deposit with the Master Trustee on or prior to each due date, as specified in the Related Bond Documents, a sum sufficient to pay the principal of, premium, if any, and interest on any of the Notes due on or before such due date. Such moneys shall be held in trust exclusively for the holder of the Note for which such payment is intended to be made. Any such moneys shall, upon direction of the Company set forth in an Officer's Certificate, be invested as set forth therein. The foregoing notwithstanding, amounts deposited with the Master Trustee to provide for the payment of Notes pledged to the payment of Related Bonds shall be invested in accordance with the provisions of the Related Bond Indenture and Related Loan Documents. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments, and shall not be responsible for determining whether any such investment is permitted hereunder or in accordance with any such Related Bond Indenture or Related Loan Document.

(b) Subject to the foregoing provisions of this Section 207, each Note delivered under this Master Indenture upon transfer of or in exchange for or in lieu of any other Note shall carry the rights to principal of, premium, if any, and interest accrued and unpaid, and to accrue, which were carried by such Note.

Section 208. Persons Deemed Owners. The Company, the Master Trustee and any agent thereof shall treat the Person in whose name any Note is registered as the owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Note and for all other purposes whatsoever whether or not such payment is past due, and neither the Company, the Master Trustee, nor any agent of the Company or the Master Trustee shall be affected by notice to the contrary.

Section 209. Cancellation. All Notes surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already cancelled or required to be otherwise delivered by the terms of the Supplemental Master Indenture authorizing the series of Notes of which such Note is a part, shall be promptly cancelled by the Master Trustee. The Company may at any time deliver to the Master Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Master Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section, except as expressly permitted by this Master Indenture. All cancelled Notes held by the Master Trustee shall be disposed of according to the retention policies of the Master Trustee.

Section 210. Security for Notes.

(a) All Senior Notes issued and Outstanding under this Master Indenture are equally and ratably secured by the pledge and assignment of a security interest in the Trust Estate pursuant to the Granting Clauses of this Master Indenture. Any one or more series of Senior Notes issued hereunder may be secured by additional and separate security (including without limitation letters or lines of credit, property or security interests in debt service reserve funds or debt service, purchase, construction or similar funds or guarantees of payment by third parties). Such security need not extend to any other Senior Debt (including any other Notes or series of Notes) unless so

specified and may contain provisions not inconsistent with this Master Indenture which provide for separate realization upon such security. Except as otherwise expressly provided herein or in any Supplemental Master Indenture pursuant to which such Senior Note is issued, all Senior Notes issued hereunder shall be equally and ratably secured by any lien created pursuant to or constituting a part of the Trust Estate under this Master Indenture.

(b) All Subordinate Notes issued and Outstanding under this Master Indenture are equally and ratably secured by a parity pledge and assignment of a security interest in the Trust Estate pursuant to the Granting Clauses of this Master Indenture subordinate only to any Senior Debt. Any one or more series of Subordinate Notes issued hereunder may be secured by additional and separate security (including without limitation letters or lines of credit, property or security interests in debt service reserve funds or debt service, purchase, construction or similar funds or guarantees of payment by third parties). Such security need not extend to any other Subordinate Debt (including any other Notes or series of Notes) unless so specified and may contain provisions not inconsistent with this Master Indenture which provide for separate realization upon such security. Except as otherwise expressly provided herein or in any Supplemental Master Indenture pursuant to which such Subordinate Note is issued, all Subordinate Notes issued hereunder shall be equally and ratably secured by any subordinate lien created pursuant to or constituting a part of the Trust Estate under this Master Indenture.

(c) To the extent that any Debt which is permitted to be issued pursuant to this Master Indenture is not issued directly in the form of a Note, a Note may be issued hereunder and pledged as security for the payment of such Debt in lieu of directly issuing such Debt as a Note hereunder.

#### Section 211. Mortgage, Pledge and Assignment; Further Assurances.

(a) Subject only to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and in order to secure the payment of the Notes and the performance of the duties and obligations of the Company under the Notes and this Master Indenture, the Company has pledged and assigned unto the Master Trustee and its successors and assigns forever, and granted a security interest thereunto in, among other things, all of the Pledged Revenues and any other amounts (including proceeds of the sale of Bonds) held in the Revenue Fund to secure the payment of the principal of and interest on the Notes in accordance with their terms and the provisions of this Master Indenture and the Deed of Trust. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery of the Notes and the execution of the Company Deposit Account Control Agreement, without any physical delivery thereof or further act.

In order to perfect the Master Trustee's security interest in the Pledged Revenues as security for the payment of the Notes, the Master Trustee is authorized and directed to enter into, and shall be indemnified for (pursuant to Article VII hereof), a Company Deposit Account Control Agreement; provided, that the Master Trustee shall have no duty or responsibility to determine the existence of, or the necessity of perfecting any security interest of the Master Trustee in, any fund or account in which the Master Trustee has been granted a security interest, including without limitation, as described in Granting Clause (b) of this Master Indenture.

Upon the occurrence and continuance of an Event of Default, the Master Trustee shall be entitled to, subject to its rights to be indemnified pursuant to Article VII, (i) at the written direction of the holders of not less than 25% in principal amount of the Notes Outstanding, issue a Notice of Exclusive Control under the Company Deposit Account Control Agreement and (ii) collect and receive Pledged Revenues; provided, however, when such Event of Default has been terminated or cured, as provided in Section 617, the Master Trustee shall provide written notice to the parties to the Company Deposit Account Control Agreement, that exclusive control of the account(s) described therein have been restored to the Company. The Master Trustee also shall be entitled to and shall (1) enforce the terms, covenants and conditions of, and preserve and protect the priority of its interest in and under this Master Indenture and any Deed of Trust and (2) monitor compliance with all covenants, agreements and conditions of the Company contained in this Master Indenture with respect to the Pledged Revenues; provided that, without limiting the generality of any of the provisions of this Master Indenture or the Deed of Trust, the Master Trustee need not foreclose any Deed of Trust (or accept a deed in lieu of foreclosure or otherwise exercise remedies with respect to the Mortgaged Property, as such term is defined in such Deed of Trust) if the effect of any such foreclosure (or acceptance of a deed in lieu of foreclosure, or other exercise of remedies with respect to the Mortgaged Property) would be to cause the Master Trustee to: (i) incur financial liability for any environmental contamination at or from the Mortgaged Property, (ii) risk its own funds for the remediation of any such existing environmental contamination or (iii) require any approval of a governmental regulator.

(b) The Company shall, at its own expense, take all necessary action to maintain and preserve lien upon and the security interest in the property granted by this Master Indenture and any Deed of Trust so long as any Notes are Outstanding. In addition, the Company shall, immediately after the execution and delivery of this Master Indenture and thereafter from time to time, cause any such Deed of Trust and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such security interest and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed and timely filed as provided herein any and all continuation statements as required for such perfection and protection. Copies of all filings and recordings hereunder shall be promptly filed with the Master Trustee. Except to the extent it is exempt therefrom, the Company shall pay or cause to be paid all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of such instruments of perfection, 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 the Deed of Trust and such instruments of perfection. The Master Trustee shall not be responsible for the sufficiency of or the recording of this instrument, any supplemental indenture, any mortgage, Deed of Trust, other security or other instruments of further assurance.

The Master Trustee shall confirm the filing of continuation statements by the Company required to maintain the perfection and priority of the security interests granted hereby and by the Related Bond Documents and, if necessary, make such filings as may be required to maintain the perfection and priority of the security interests granted hereby and by the Bond Documents.

(c) The Company has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the collateral granted hereunder that ranks on a parity with or prior to the lien granted hereunder that will remain outstanding on the Closing Date. The Company has not described the collateral described hereunder in a UCC financing statement that will remain effective on the Closing Date, except as expressly permitted by the Related Bond Documents. The security interest granted hereunder is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Company on a simple contract.

(d) The Company covenants and agrees to deposit all Pledged Revenues into the account (or accounts) that is subject to the Company Deposit Account Control Agreement hereunder.

Section 212. Additional Debt.

(a) Upon satisfaction of the applicable requirements of Section 202 and any additional requirements set forth in Related Bond Documents, the Company reserves the right to issue and incur one or more series of Senior Debt secured by and payable from the Pledged Revenues of the Company that may be delivered pursuant to this Master Indenture if the following conditions are met:

(1) Additional Senior Debt Coverage. Sufficient funds must be evidenced as follows:

(A) Historical Coverage on Outstanding Debt. Delivery of an Officer's Certificate stating that, for either the Company's most recently completed Fiscal Year or for any consecutive 12 months out of the most recent 18 months immediately preceding the issuance of the additional Senior Debt, the Pledged Revenues equal at least 1.10 times the Maximum Annual Debt Service on all Senior Debt then Outstanding prior the issuance of the additional Senior Debt; and

(B) Coverage for Additional Senior Debt. Delivery of a new or amended Lease reflecting an increase in the aggregate Pledged Revenues payable by IDEA Florida thereunder in each Fiscal Year to an amount equal to at least 1.20 times the projected Annual Debt Service, including the Senior Debt to be incurred. Such calculation shall take into account the Lease Revenues for the Fiscal Year immediately following the completion of the new Related Project, and shall assume that the proposed additional Senior Debt shall have been outstanding for the entire year.

(2) Alternate Coverage for Additional Senior Debt. In lieu of the requirements described in Section 212(a)(1) above, the Company may deliver an Officer's Certificate stating that, based on the audited results of the operations for the most recently completed Fiscal Year, the Pledged Revenues equal at least 1.10 times Maximum Annual Debt Service on all Senior Debt then Outstanding as well as the additional Senior Debt; and

(3) Title Insurance. So long as any Debt is secured by the lien of the Deed of Trust upon any real property of the Company, the Company shall obtain and provide to the

Master Trustee a new title policy or an endorsement of the title, if permitted by the laws of the State, issued in connection with the Debt increasing the coverage thereunder by an amount equal to the aggregate principal amount of the additional Senior Debt which is secured by the Deed of Trust.

(4) Lease Requirements. If any property is added to the Facilities under a Lease, evidence that IDEA Florida has complied with the covenants contained in Article XVII of the Master Lease with respect to any such added property.

The satisfaction of the conditions set forth in paragraphs (1) through (4) above shall be evidenced to the Master Trustee. The Master Trustee may rely, and (subject to Section 701) shall be fully protected in relying upon, a closing certificate executed by an Authorized Representative evidencing that items (1) through (4) were satisfied or completed.

(b) Refunding. If additional Debt is being issued for the purpose of refunding any Outstanding Debt, the reports or certificates required to be delivered under Section 212(a)(1) or (a)(2) shall not be required so long as both the total and Maximum Annual Debt Service Requirements on all Outstanding Debt after issuance of the additional Senior Debt will not exceed both the total and the Maximum Annual Debt Service Requirements on all Outstanding Debt prior to the issuance of such additional Debt.

(c) Subordinate Debt.

(1) The Company reserves the right to incur Subordinate Debt that is secured by a subordinate lien on all or a portion of the collateral within the Trust Estate. Subject to the Flow of Funds set forth in Section 405, the Company may make regularly scheduled payments of principal and interest on Subordinate Debt, so long as no Event of Default exists or is continuing under this Master Indenture.

(2) Any and all payments and related obligations under the loan documents evidencing and issuing the Subordinate Debt (the "Subordinate Loan Documents") whether now existing or hereafter arising (including all principal, interest, fees, costs, expenses and post-petition amounts, whether or not allowed) shall be subordinate to the payment of the Senior Debt under this Master Indenture.

(3) Upon, and during the continuation of any Event of Default under this Master Indenture, no Subordinate Lender shall be permitted to receive any payments on any Subordinate Debt.

(4) In any bankruptcy or insolvency proceeding of any kind, the Notes evidencing Senior Debt shall be paid in full prior to the payment of or any distribution to any Subordinate Lender. If any bankruptcy insolvency proceeding is commenced by the Company, any payment or distribution of any of the Company's assets, whether in cash, securities or any other property, which would be payable or deliverable with respect to Subordinate Debt, shall be paid or delivered to the Master Trustee until all Senior Notes hereunder are paid in full.

(5) Any Subordinate Lender shall be subject to a standstill on the enforcement of its rights under the Subordinate Loan Documents or under this Master Indenture until all Senior Notes are paid in full.

(6) All Subordinate Debt shall be treated as Debt for the purposes of calculating Annual Debt Service Requirements; provided that, any portion incurred through convertible loans to grants (example: Charter School Growth Fund) shall not be included in Annual Debt Service Requirements unless such amounts become due and payable. In such case, the amounts due and payable in any Fiscal Year shall be included in Annual Debt Service Requirements in accordance with the provisions applicable to such obligations' documents.

(d) Completion Debt. In the event such additional Debt is being issued or incurred for the purpose of completing any Related Project (as that term is defined from time to time in connection with the issuance of additional Debt) for which additional Debt is issued or incurred, such series of completion Debt may be issued in amounts not to exceed 10% of the principal amount of the Debt last issued for such Related Project upon delivery of an Officer's Certificate that such additional Debt is required to fund the costs of completion and such completion Debt shall not be required to comply with Section 212(a)(1) herein; provided that, such additional Debt must comply with any applicable requirements imposed by the Related Bond Indenture and Related Loan Documents and any necessary amendment to any supplement to the Master Lease.

(e) Interim Construction Financing. The Company reserves the right to issue and incur Short-term Debt.

(f) Unrelated Debt. The Company reserves the right to incur Debt that is not secured by a lien on either Pledged Revenues or any property included in a Deed of Trust, and such Debt shall not be subject to this Section 212. Such Debt may be secured by a lien on all or any portion of assets financed therewith and revenues therefrom; provided that, such unrelated Debt must, by its terms, expressly relinquish any right or claim to the Trust Estate.

(g) Other Master Indentures. The Company reserves the right to incur indebtedness under any Other Master Indenture; provided that, such Other Master Indenture must, by its terms, expressly relinquish any right or claim to the Trust Estate and provided further with respect to indebtedness under this Master Indenture or the Master Indenture and Security Agreement by and between the Company and Regions Bank, as Master Trustee (related to IDEA Florida - Duval County Public Schools (Jacksonville)); provided that, at the time of the incurrence of any additional indebtedness permitted under this Master Indenture, the Company shall certify to the Senior Lender and Subordinate Lender, that at the time of incurrence of such additional indebtedness, no Event of Default, no payment default under any Other Master Trust Indenture or payment default under any Other Master Lease has occurred or is continuing.

### Section 213. Insurance.

(a) The Company shall at all times cause IDEA Florida to keep and maintain its properties and facilities insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with the operation of facilities of the type and size

comparable to such facilities and consistent with the requirements of State law and the provisions of Article IX of the Master Lease. Subject to subsection (c) hereof, the Company shall cause IDEA Florida to carry and maintain and timely pay the premiums for, at least the following insurance with respect to such facilities and the Company:

(1) insurance coverage for buildings and contents, including steam boilers, fired pressure vessels and certain other machinery for fire, lightning, windstorm and hail, explosion, aircraft and vehicles, sprinkler leakage, elevator, and all other risks of direct physical loss, at all times in an amount not less than the replacement cost of the facilities.

(2) during the course of any construction, reconstruction, remodeling or repair of the facilities, builders' all risk extended coverage insurance (non-reporting Completed Value with Special Cause of Loss form) in amounts based upon the completed replacement value of the facilities and insurance coverage for lost gross revenues due to damage or destruction of the facilities prior to construction in an amount sufficient to provide temporary or interim facilities and equipment during the period of replacement or repair of the damaged or destroyed facility, and endorsed to provide that occupancy by any Person shall not void such coverage;

(3) general liability;

(4) comprehensive professional liability insurance; and

(5) worker's compensation insurance as required by the laws of the State.

if it is ever determined that a facility is located in a flood plain (as defined by federal regulations), the Company shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for flood insurance for a facility. Such flood insurance shall constitute the type of such insurance that is available at the time and as is customary in connection with the operation of facilities of the type and size comparable to a facility.

(b) Insurers and Policies. Each insurance policy required by subparagraph (a) above (i) shall be issued or written by such insurer (or insurers), or by an insurance fund established by the United States or State or the state where the real property is located or an agency or instrumentality thereof unless such insurance is not otherwise available on commercially reasonable terms from an insurer rated at least "A" by S&P or "Excellent (A or A-)" by Fitch/Moody's, (ii) shall be in such form and with such provisions (including, without limitation and where applicable, loss payable clauses payable to the Master Trustee, waiver of subrogation clauses, provisions relieving the insurer of liability to the extent of minor claims and the designation of the named insurers) as are generally considered standard provisions for the type of insurance involved, (iii) shall prohibit cancellation or substantial modification by the insurer without at least thirty (30) days' prior written notice to the Master Trustee and the Company and (iv) shall name the Master Trustee as additional insured.

(c) Insurance Consultant. At least once every two years, from and after the date hereof, the Company shall retain an independent Insurance Consultant, for the purpose of reviewing the insurance coverage of, and the insurance required for, the facilities and making recommendations respecting the types, amounts and provisions of insurance that should be carried with respect to

the Company, IDEA Florida and the facilities and their operation, maintenance and administration. The insurance requirements of Section 213(a) and Section 213(b) shall be deemed modified or superseded as necessary to conform with the recommendations contained in said report to the extent the report recommends additional or increased coverage.

(d) Certifications. The Company shall, on the closing date for any Debt and thereafter within 180 days after the end of each of its Fiscal Years submit to the Master Trustee an Officer's Certificate verifying that all insurance required by this Master Indenture is in full force and effect as of the date of such Officer's Certificate (the "*Insurance Certificate*"). The Master Trustee shall have no responsibility for compliance with the provisions of this Section 213, monitoring the existence of or maintaining any insurance policies other than to receive the certificate required by this Section 213(d).

### **ARTICLE III**

#### **REDEMPTION OR PREPAYMENT OF NOTES**

Section 301. Redemption or Prepayment. Notes of each series shall be subject to optional and mandatory redemption or prepayment (subject to Section 602) in whole or in part and may be redeemed prior to Stated Maturity only as provided in the Supplemental Master Indenture creating such series. Unless otherwise provided by the Supplemental Master Indenture creating a series of Notes, the provisions of Section 302 through Section 305 of this Master Indenture shall also apply to the redemption of Notes.

Section 302. Election to Redeem or Prepay; Notice to Master Trustee. The Company shall notify the Master Trustee in writing of the election by the Company to redeem or prepay all or any portion of the Notes of any series, together with the redemption or prepayment date and the principal amount of Notes of each Stated Maturity and series to be redeemed or prepaid, at least forty-five (45) days prior to the redemption or prepayment date fixed by the Company, unless a shorter notice shall be satisfactory to the Master Trustee.

Section 303. Deposit of Redemption or Prepayment Price. Prior to any redemption or prepayment date, the Company shall deposit with the Master Trustee or its designated agent an amount of money sufficient to pay the redemption or prepayment price of all the Notes which are to be redeemed or prepaid on such date.

Section 304. Notes Payable on Redemption or Prepayment Date.

(a) Notice of redemption or prepayment having been given as aforesaid, and the monies for redemption or prepayment having been deposited as described in Section 303, the Notes to be redeemed or prepaid shall become due and payable on the redemption or prepayment date at the redemption or prepayment price therein specified, and from and after such date such Notes shall cease to bear interest. Upon surrender of any such Note for redemption or prepayment in accordance with said notice, such Note shall be paid by the Company at the redemption or prepayment price. Installments of interest whose Stated Maturity is on or prior to the redemption date shall be payable to the registered Note Holders on the relevant Record Dates according to their terms.



(b) If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption or prepayment date at the rate borne by the Note.

Section 305. Notes Redeemed or Prepaid in Part. Any Note which is to be redeemed or prepaid only in part shall be surrendered at a Place of Payment (with, if the Company or the Master Trustee so requires, due endorsement by, or a written instrument of transfer satisfactory in form to, the Company and the Master Trustee, and duly executed by the Note Holder or by his attorney who has been duly authorized in writing) and the Company shall execute and the Master Trustee shall authenticate and deliver without service charge a new Note or Notes of the same series, interest rate and maturity, and of any Authorized Denomination, to the Note Holder as requested by such Note Holder in aggregate principal amount equal to and in exchange for the unredeemed or unpaid portion of the principal of the Note so surrendered.

#### **ARTICLE IV**

#### **COVENANTS OF THE COMPANY**

Section 401. Payment of Debt Service. The Company unconditionally and irrevocably covenants that it will promptly pay the principal of, premium, if any, and interest and any other amount due on every Note issued under this Master Indenture at any time at the place, on the dates and in the manner provided in said Notes according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Notes set forth in the Notes, the Company unconditionally and irrevocably covenants and agrees to make payments upon each Note and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, or purchase price, if any, upon any Notes or Related Bonds from time to time Outstanding.

Section 402. Money for Note Payments to be Held in Trust; Appointment of Paying Agents.

(a) The Company may appoint a Paying Agent for each series of the Notes.

(b) Each such Paying Agent appointed by the Company shall be (i) a corporation organized and doing business under the laws of the United States of America or of any state, (ii) authorized under such laws to exercise corporate trust powers, (iii) have a combined capital and surplus of at least \$50,000,000, and (iv) be subject to supervision or examination by federal or state authority.

(c) Subject to Section 207 hereof, the Company will, on or prior to each due date of the principal of (and premium, if any) or interest or any other amounts on any Notes, deposit with the Master Trustee which shall thereupon deposit such with the Paying Agent, a sum sufficient to pay the principal (and premium, if any) or interest or purchase price so becoming due and any other amounts due in accordance with the terms of the Notes and this Master Indenture, such sum to be held in trust for the benefit of the Note Holders, and the Company will promptly notify the Master Trustee of its failure so to act.

(d) The Company will cause each Paying Agent other than the Master Trustee to execute and deliver to the Master Trustee an instrument in which such Paying Agent shall agree with the Master Trustee, subject to the provisions of this subsection, that such Paying Agent will

(1) hold all sums held by it for the payment of principal of (and premium, if any) or interest or any other amounts on the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Master Trustee notice of any default by the Company or any other obligor upon the Notes in the making of any such payment of principal (and premium, if any) or interest or any other amounts; and

(3) upon request by the Master Trustee, pay to the Master Trustee all sums so held in trust by such Paying Agent forthwith at any time during the continuance of such default.

(e) For the purpose of obtaining the satisfaction and discharge of this Master Indenture or for any other purpose, the Company may at any time by Order direct any Paying Agent to pay to the Master Trustee all sums held in trust by such Paying Agent, such sums to be held by the Master Trustee upon the same trusts as those upon which such sums were held by such Paying Agent. Upon such payment by any Paying Agent to the Master Trustee, such Paying Agent shall be released from all further liability with respect to such money.

(f) Subject to applicable escheat laws of the State, any money deposited in trust with the Master Trustee or any Paying Agent for the payment of the principal of (and premium, if any) or interest on any Notes and remaining unclaimed for the later of (i) the first anniversary of the Stated Maturity of the Notes or the installment of interest for the payment of which such money is held or (ii) two years after such principal (and premium, if any) or interest has become due and payable shall to the extent permitted by law be paid to the Company on its Request (which Request shall include the Company's representation that it is entitled to such funds under applicable escheatment laws and its agreement to comply with such laws) and the Note Holder shall thereafter, to the extent of any legal right or claim, be deemed to be an unsecured general creditor, and shall look only to the Company for payment thereof, and all liability of the Master Trustee or such Paying Agent with respect to such trust money, and all liability of the Company, shall thereupon cease; provided, however, that the Master Trustee or such Paying Agent, before being required to make any such repayment, shall, at the written direction of the Company, publish notice in an Authorized Newspaper at the expense of the Company that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company; provided further, notwithstanding the foregoing, the Master Trustee shall be entitled to deliver any such funds to any escheatment authority in accordance with the Master Trustee's customary procedures. The Master Trustee shall hold any such funds in trust uninvested (without liability for interest accrued after the date of deposit or other compensation) for the benefit of Note Holders entitled thereto.

Section 403. Notice of Non-Compliance. Promptly upon the discovery of any default, the Company will deliver to the Master Trustee a written statement describing each default and status thereof which has not been cured or waived under any Note. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 404. Corporate Existence. Subject to Section 501 and Section 502, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory), and franchises; provided, however, that the Company shall not be required to preserve any right or franchise if the Governing Body shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Note Holders.

Section 405. Revenue Fund.

(a) There is hereby created by the Company and established with the Master Trustee the special fund of the Company designated the “IPS Enterprises, Inc. Revenue Fund” (herein referred to as the “**Revenue Fund**”). The Revenue Fund shall contain a principal account (the “**Principal Account**”) and an interest account (the “**Interest Account**”) and such other accounts as the Master Trustee finds necessary or desirable, provided, the Master Trustee shall have no duty to establish and maintain the Revenue Fund prior to the occurrence and continuance of an Event of Default. The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 606.

(b) If, and only if, an Event of Default under this Master Indenture shall occur, the Company shall deposit, within five (5) business days from the date of receipt, with the Master Trustee, for credit to the Revenue Fund all of its Pledged Revenues, including without limitation amounts subject to a Company Deposit Account Control Agreement for which a Notice of Exclusive Control has been delivered (except to the extent otherwise provided by or inconsistent with any permitted instrument creating any mortgage, lien, charge, encumbrance, pledge or other security interest granted, created, assumed, incurred or existing), as well as any insurance and condemnation proceeds, beginning on the first day of such Event of Default thereof and on each day thereafter, until no default under this Master Indenture then exists.

(c) On the next Business Day immediately following receipt of any payments to the Master Trustee for deposit into the Revenue Fund, the Master Trustee shall withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

(1) to the Master Trustee any fees or expenses (including reasonable fees or expenses of counsel to the Master Trustee) which are then payable;

(2) equally and ratably to the holder of each instrument evidencing a Senior Note on which there has been a default pursuant to Section 601(a), an amount equal to all defaulted principal of (or premium, if any), interest and obligations on such Note;

(3) a transfer to the Interest Account of an amount necessary to accumulate in equal monthly installments the interest on the Senior Notes due and payable on the next Interest Payment Date; provided, however, that to the extent available, each transfer made on the fifth business day before the end of each month immediately preceding each Interest Payment Date shall be in an amount to provide, together with amounts then on deposit in the Interest Account, the balance of the interest due on the Senior Notes on the next succeeding Interest Payment Date. There shall be paid from the Interest Account equally and ratably to the holder of each Senior Note the amount of interest on each Senior Note as such interest becomes due;

(4) a transfer to the Principal Account of the amount necessary to accumulate in equal monthly installments the principal of the Senior Notes maturing or subject to mandatory sinking fund redemption on the next Principal Payment Date taking into account with respect to each such payment (i) any other money actually available in the Principal Account for such purpose and (ii) any credit against amounts due on each Principal Payment Date granted pursuant to other provisions of this Master Indenture; provided, however, that to the extent available, the transfer made on or before the fifth business day before the end of each month immediately preceding such Principal Payment Date shall be in an amount to provide, together with amounts then on deposit in the Principal Account, the balance of the principal maturing or subject to mandatory sinking fund redemption on such Principal Payment Date. There shall be paid from the Principal Account equally and ratably to the holder of each Senior Note the amount of principal payments due on each Senior Note, whether at maturity or earlier mandatory redemption (other than by reason of acceleration of maturity or other demand for payment), as such principal becomes due;

(5) to the holder of any Senior Note entitled to maintain a reserve fund for the payment of such Senior Note, an amount sufficient to cause the balance on deposit in such reserve fund to equal the required balance as required by the applicable Related Bond Documents;

(6) a transfer to the Interest Account of an amount necessary to accumulate in equal monthly installments the interest on the Subordinate Notes due and payable on the next Interest Payment Date; provided, however, that to the extent available, each transfer made on the fifth business day before the end of each month immediately preceding each Interest Payment Date shall be in an amount to provide, together with amounts then on deposit in the Interest Account, the balance of the interest due on the Subordinate Notes on the next succeeding Interest Payment Date. There shall be paid from the Interest Account equally and ratably to the holder of each Subordinate Note the amount of interest on each Subordinate Note as such interest becomes due;

(7) a transfer to the Principal Account of the amount necessary to accumulate in equal monthly installments the principal of the Subordinate Notes maturing or subject to mandatory sinking fund redemption on the next Principal Payment Date taking into account with respect to each such payment (i) any other money actually available in the Principal Account for such purpose and (ii) any credit against amounts due on each Principal Payment Date granted pursuant to other provisions of this Master Indenture; provided, however, that to the extent available, the transfer made on or before the fifth

business day before the end of each month immediately preceding such Principal Payment Date shall be in an amount to provide, together with amounts then on deposit in the Principal Account, the balance of the principal maturing or subject to mandatory sinking fund redemption on such Principal Payment Date. There shall be paid from the Principal Account equally and ratably to the holder of each Subordinate Note the amount of principal payments due on each Subordinate Note, whether at maturity or earlier mandatory redemption (other than by reason of acceleration of maturity or other demand for payment), as such principal becomes due; and

(8) to the Company, the amount specified in a Request as the amount of ordinary and necessary expenses of the Company for its operations for the following month.

(d) Any amounts remaining on deposit in the Revenue Fund on the day following the end of the month in which all Events of Default under this Master Indenture have been cured, waived or the termination of which has been acknowledged pursuant to Section 617 of this Master Indenture, shall be paid to the Company upon Request for deposit in a deposit account of the Company subject to the Company Deposit Account Control Agreement, which may be used for any lawful purpose.

(e) Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in the Defeasance Obligations specified in any Order. All such investments shall have a maturity not greater than ninety-one (91) days from date of purchase.

#### Section 406. Insurance and Condemnation Proceeds Fund.

(a) There is hereby created by the Company and established with the Master Trustee the special fund of the Company designated the “IPS Enterprises, Inc. Insurance and Condemnation Proceeds Fund” (herein referred to as the “*Insurance and Condemnation Fund*”). The Master Trustee is hereby authorized to create any accounts within such Insurance and Condemnation Fund as the Master Trustee finds necessary or desirable, provided, the Master Trustee shall have no duty to establish the Insurance and Condemnation Fund prior to the first occurring receipt of proceeds under an insurance policy or a condemnation of all or a portion of any Related Project. The money deposited to the Insurance and Condemnation Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section.

(b) Immediately upon receipt of any payments to the Master Trustee for deposit into the Insurance and Condemnation Fund, the Master Trustee shall transfer such amounts to the Related Bond Trustee in accordance with the Related Indenture to which such insurance or condemnation proceeds relate for use pursuant to such Related Indenture and the Related Loan Documents for such Related Project.

Section 407. Waiver of Certain Covenants. The Company may omit in any particular instance to comply with any covenant or condition set forth in Section 402 through Section 406 hereof if, before or after the time for such compliance, the holders of the same percentage in

principal amount of all Notes then Outstanding, the consent of which would be required to amend the provisions hereof to permit noncompliance with such covenant or condition, shall either waive compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Company and the duties of the Master Trustee in respect of any such covenant or condition shall remain in full force and effect. A waiver of compliance shall not be effective until a written waiver executed by the required Note Holders is delivered to the Master Trustee.

Section 408. Financial Reports; No Default Certificates; Notice of Default.

(a) The Company shall cause an annual audit of its books and accounts to be made by Independent Accountants and delivered to it within 180 days after the end of each Fiscal Year of the Company. Within thirty (30) days of when said audit report is delivered to the Company, the Company shall deliver the audit report and the management letter to the Master Trustee, together with a certificate signed by an Authorized Representative stating that such person has reviewed the obligations of the Company under the Related Loan Documents, the Related Bond Documents, any Deed of Trust, the Notes, this Master Indenture and the performance of the Company hereunder and thereunder, and has consulted with such officers and employees of the Company as he deemed appropriate and necessary for the purpose of delivering such certificate, and based on such review and consultation, no Event of Default, Other Master Trust Indenture Default or Master Lease Default and no event which, with the giving of notice or the passage of time or both, would constitute an Event of Default, Other Master Trust Indenture Default or Other Master Lease Default, as applicable, has occurred and is continuing under the aforementioned documents. The Master Trustee shall have no duty to examine or independently verify any such audit reports or the matters described in any such certificate other than to examine the certificate for compliance with the required statements therein, and shall have no duty to furnish such audits to any third party.

(b) The Company shall also, promptly upon receiving notice thereof, notify the Related Issuer and the Master Trustee in writing upon the occurrence of an Event of Default or any event which with the giving of notice or the passage of time or both would constitute an Event of Default hereunder or under the Notes, or the Related Bond Documents.

Section 409. Negative Pledge. The Company covenants not to take any action that would create or allow any liens to exist, except any Permitted Encumbrances (as defined in the Deed of Trust), on any real property, personal property or equipment included in a Deed of Trust other than a lien arising in connection with the issuance of Debt as permitted by Section 212 or as otherwise permitted by this Master Indenture or the Deed of Trust. The Company will not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in the collateral described in the Granting Clauses hereunder that ranks prior to or on parity with the lien granted hereunder, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted by this Master Indenture.

Section 410. Subordinate Debt

The Company covenants and agrees:

(b) That all Subordinate Debt shall be and hereby is subordinated to all Senior Notes issued hereunder (a) in rights of enforcement and time of payment to amounts due and payable (whether at stated maturity, prepayment, acceleration or otherwise); and (b) in the exercise of rights and remedies (including waivers and rights in connection with certain Proceedings) from and after the occurrence and during the continuation of an Event of Default. No Subordinate Debt shall at any time have any pledge of or lien on (whether mortgage lien or otherwise) or any security interest in, to or on the Pledged Revenues, the Revenue Fund or any funds and accounts created and administered under this Master Indenture, any accounts subject to a Deposit Account Control Agreement, any other deposit accounts or the Company or any of the Collateral subject to any Deed of Trust that is prior to or on parity with the Senior Notes.

(c) That it shall not take any action the effect of which would be to adversely affect the right of payment under this Master Indenture to which the Holders of the Senior Notes are entitled on a prior and senior basis in terms of rights of enforcement and time of payment to the Subordinate Lenders whose rights and interests are subject and subordinate to the Holders of the Senior Notes as provided in this Master Indenture.

(d) That it shall not permit (i) the prepayment of any Subordinate Note without the express consent of a majority of the Holders of Senior Notes or (ii) the acceleration of any Subordinate Lien Note without the acceleration of the Senior Notes.

(e) That upon an Event of Default it shall not make any payment or benefit, by setoff or otherwise, directly or indirectly, on account of principal, interest or any other amounts owing on any Subordinate Debt unless expressly permitted to do so in a separate writing executed by the Master Trustee on behalf of the Holders of the Senior Notes. Any payment made in violation of this Master Indenture shall promptly be delivered to the Master Trustee on behalf of the Holders of the Notes in the form received, with any endorsement or assignment necessary for the transfer to Master Trustee on behalf of the Holders of the Senior Notes, of such payment to be either (in the Master Trustee's sole discretion) held as cash collateral securing the Senior Notes or applied in pro-rata reduction of Senior Notes and until so delivered, the Subordinate Lenders shall hold such payment in trust for and on behalf of, and as the property of, Master Trustee.

## **ARTICLE V**

### **CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER**

Section 501. Consolidation, Merger, Conveyance, or Transfer Only on Certain Terms. In addition to any other requirements set forth in the Related Bond Documents, the Company covenants and agrees that it will not consolidate with or merge into any corporation or convey or transfer its properties substantially as an entirety to any Person, unless, all of the following conditions exist:

(1) the Person formed by such consolidation or into which the Company merges or the Person which acquires substantially all of the properties of the Company as an entirety shall be a Person organized and existing under the laws of the United States of America or any state or the District of Columbia and shall expressly assume by instrument supplemental hereto executed and delivered to the Master Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and any other

amounts due thereunder or in accordance with this Master Indenture and the performance and observance of every covenant and condition hereof on the part of the Company to be performed or observed;

(2) an Officer's Certificate shall be delivered to the Master Trustee to the effect that such consolidation, merger or transfer shall not, immediately after giving effect to such transaction, cause a default hereunder to occur and be continuing; and

(3) the Company shall have delivered to the Master Trustee and Related Bond Trustee an Officer's Certificate and Opinion of Counsel, each stating that such consolidation, merger, conveyance, or transfer and such supplemental instrument comply with this Article and that all conditions precedent relating to such transaction provided for herein have been complied with, and a Favorable Opinion of Bond Counsel.

Section 502. Successor Corporation Substituted. Upon any consolidation or merger or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 501, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company hereunder with the same effect as if such successor Person had been named as the Company herein.

## **ARTICLE VI**

### **REMEDIES OF THE MASTER TRUSTEE AND NOTE HOLDERS**

#### **IN EVENT OF DEFAULT**

Section 601. Events of Default. "Event of Default," whenever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of the principal of (premium, if any) or interest or any other amount due on any Note when due (giving effect to any applicable period of grace, if any); or

(b) default in the performance, or breach, of any covenant or agreement on the part of the Company contained in this Master Indenture (other than a covenant or agreement the default in the performance or observance of which is elsewhere specifically addressed) and continuance of such default or breach for a period of thirty (30) days after a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder and has been given by registered or certified mail by (i) the holders of at least 25% in principal amount of Notes then Outstanding, or (ii) the Master Trustee to the Company (with a copy to the Master Trustee in the case of notice by the Note Holders); provided that if such default under this Section 601(b) can be cured by the Company but cannot be cured within the 30-day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by the Company within such 30-day period and diligently pursued until the default is corrected; provided, however that the Company shall submit reports to the Master Trustee each fiscal quarter regarding such corrective action until the default is corrected; or



(c) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Company under the Bankruptcy Code, Title 11 of the United States Code, as amended (the “**Bankruptcy Code**”), or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of ninety (90) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Company or the Company’s property, or for the winding up or liquidation of the Company or the Company’s affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of ninety (90) days; or

(d) the Company shall institute proceedings to be adjudicated a voluntary bankruptcy, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Company in furtherance of any of the aforesaid purposes;

(e) an event of default, as therein defined, under any instrument or agreement under which any Note may be incurred or secured, or under any Related Bond Documents, occurs and is continuing beyond any applicable period of grace, if any;

(f) a Qualified Provider under a Financial Products Agreement that is secured by a Note notifies the Master Trustee in writing that an event of default under such Financial Products Agreement, as therein defined, has occurred and is continuing beyond the applicable grace period, if any.

Section 602. Acceleration of Maturity in Certain Cases; Rescission and Annulment.

(a) If an Event of Default occurs and is continuing, then and in every such case the Master Trustee may, and upon the request of: (i) the holders of not less than 25% in aggregate principal amount of the Notes Outstanding (or, in the case of any Event of Default described in clause (e) above resulting in the loss of any exclusion from gross income of interest on, or the invalidity of, any Debt secured by a pledge of Notes, the holders of not less than 25% in aggregate principal amount of the Notes Outstanding of the affected series) shall, by a notice in writing to the Company, accelerate the Maturity of the Notes, and upon any such declaration such principal of (premium, if any) and interest and any other amount due on any Note shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as hereinafter in this Article provided, the holders of a majority in aggregate principal amount of the Notes Outstanding, by written notice to the Company and the Master Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has caused to be paid or deposited with the Master Trustee a sum sufficient to pay:

(A) all overdue installments of interest on all Notes;

(B) the principal of (and premium, if any, on) any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes as well as any other amounts due and owing as provided in such Notes; and

(C) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(2) all Events of Default, other than the non-payment of the principal of Notes which have become due solely by such acceleration, have been cured or waived as provided in Section 613.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(c) Acceleration of Notes pursuant to this Section 602 may be declared separately and independently with or without an acceleration of the Related Bonds.

**Section 603. Collection of Indebtedness and Suits for Enforcement by Master Trustee.**

(a) The Company covenants that if:

(1) default is made in the payment of any installment of interest on any Note when such interest becomes due and payable;

(2) default is made in the payment of the principal of (or premium, if any), on any Note when such principal (or premium, if any) becomes due and payable; or

(3) default is made in the payment of any other amount when such amount is due and payable;

the Company will, subject to Section 401 hereof, upon demand of the Master Trustee, pay to it, for the benefit of the holders of such Notes, but solely from Pledged Revenues and other assets included in the Trust Estate, the whole amount then due and payable on such Notes for principal (and premium, if any) and interest, with interest upon the overdue principal (and premium, if any) and any other amount due; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

(b) If the Company fails to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding

to judgment or final decree, and may enforce the same against the Company and collect the moneys adjudged or decreed to be payable in the manner provided by law.

(c) If an Event of Default occurs and is continuing, the Master Trustee may in its discretion proceed to protect and enforce its rights and the rights of the holders of Notes and other obligations secured hereunder by such appropriate judicial proceedings as the Master Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy, including without limitation proceeding under the UCC or other applicable State law as to all or any part of the Trust Estate, and the Company hereby covenants and agrees with the Master Trustee that the Master Trustee shall have and may exercise with respect to the Trust Estate all the rights, remedies and powers of a secured party under the UCC or other applicable law as in effect in the State.

(d) If an Event of Default occurs and is continuing, the Master Trustee may provide a Notice of Exclusive Control to the Depository Bank in accordance with the terms of the Company Deposit Account Control Agreement.

(e) If an Event of Default occurs and is continuing, the mortgage trustee named in the Deed of Trust may foreclose on any property subject to the Deed of Trust.

**Section 604. Master Trustee May File Proofs of Claim.**

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or property of the Company or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Master Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(1) to file and prove a claim for the whole amount of principal (and premium, if any) and interest and any other amounts owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel as administrative expenses) and of the Note Holders allowed in such judicial proceeding; and

(2) to collect and receive any moneys or other property payable or deliverable on any such claims solely from Pledged Revenues and other assets included in the Trust Estate and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Note Holder to make such payments to the Master Trustee, and in the event that the Master Trustee shall consent to the making of such payments directly to the Note Holders, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under this Master Indenture.

(b) Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Note Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any holder thereof, or to authorize the Master Trustee to vote in respect of the claim of any Note Holder in any such proceeding.

Section 605. Master Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Master Indenture or the Notes may be prosecuted and enforced by the Master Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Note Holders in respect of which such judgment has been recovered.

Section 606. Application of Money Collected. Any money collected by the Master Trustee pursuant to this Article and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Master Trustee, its agents and counsel, any other amounts due to the Master Trustee and any taxes, assessments, or liens prior to the lien of this Master Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, together with, in the case of an entry or sale as otherwise provided herein, any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Indenture, shall be applied in the order specified in Section 405, at the date or dates fixed by the Master Trustee and, in case of the distribution of such money on account of principal (or premium, if any), upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid.

Section 607. Limitation on Suits. No Note Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Note Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

(2) the holders of not less than 25% in aggregate principal amount of the Outstanding Notes shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

(3) such Note Holder or Note Holders have provided to the Master Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Master Trustee for sixty (60) days after its receipt of such notice, request and provision of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Master Trustee during such 60-day period by the holders of a majority in aggregate principal amount of the Outstanding Notes;

it being understood and intended that no one or more Note Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Indenture to affect, disturb or prejudice the rights of any other Note Holders, or to obtain or to seek to obtain priority or preference over any other Note Holders, or to enforce any right under this Master Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Note Holders.

Section 608. Unconditional Right of Note Holders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Master Indenture, any Note Holder shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Note, but (without waiving or impairing any rights such Note Holder may have under any other instrument or agreement) solely from the sources provided in this Master Indenture, on the respective Stated Maturities expressed in such Note (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Note Holder.

Section 609. Restoration of Rights and Remedies. If the Master Trustee or any Note Holder has instituted any proceeding to enforce any right or remedy under this Master Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Note Holder, then and in every such case the Company, the Master Trustee and the Note Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Note Holders shall continue as though no such proceeding had been instituted.

Section 610. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Master Trustee or to the Note Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 611. Delay or Omission Not Waiver. No delay or omission of the Master Trustee or of any Note Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Master Trustee or to the Note Holders may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by the Note Holders, as the case may be.

Section 612. Control by Note Holders. The holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that such direction shall not be in conflict with

any rule of law or with this Master Indenture, and provided further that the Master Trustee shall have the right to decline to comply with any such request in accordance with Section 703(e) hereof or if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the Note Holders not parties to such direction. The Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction.

Section 613. Waiver of Past Defaults.

(a) The holders of not less than a majority in aggregate principal amount of the Outstanding Notes may on behalf of the holders of all the Notes waive any past default hereunder and its consequences, except:

(1) a default in the payment of the principal of (or premium, if any) or interest or any other amount on any Note; or

(2) a default in respect of a covenant or provision hereof which under Article VIII cannot be modified or amended without the consent of the holder of each Outstanding Note affected.

(b) Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Master Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 614. Undertaking for Costs. All parties to this Master Indenture agree, and each Note Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Note Holder, or group of Note Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Notes, or to any suit instituted by any Note Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Note on or after the respective Stated Maturities expressed in such Note (or, in the case of redemption, on or after the redemption date).

Section 615. Waiver of Stay or Extension Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Indenture; and the Company (to the extent that it may lawfully do so), hereby expressly waives all benefit or advantage of any such law, and covenants (to the extent that it may lawfully do so) that it will not hinder, delay or impede the execution of any power herein granted to the

Master Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 616. No Recourse Against Others. No recourse under or upon any obligation, covenant or agreement contained in this Master Indenture or any indenture supplemental hereto, or in any Note, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, or against any past, present or future director, officer or employee, as such, of the Master Trustee or the Company or of any successor corporation, either directly or through the Company, whether by virtue of any constitution or statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Master Indenture and the Notes are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, directors, officers or employees, as such, of the Master Trustee or the Company or any successor corporation, or any of them, because of the creation of indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Master Indenture or in any of the Notes or implied therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, director, officer or employee, as such, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Indenture and the issue of such Notes.

Section 617. Termination of Default. Once an Event of Default has been cured in accordance with the provisions of this Master Indenture or the instrument under which any Note is incurred or secured, such Event of Default will be deemed to no longer exist and the Master Trustee shall notify the Company in writing that such Event of Default has been cured and all corrective actions under this Master Indenture shall immediately cease unless or until another Event of Default shall occur; provided however, that once the Notes are accelerated pursuant to Section 602, the provisions of Section 602 shall govern rescission and the cessation of remedies.

## **ARTICLE VII**

### **CONCERNING THE MASTER TRUSTEE**

#### Section 701. Duties and Liabilities of Master Trustee.

(a) The Master Trustee accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the terms and conditions set forth herein, and no implied duties, covenants or obligations shall be read into this Master Indenture against the Master Trustee.

(b) In case any Event of Default has occurred and is continuing (of which a Responsible Officer of the Master Trustee has actual knowledge or is deemed to have actual knowledge under Section 703(h) hereof), the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in its exercise, as a reasonably prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(c) No provision of this Master Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except, that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section or Section 703 hereof;

(2) the Master Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(3) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with Section 602(a) hereof or otherwise with the direction of the holders of not less than a majority in aggregate principal amount of the Notes then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Indenture; and

(4) no provision of this Master Indenture shall require the Master Trustee to expend or risk its funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability or the payment of its fees and expenses is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section and Section 703.

Section 702. Notice of Defaults. Within sixty (60) days after the occurrence of any default of which the Master Trustee is deemed to have knowledge hereunder, the Master Trustee shall transmit by mail to all Note Holders notice of such default, unless such default shall have been cured or waived or unless corrective action to cure such default has been instituted and is being pursued such that such default does not constitute an Event of Default; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Notes or in the payment of any sinking or purchase fund installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determine that the withholding of such notice from the Note Holders is in the interest of the Note Holders; and provided, further, that in the case of any default of the character specified in Section 601(b), no such notice to Note Holders shall be given until at least thirty (30) days after the notice described in Section 601(b) is given and a cure is not forthcoming. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 703. Certain Rights of Master Trustee.

(a) The Master Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document, including, but not limited to, a Request, Officer’s Certificate, Opinion of Counsel, or Board



resolution, believed by it to be genuine and to have been signed or presented by the proper party or parties and shall not be required to verify the accuracy of any information or calculations required to be included therein or attached thereto.

(b) Any request or direction of the Company shall be sufficiently evidenced by a Request; and any resolution of the Governing Body may be evidenced to the Master Trustee by a Board Resolution.

(c) Whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate.

(d) The Master Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in reliance thereon.

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Note Holders pursuant to the provisions of this Master Indenture, unless such Note Holders shall have provided to the Master Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in connection with such request or direction and for the payment of the Master Trustee's fees in connection therewith.

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document, including, but not limited to, a Request, Officer's Certificate, Opinion of Counsel, or Board Resolution, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney and to take such memoranda from and in regard thereto as may be reasonably desired. The Master Trustee shall have no obligation to perform any of the duties of the Company under this Master Indenture.

(g) The Master Trustee may execute any of the trusts or powers hereunder either directly or by or through agents or attorneys or may act or refrain from acting in reliance upon the opinion or advice of such agents or attorney, but the Master Trustee shall not be held liable for any negligence or misconduct of any such agent or attorney appointed by it with due care. The Master Trustee may act upon the opinion or advice of an attorney or agent selected by it in the exercise of reasonable care or upon the opinion or advice of an attorney or agent retained by the Company. The Master Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its reliance upon such opinion or advice. The Master Trustee may in all cases pay reasonable compensation or incur fees to any attorney or agent retained or employed by it in connection herewith and all such compensation shall be paid by the Master Trustee from the Revenue Fund in accordance with Section 405(c) or reimbursed and paid by the Company in accordance with Section 707(a)(2).

(h) The Master Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder unless the Master Trustee shall be specifically notified of such Event of Default in writing by the Company or by the holder of an Outstanding Note, and in the absence of such notice the Master Trustee may conclusively assume that no Event of Default exists; provided, however, that the Master Trustee shall be required to take and be deemed to have notice of its failure to receive the moneys necessary in order for the Paying Agent to make payments when due of principal of (premium, if any) or interest on any Note.

(i) The Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with any direction of the holders of the Outstanding Notes permitted to be given by them under this Master Indenture.

(j) The permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its negligence or willful misconduct in accordance with the terms of this Master Indenture.

(k) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) The Master Trustee shall not be responsible for monitoring the existence of or determining whether any lien or encumbrance or other charge including without limitation any Permitted Encumbrance (as defined in the Deed of Trust) exists against a Related Project or the Trust Estate.

(m) The Master Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Company herein or in the Deed of Trust hereunder except as may be expressly provided for herein or therein. The Master Trustee may but will never be obligated to, require of the Company full information and advice as to the performance of the aforesaid covenants, conditions and agreements.

(n) No provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 704. Not Responsible For Recitals or Issuance of Notes. The recitals contained herein and in the Notes (other than the certificate of authentication on such Notes) shall be taken as the statements of the Company and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to the validity or sufficiency of this Master Indenture or of the Notes. The Master Trustee shall not be accountable for the use or application by the Company of any of the Notes or of the proceeds of such Notes, for the use or application of any money paid over by the Master Trustee in accordance with the provisions of this Master Indenture or for the use and application of money received by any Paying Agent.

Section 705. Master Trustee May Own Notes. The Master Trustee or other agent of the Master Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes

and may otherwise deal with the Company with the same rights it would have if it were not Master Trustee or such other agent.

Section 706. Moneys to Be Held in Trust. All moneys received by the Master Trustee shall, until used or applied as herein provided be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Master Trustee shall be under no liability for interest on any moneys received by it hereunder other than such interest as it expressly agrees in writing to pay.

Section 707. Compensation and Expenses of Master Trustee.

(a) The Company hereby agrees:

(1) to pay to the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any law limiting the compensation of the trustee of an express trust), whether as Master Trustee or as Paying Agent;

(2) except as otherwise expressly provided in this Section 707(a), to reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel); and

(3) to indemnify, and does hereby indemnify, the Master Trustee, its officers, directors, employees, agents and affiliates (including without limitation, the Master Trustee as Paying Agent hereunder) (collectively, the “**Indemnitees**”) for, and to defend and hold them harmless, and does hereby defend and hold them harmless, against, loss, liability, claims, proceedings, suits, demands, penalties, costs and expenses, including without limitation, the costs and expenses of outside and in house counsel and experts and their staffs and all expenses of document location, duplication and shipment and of preparation to defend and defending any of the foregoing (“**Losses**”), that may be imposed on, incurred by or asserted against any Indemnatee in respect of (i) any loss, or damage to any property, or injury to or death of any person, asserted by or on behalf of any Person arising out of, resulting from, or in any way connected with the Related Project, or the conditions, occupancy, use, possession, conduct or management of, or any work done in or about the Related Project or from the planning, design, acquisition or construction of any Related Project facilities or any part thereof, (ii) the issuance of any Notes or Related Bonds, or the Company’s or the Related Issuer’s, as the case may be, authority therefore, (iii) this Master Indenture and any instrument related thereto, (iv) the Master Trustee’s execution, delivery and performance of this Master Indenture, except in respect of any Indemnatee to the extent such Indemnatee’s negligence or bad faith caused such Loss as finally adjudicated by a court of competent jurisdiction, and (v) compliance with or attempted compliance with or reliance on any instruction or other direction upon which the Master Trustee may rely under this Master Indenture or any instrument related thereto. The Company further agrees to indemnify the Indemnitees against any Losses as a result of (1) any untrue statement or alleged untrue statement of any material fact or the omission or alleged omission to state a

material fact necessary to make the statements made not misleading in any statement, information or material furnished by the Company to the Master Trustee or the Note Holder, including, but not limited to, any disclosure document utilized in connection with the sale of any Related Bonds; or (2) the inaccuracy of the statements contained in any section of any Related Bond Indenture relating to environmental representations and warranties. The foregoing indemnification shall include, without limitation, indemnification for any statement or information concerning the Company or its officers and board members or its property contained in any official statement or other offering document furnished to the Master Trustee or the purchaser of any Notes or Related Bonds that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Company, its officers and board members and its property not misleading in any material respect. The foregoing is in addition to any other rights, including rights to indemnification, to which the Master Trustee may otherwise be entitled, including without limitation, pursuant to the Deed of Trust. The provisions of this Section 707(a)(3) will survive the satisfaction and discharge of this Master Indenture, the resignation or removal of the Master Trustee and the payment of all Notes hereunder.

(b) As such security for the performance of the obligations of the Company under this Section the Master Trustee shall have a lien prior to the Notes upon all property and funds held or collected by the Master Trustee as such. The payment obligations set forth above shall include all such fees and expenses of the Master Trustee and its agents under any Supplemental Master Indenture.

Section 708. Corporate Master Trustee Required; Eligibility. There shall at all times be a Master Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 709. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Section shall become effective until the acceptance of appointment by the successor Master Trustee under Section 710.

(b) The Master Trustee may resign at any time by giving thirty (30) days written notice thereof to the Company. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within thirty (30) days after the giving of such notice of

resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed at any time by (i) the holders of a majority in aggregate principal amount of the Outstanding Notes, or (ii) so long as there is no Event of Default and no circumstance has occurred that, with the passage of time, will constitute an Event of Default, the Company acting through an Authorized Representative.

(d) If at any time:

(1) the Master Trustee shall cease to be eligible under Section 708 and shall fail to resign after written request therefor by the Company or by any Note Holder; or

(2) the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a conservator or a receiver of the Master Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Master Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (i) the Company by a Request may remove the Master Trustee, or (ii) subject to Section 614, any Note Holder who has been a bona fide Note Holder for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of a successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Company shall promptly appoint a successor Master Trustee. If, within six (6) months after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Master Trustee shall be appointed by Act of the holders of a majority in aggregate principal amount of the Outstanding Notes delivered to the Company and the retiring Master Trustee, the successor Master Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Master Trustee and supersede the successor Master Trustee appointed by the Company. If no successor Master Trustee shall have been so appointed by the Company or the Note Holders and accepted appointment in the manner hereinafter provided, the Master Trustee or any Note Holder who has been a bona fide Note Holder for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Company shall give notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Note Holders at their addresses as shown in the Note Register. Each notice shall include the name and address of the designated corporate trust office of the successor Master Trustee.

#### Section 710. Acceptance of Appointment by Successor.

(a) Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become

effective and such successor Master Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Master Trustee; but, on Request of the Company or the successor Master Trustee, such retiring Master Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of the retiring Master Trustee, and shall duly assign, transfer and deliver to the successor Master Trustee all property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers and trusts.

(b) No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article.

Section 711. Merger or Consolidation. Any corporation into which the Master Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Master Trustee shall be a party, or any corporation acquiring and succeeding to all or substantially all of the corporate trust business of the Master Trustee, shall be the successor Master Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Master Trustee had itself authenticated such Notes.

Section 712. Release of Property. Upon written request of the Company, the Master Trustee shall execute and deliver in recordable form any releases of property encumbered hereby or by the Deed of Trust (1) as provided in any Deed of Trust, (2) in the event of the removal or substitution of Facilities in accordance with a Lease, or (3) at the request of a majority of the holders of the aggregate principal amount of the Outstanding Notes.

## **ARTICLE VIII** **SUPPLEMENTS**

Section 801. Supplemental Master Indentures Without Consent of Note Holders. Without the consent of the Note Holders, the Company, when authorized by a Board Resolution, and the Master Trustee at any time may enter into or consent to one or more indentures supplemental hereto, subject to Section 804 hereof, for any purpose that will not materially adversely affect the interest of Note Holders, including, without limitation, any of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Master Indenture which shall not be inconsistent with this Master Indenture, provided such action shall not adversely affect the interests of the Note Holder;

(b) to grant to or confer upon the Master Trustee for the benefit of the Note Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Note Holders and the Master Trustee, or either of them, to add to the covenants of the Company for the benefit of the Note Holders or to surrender any right or power conferred hereunder upon the Company;

(c) to assign and pledge under this Master Indenture additional revenues, properties or collateral;

(d) to evidence the succession of another corporation to the agreements of the Master Trustee, or a successor thereof hereunder;

(e) to evidence the succession of another Person to the Company, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Company as permitted by this Master Indenture;

(f) to modify or supplement this Master Indenture in such manner as may be necessary or appropriate to qualify this Master Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar federal or State statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Company undertakes such covenants, conditions or restrictions additional to those contained in this Master Indenture as would be necessary or appropriate so to qualify this Master Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Indenture or in any indenture supplemental hereto, provisions referred to in Section 316(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;

(g) to provide for the refunding or advance refunding of any Note, in whole or in part as permitted hereunder;

(h) to permit a Note to be secured by new security which may or may not be extended to all Note Holders or to establish special funds or accounts under this Master Indenture;

(i) to allow for the issuance of any series of Notes in certificated or uncertificated form;

(j) to make any modification, amendment or supplement to this Master Indenture or any indenture supplemental hereto or any amendment thereto in such a manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code;

(k) so long as no Event of Default, Other Master Trust Indenture Default or Other Master Lease Default has occurred and is continuing under this Master Indenture and so long as no event which with notice or the passage of time or both would become an Event of Default under this Master Indenture has occurred and is continuing, to make any other change herein or therein which, as set forth in Officer's Certificate:

(1) is in the best interest of the Company;

(2) does not adversely affect any Note Holder;

(3) provided that, with respect to each applicable series of Related Bonds, an Opinion of Counsel acceptable to the Master Trustee, and on which the Master Trustee may conclusively rely, to the effect that the amendment proposed to be adopted by such Supplemental Master Indenture will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Related Bonds otherwise entitled to such exclusion;

(4) provided that, no such amendment, directly or indirectly, shall (A) change the provisions of this subsection (k), (B) make any modification of the type prohibited in Section 802 hereof, or (C) make a modification intended to subordinate the right to payment of a Note Holder to the right of Payment of any Note Holder or any other Debt; and

(5) for so long as the Series 2020 Notes remain outstanding and only to the extent of any supplement pursuant to this section 801(k), the written consents of both the Senior Lender and the Subordinate Lender;

(l) to make any amendment to any provision of this Master Indenture or to any supplemental indenture which is only applicable to Notes issued thereafter or which will not apply so long as any Notes then Outstanding remain Outstanding;

(m) to modify, eliminate or add to the provisions of this Master Indenture if the Master Trustee shall have received (1) written confirmation from each Rating Service rating any series of Notes or Related Bonds that such change will not result in a withdrawal or reduction of its credit rating assigned to any series of Notes or Related Bonds, as the case may be, and (2) a Board Resolution to the effect that, in the judgment of the Company, such change is necessary to permit the Company to affiliate or merge with one or more other charter schools on acceptable terms and such change and affirmation are in the best interests of the Note Holders of the Outstanding Notes, and does not otherwise adversely affect any Note Holder.

#### Section 802. Supplemental Indentures With Consent of Note Holders.

(a) With the consent of the holders of not less than a majority in aggregate principal amount of the Outstanding Notes, by Act of said Note Holders delivered to the Company and the Master Trustee, the Company, when authorized by a Board Resolution, and the Master Trustee may enter into or consent to an indenture or indentures supplemental hereto (subject to Section 804 hereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Indenture or of modifying in any manner the rights of the Note Holders under this Master Indenture; provided, however, that no such Supplemental Master Indenture shall, without the consent of the holder of each Outstanding Note affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Notes or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Notes or the interest thereon is payable, or impair



the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date); or

(2) reduce the percentage in aggregate principal amount of the Outstanding Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of this Master Indenture or certain defaults hereunder and their consequences) provided for in this Master Indenture; or

(3) modify any of the provisions of this Section or Section 613, except to increase any such percentage or to provide that certain other provisions of this Master Indenture cannot be modified or waived without the consent of each Note Holder affected thereby; or

(4) confer any preference or priority of any Note or series of Notes over another Note or series of Notes without the consent of the Note Holders that would be adversely affected by such action; or

(5) modify any provisions hereunder regarding the subordination or limitations of any Subordinate Debt to the Senior Notes while any Senior Notes remain Outstanding; or

(6) create any lien in the Trust Estate ranking on parity with or having priority over the lien securing the Notes.

(b) It shall not be necessary for any Act of Note Holders under this Section to approve the particular form of any proposed Supplemental Master Indenture, but it shall be sufficient if such Act of Note Holders shall approve the substance thereof, as presented in written form to the Note Holders by the Company.

Section 803. Amendment by Mutual Consent. The provisions of this Article VIII shall not prevent any Holder from accepting any amendment as to the particular Notes owned by such Holder.

Section 804. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any Supplemental Master Indenture permitted by this Article or the modifications thereby of the trusts created by this Master Indenture, the Master Trustee shall receive, and (subject to Section 701) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Master Indenture or consent is authorized or permitted by this Master Indenture. The Master Trustee may, but shall not (except to the extent required in the case of a Supplemental Master Indenture entered into under Section 801(d)) be obligated to, enter into any such Supplemental Master Indenture or consent which affects the Master Trustee's own rights, duties or immunities under this Master Indenture or otherwise.

Section 805. Effect of Supplemental Master Indentures. Upon the execution of any Supplemental Master Indenture under this Article, this Master Indenture shall, with respect to each series of Notes to which such Supplemental Master Indenture applies, be modified in accordance therewith, and such Supplemental Master Indenture shall form a part of this Master Indenture for

all purposes, and every Note Holder thereafter or theretofore authenticated and delivered hereunder shall be bound thereby.

Section 806. Notes May Bear Notation of Changes. Notes authenticated and delivered after the execution of any Supplemental Master Indenture pursuant to this Article may bear a notation in form approved by the Master Trustee as to any matter provided for in such Supplemental Master Indenture. If the Company or the Master Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Master Trustee and the Company, to any such Supplemental Master Indenture may be prepared and executed by the Company and authenticated and delivered by the Master Trustee in exchange for Notes then Outstanding.

## **ARTICLE IX**

### **SATISFACTION AND DISCHARGE OF MASTER INDENTURE**

Section 901. Satisfaction and Discharge of Master Indenture.

(a) If at any time the Company shall have paid or caused to be paid the principal of (and premium, if any) and interest and all other amounts due and owing on all the Notes Outstanding hereunder, as and when the same shall have become due and payable, and if the Company shall also pay or provide for the payment of all other sums payable hereunder by the Company and shall have paid all of the Master Trustee's fees and expenses pursuant to Section 707 hereof, then this Master Indenture shall cease to be of further effect except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, defaced, or apparently destroyed, lost or stolen Notes, (iii) rights of Note Holders to receive payments of principal thereof (and premium, if any) and interest thereon and remaining obligations of the Company to make mandatory sinking fund payments, (iv) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder and (v) the rights of the Note Holders as beneficiaries hereof with respect to the property so deposited with the Master Trustee payable to all or any of them and the Master Trustee, on the Request accompanied by an Officer's Certificate and an Opinion of Counsel to the effect that the conditions precedent to the satisfaction and discharge of this Master Indenture have been fulfilled and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Master Indenture.

(b) Notwithstanding the satisfaction and discharge of this Master Indenture, the obligations of the Company to the Master Trustee under Section 707 and, if funds shall have been deposited with the Master Trustee pursuant to Section 902, the obligations of the Master Trustee under Section 903 and Section 402(f) shall survive.

Section 902. Notes Deemed Paid. Unless otherwise provided in the Supplemental Master Indenture establishing any such series of Notes, Notes of any series shall be deemed to have been paid if:

(a) in case said Notes are to be redeemed on any date prior to their Stated Maturity, the Company by Request shall have given to the Master Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Notes on said redemption date;

(b) there shall have been deposited with the Master Trustee either money sufficient, or Defeasance Obligations the principal of and the interest on which will provide money sufficient

without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a report of an Independent Accountant setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Notes on and prior to the Maturity thereof;

(c) in the event said Notes are not by their terms subject to redemption within the next forty-five (45) days, the Company by Request shall have given the Master Trustee in form satisfactory to it irrevocable instructions to give a notice to the Note Holders that the deposit required by clause (b) of this Section 902 above has been made with the Master Trustee and that said Notes are deemed to have been paid in accordance with this Section and stating such redemption date upon which moneys are to be available for the payment of the principal of (and premium, if any) and interest on said Notes.

Section 903. Application of Trust Money. The Defeasance Obligations and money deposited with the Master Trustee pursuant to Section 902 and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested, and shall be applied by it, in accordance with the provisions of the Notes and this Master Indenture, to the payment, either directly or through any Paying Agent as the Master Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the report of an Independent Accountant setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in subsection (b) of Section 902, any money received from principal or interest payments on Defeasance Obligations deposited with the Master Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Request be reinvested in other Defeasance Obligations or disposed of as requested by the Company. For purposes of any calculation required by this Section, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer thereof and the principal of such obligation shall be assumed to be received at its Stated Maturity.

Section 904. Counterparts. This Master Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Master Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the Company and the Master Trustee have caused this Master Indenture to be signed on their behalf by their duly authorized representatives as of the date first written above.

IPS ENTERPRISES, INC.,  
a Texas nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Master Indenture]

REGIONS BANK,  
An Alabama state banking corporation,  
as Master Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Vice President

[Signature Page to Master Indenture]

SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

Dated as of June \_\_, 2020

Between

IPS ENTERPRISES, INC.

and

REGIONS BANK  
as Master Trustee

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Supplemental to:

Master Trust Indenture and Security Agreement  
Dated as of June \_\_, 2020

In connection with the issuance of

PNC Bank Master Note

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## SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

THIS SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1, dated as of June \_\_, 2020 (this “**Supplemental Master Indenture**”), is between REGIONS BANK with a corporate trust office in Dallas, Texas, as master trustee (the “**Master Trustee**”), and IPS ENTERPRISES, INC., a non-profit corporation organized and existing under the laws of the State of Texas (the “**Company**”), amending and supplementing the hereinafter referenced Original Master Indenture.

### RECITALS:

WHEREAS, the Company entered into a Master Trust Indenture and Security Agreement, dated as of June \_\_, 2020, (being referred to herein as the “**Original Master Indenture**”), with the Master Trustee, for the purpose of providing for the issuance of Notes thereunder to secure Debt of the Company for the benefit of Participating Campuses within IDEA Florida, Inc., a Florida nonprofit corporation (as such terms are defined in the Original Master Indenture); and

WHEREAS, the Company and the Master Trustee are authorized under Sections 201 and 801 of the Original Master Indenture, to amend or supplement the Original Master Indenture, subject to the terms and provisions contained therein, and to provide for the issuance of a Note or series of Notes; and

WHEREAS, the Company desires to enter into this Supplemental Master Indenture in order to provide for the issuance of that Note, as hereinafter described, to be secured under the Original Master Indenture, as previously amended and supplemented, and as amended and supplemented hereby (as so amended and supplemented, the “**Master Indenture**”); and

WHEREAS, the Company deems it desirable to issue its Master Indenture Note (IPS Enterprises, Inc.) PNC Bank Series 2020 (the “**Note**”) entitled to the security of the Master Indenture in the original principal amount of \$\_\_\_\_, and to deliver such Note to PNC Bank, National Association (the “**Lender**”) in order to evidence and secure the obligations of the Company under the Loan Agreement (the “**Loan Agreement**”) between the Company and the Lender, dated as of June \_\_, 2020 for capital projects; and

WHEREAS, all acts and things necessary to make the Note authorized by this Supplemental Master Indenture, when executed by the Company and authenticated and delivered by the Master Trustee as provided in the Original Master Indenture and this Supplemental Master Indenture, the valid, binding and legal obligation of the Company and to constitute these presents, together with the Original Master Indenture, a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Supplemental Master Indenture and the issuance of the Note authorized by this Supplemental Master Indenture have in all respects been duly authorized; and

NOW, THEREFORE, in order to declare the terms and conditions upon which the Note authorized hereby is authenticated, issued and delivered, and in consideration of the premises and the acquisition and acceptance of the Note by the Lender, and in consideration of the mutual



covenants, conditions and agreements which follow, the Company covenants and agrees with the Master Trustee as follows:

## ARTICLE I

### **DEFINITIONS**

Section 101. Definitions of Words and Terms. Words and terms used in this Supplemental Master Indenture and not otherwise defined herein shall, except as otherwise stated, have the meanings assigned to them in the Original Master Indenture. The following term has the meaning assigned to it below:

(a) “Payment Date” with respect to outstanding and unpaid principal amounts under the Loan Agreement means the first Business Day (as defined in the Loan Agreement) of each month, commencing July 1, 2020.

Section 102. Designation of Participating Campuses. The Company hereby designates the following campuses as “Participating Campuses”:

1. 11612 North Nebraska Avenue, Tampa, Florida 33612; and
2. 5050 E 10th Street, Tampa, Florida 33619.

## ARTICLE II

### **THE SERIES 2020 PNC BANK NOTE**

Section 201. Authorization of Note. There is hereby created and authorized to be issued hereunder a Note, described as follows: “Master Indenture Note (IPS Enterprises, Inc.) PNC Bank Series 2020” in the aggregate original principal amount of \$\_\_\_\_, dated June \_\_, 2020, issued by the Company to the Lender in connection with the Loan Agreement. The Note shall initially be issued and registered in the name of the Lender, and shall be executed, authenticated and delivered in accordance with Article II of the Original Master Indenture.

Section 202. Form of Note. The Note shall be issued as a single, fully-registered promissory note, in substantially the form set forth in Exhibit “A” hereto.

Section 203. Payments on Note. The principal of the Note shall be payable in the amounts and on the dates, and each of the unpaid installments of principal shall bear interest from the date of the Note at its rate, and the Note shall have such other terms and provisions as are set forth in or incorporated by reference from the Loan Agreement.

Section 204. Credits on Note.

(a) The Company shall receive a credit against amounts due on the Note on any payment date equal to the amounts paid as principal of (and premium, if any) or interest on the Loan on such payment date.

(b) Notwithstanding the provisions of subsection (a) above or any other provision herein or in the Original Master Indenture, in the event that any payment on or with respect to the Note shall have been made by or on behalf of the Company and, by reason of bankruptcy or other act of insolvency, such payment shall be deemed to be a preferential payment, and the Lender shall be required by a court of competent jurisdiction to surrender such payment, any credit on the Note that may have been given as a result of such payment shall be rescinded, and the amount owing, respectively, on the Note shall be calculated as if such payment shall not have been made.

Section 205. Interest on Overdue Installments. The Note shall bear interest on overdue installments of principal (premium, if any), and interest, as applicable, to the extent permitted by law, at a rate equal to the applicable interest rate or rates set forth in the Loan Agreement.

Section 206. Registration, Transfer and Exchange. The Note shall be transferred or exchanged pursuant to Section 205 of the Original Master Indenture.

### ARTICLE III

#### **PREPAYMENT OF SERIES 2020 PNC BANK NOTE; SATISFACTION AND RELEASE**

Section 301. Prepayment. The Company shall have the right at any time and from time to time to prepay the Note in whole or in part on any Payment Date, subject to prior notice in accordance with the Loan Agreement. Prepayments shall be accompanied by accrued interest to the prepayment date.

Section 302. Effect of Prepayment. On the date designated for prepayment as herein provided, the Note or the portion thereof so called for prepayment shall become and be due and payable at the prepayment price provided for prepayments of the Note, or portion thereof on such date. If on the date fixed for prepayment, moneys for payment of the prepayment price and accrued interest on the Note are held by the Master Trustee or the Lender, (i) interest on the Note or portion thereof so called for prepayment shall cease to accrue, (ii) such Note or portion thereof shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the money held by the Master Trustee or the Lender and (iii) the amount of the Note or portion thereof so called for prepayment shall be deemed paid and no longer outstanding.

Section 303. Satisfaction and Release. The Company's obligations with respect to the Note shall be considered satisfied, and the Master Trustee shall release this Supplemental Master Indenture with respect thereto, when all amounts due and owing on the Note have been paid or deemed paid under the Loan Agreement.

### ARTICLE IV

#### **REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 401. Representations and Warranties. The Company represents and warrants that (a) it is duly authorized under the laws of the State of Texas and all other applicable provisions of law to execute this Supplemental Master Indenture and to issue the Note, (b) all

company action on the part of the Company required by its organizational documents and the Original Master Indenture to establish this Supplemental Master Indenture as the binding obligation of the Company has been duly and effectively taken, and (c) all such action so required for the authorization and issuance of the Note has been duly and effectively taken.

Section 402. Covenants under the Original Master Indenture. The Company covenants and agrees that so long as any portion of the Note remains outstanding it will faithfully perform or cause to be performed at all times any and all covenants, agreements and undertakings required on the part of the Company contained in the Master Indenture and the Note, and the Company hereby confirms its covenants and agrees with its undertakings in the Master Indenture.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

Section 501. Notices. Except as otherwise provided in the Original Master Indenture, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Original Master Indenture to be given to or filed with the parties if the same shall be delivered in person or duly mailed by certified, registered or first class mail addressed to the addresses provided in the Original Master Indenture. The Master Trustee will be deemed to have received notice upon receipt of such notice by the Responsible Officer of the Master Trustee.

Section 502. Ratification of Original Master Indenture. The Original Master Indenture, as supplemented by this Supplemental Master Indenture, is in all respects ratified and confirmed and the Original Master Indenture as so supplemented shall be read, taken and construed as one and the same instrument. Except as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Original Master Indenture, as supplemented by this Supplemental Master Indenture, shall be deemed to be incorporated in, and made a part of, this Supplemental Master Indenture.

Section 503. Limitation of Rights. Nothing in this Supplemental Master Indenture or in the Note, express or implied, shall give or be construed to give any Person other than the Company, the Master Trustee and the Lender or their assigns, any legal or equitable right, remedy or claim under or in respect of this Supplemental Master Indenture, or under any covenant, condition and provision herein contained, all its covenants, conditions and provisions being for the sole benefit of the Company, the Master Trustee and of the Holders of the Note.

Section 504. Provisions of the Original Master Indenture to Control. The provisions of Sections 701 through 713 of the Original Master Indenture shall control the terms under which the Master Trustee shall serve under this Supplemental Master Indenture.

Section 505. Binding Effect. All the covenants, stipulations, promises and agreements in this Supplemental Master Indenture by or on behalf of the Company or the Master Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

Section 506. Severability Clause. If any provision of this Supplemental Master Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reasons, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy. Delivery of an executed counterpart of a signature page of this Supplemental Master Indenture by facsimile, emailed PDF, or any other electronic means that reproduces an image of the actual signature page shall be as effective as delivery of a manually executed counterpart of this Supplemental Master Indenture.

Section 507. Execution in Counterparts. This Supplemental Master Indenture may be executed in any number of counterparts, each of which shall be an original; and all of which shall together constitute but one and the same instrument.

Section 508. Governing Law. This Supplemental Master Indenture shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the law of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Master Indenture to be duly executed by the persons thereunto duly authorized, as of the date and year first above written.

IPS ENTERPRISES, INC.

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

REGIONS BANK  
as Master Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SIGNATURE PAGE TO SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

EXHIBIT A

FORM OF MASTER INDENTURE NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933, AS AMENDED

Registered  
No. MRB-1

UNITED STATES OF AMERICA  
STATE OF TEXAS

Registered  
\$ \_\_\_\_\_

Interest Rate: AS SET FORTH HEREIN

Maturity Date: June 1, 2023

Issue Date: \_\_\_\_\_

Registered Holder: PNC Bank, National Association

Principal Amount: \_\_\_\_\_ AND NO/100 DOLLARS

IPS Enterprises, Inc., a Texas non-profit corporation (the “**Company**”), for value received, hereby promises to pay to the Holder named above, or registered assigns, the Principal Amount set forth above or so much thereof as may be advanced by PNC Bank, National Association (the “**Lender**”) for the benefit or account of Company pursuant to that certain Loan Agreement dated June \_\_, 2020 between the Lender and the Company (the “**Loan Agreement**”). The Company promises to pay interest on the outstanding and unpaid principal amount hereof from the date of each advance on each Payment Date at the rate set out below.

1. Authorization of Note. This Note represents the duly authorized Note of the Company, in the principal amount stated above, designated as “Master Indenture Note (IPS Enterprises, Inc.) PNC Bank Series 2020” (this Note, together with all other Notes issued and secured under the Master Indenture, referred to collectively as the “**Notes**”) issued under and pursuant to the Master Trust Indenture and Security Agreement dated as of June \_\_, 2020, between the Company, acting in its own behalf, and Regions Bank, as master trustee (the “**Master Trustee**”), as supplemented, including the Supplemental Master Trust Indenture No. 1, dated as of June \_\_, 2020, between the Company and the Master Trustee (collectively, being herein called the “**Master Indenture**”). This Note is issued for the purpose of securing the obligations of the Company under the Loan Agreement and shall be governed by and construed in accordance with the Loan Agreement. Capitalized terms used herein and undefined shall have the meanings set forth in the Loan Agreement.

It is provided in the Master Indenture that the Company has and may hereafter issue additional Notes from time to time, and if issued, such additional Notes will rank pari passu with this Note and all other Notes heretofore or hereafter issued under the Master Indenture, except as otherwise provided in the Supplemental Master Indenture authorizing such Note and Master Indenture.

Reference is hereby made to the Master Indenture and the Loan Agreement for the provisions, among others, with respect to the nature and extent of the security for and the rights

of the registered Holders of this Note, the terms and conditions on which, and purposes for which, this Note is issued and the rights, duties and obligations of the Company and the Master Trustee under the Master Indenture, to all of which the Holder hereof, by acceptance of this Note assents. The Master Indenture may be modified, amended or supplemented only to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture.

2. Payment. The outstanding and unpaid principal amount of the Note from day to day outstanding which is not past due shall bear interest at a rate per annum equal to LIBOR (as defined in the Loan Agreement) plus three hundred fifty (350) basis points (3.50%) and shall be paid on each Payment Date until June 1, 2023 when the entire amount hereof, principal and accrued interest then remaining unpaid, shall be then due and payable; interest being calculated on the unpaid principal each day principal is outstanding and all payments made credited to any collection costs and late charges, to the discharge of the interest accrued and to the reduction of the principal, in such order as Lender shall determine.

All interest on the Note shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day). Upon the occurrence and during continuation of an Event of Default under the Loan Agreement, the Note shall bear interest at the Default Rate. Lender shall deliver to Company at least five Business Days before each date for payment of interest on the Note an invoice for such payment.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than legal moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days and such extension of time shall be included in computing interest in connection with such payment. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Prepayment. This Note is subject to prepayment in whole or in part on any Payment Date. Company shall notify Lender by telephone (confirmed by telecopy) of any prepayment hereunder, not later than 11:00 a.m., Central Standard Time, two business days before the date of prepayment. Each such notice shall specify the prepayment date and the principal amount of such prepayment or portion thereof to be prepaid. Prepayments shall be accompanied by accrued interest to the prepayment date.

4. Method of Payment. All payments of principal and interest hereunder shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be made at such place as the Holder of the Note may from time to time appoint in the payment invoice or otherwise in writing.

5. Limitation of Rights. The Holder of this Note shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute,



appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

6. Transfer of Note. This Note is transferable by the registered Holder hereof in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new registered Note or Notes without coupons of the same series and maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered Holder hereof as the absolute Holder hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

7. Remedies. Upon the occurrence of any one or more of the events of default specified in the Loan Agreement, (a) the entire unpaid balance of principal of the Note, together with all accrued but unpaid interest thereon, and all other indebtedness owing to Lender by Company at such time shall, at the option of Lender, become immediately due and payable without further notice, demand, presentation, notice of dishonor, notice of intent to accelerate, notice of acceleration, protest or notice of protest of any kind, all of which are expressly waived by the Company, and (b) Lender may, at its option, cease further advances under any of the Note. All rights and remedies of Lender set forth in the Loan Agreement and in any of the other Loan Documents may also be exercised by Lender, at its option to be exercised in its sole discretion, upon the occurrence of an event of default thereunder.

8. Certain Rights of Holders. The Master Indenture permits, with certain exceptions as therein provided, the amendment of the Master Indenture and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes under the Master Indenture at any time with the consent of the Holders of not less than a majority in principal amount of the Notes at the time Outstanding, as defined in the Master Indenture. The Master Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, as defined in the Master Indenture, on behalf of the Holders of all the Notes, to waive compliance by the Company or its affiliates with certain provisions of the Master Indenture and certain past defaults under the Master Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the transfer hereof or in exchange therefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Master Indenture and no provision of this Note or of the Master Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of this Note at the times, place, and rate, and in the coin or currency, herein prescribed from the sources herein described.

9. Usury. In no event shall the amount of interest (as defined and calculated in accordance with applicable law) contracted for, charged, reserved, received or taken in connection with the loan exceed the limit of usury or other applicable law. If the applicable law is ever judicially interpreted so as to render usurious any amount contracted for, charged,

reserved, received or taken in connection with the loan, or if the exercise of the option contained in the Master Indenture or otherwise to accelerate the maturity of the loan or if any prepayment of the loan by the Company results in there having been paid or received any interest in excess of that permitted by applicable law, then notwithstanding anything to the contrary contained in the Loan Documents, all excess amounts theretofore paid or received shall be credited on the principal balance of the loan (or, if the loan has been or would thereby be paid in full, refunded), and the provisions of the Loan Agreement shall immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder.

10. No Recourse. No recourse shall be had for the payment of the principal of or premium or interest on this Note or for any claim based thereon or upon any obligation, covenant or agreement in the Master Indenture contained, against any past, present or future officer, trustee, director, member, employee or agent of the Company, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Note.

11. Authentication of Note. This Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by execution by the Master Trustee of the Certificate of Authentication inscribed hereon.

12. Waiver of Presentment or Notice. The Company hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Company.

IT IS CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolutions of the Company.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

IPS ENTERPRISES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(Form of Certificate of Authentication to  
appear on each Note)

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

REGIONS BANK  
as Master Trustee

By: \_\_\_\_\_  
Authorized Signature

## **Appendix D**

**IDEA Florida  
Board Action Item  
August 7, 2020**

**Subject:** Master Lease between IDEA Florida and Insight Investments, LLC for laptop computers for Staff

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**Proposed Board Action:** For Approval

**Executive Summary:**

The proposed lease agreement will allow for the leasing of laptop computers for staff in the Tampa and Jacksonville regions. The lease is for Dell Latitude 5400 laptop computers at a per unit price of \$714. The lease payment schedule is as follows:

Months 1-42: \$708.32

Months 43-48: \$449.82

**Total Expenditures as follows:**

Year 1: \$8499.80

Year 2: \$8499.80

Year 3: \$8499.80

Year 4: \$6948.82

Total: \$32,448.22

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**Supporting Documentation:** Master Lease #9425, Leasing Overview Presentation

**Presenter:** Adam Miller, VP Advancement





**Insight**  
Financial Services™



**IDEA**  
Public Schools

**IDEA Public Schools**  
Florida, Inc.

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## 1:1 LEASING OVERVIEW



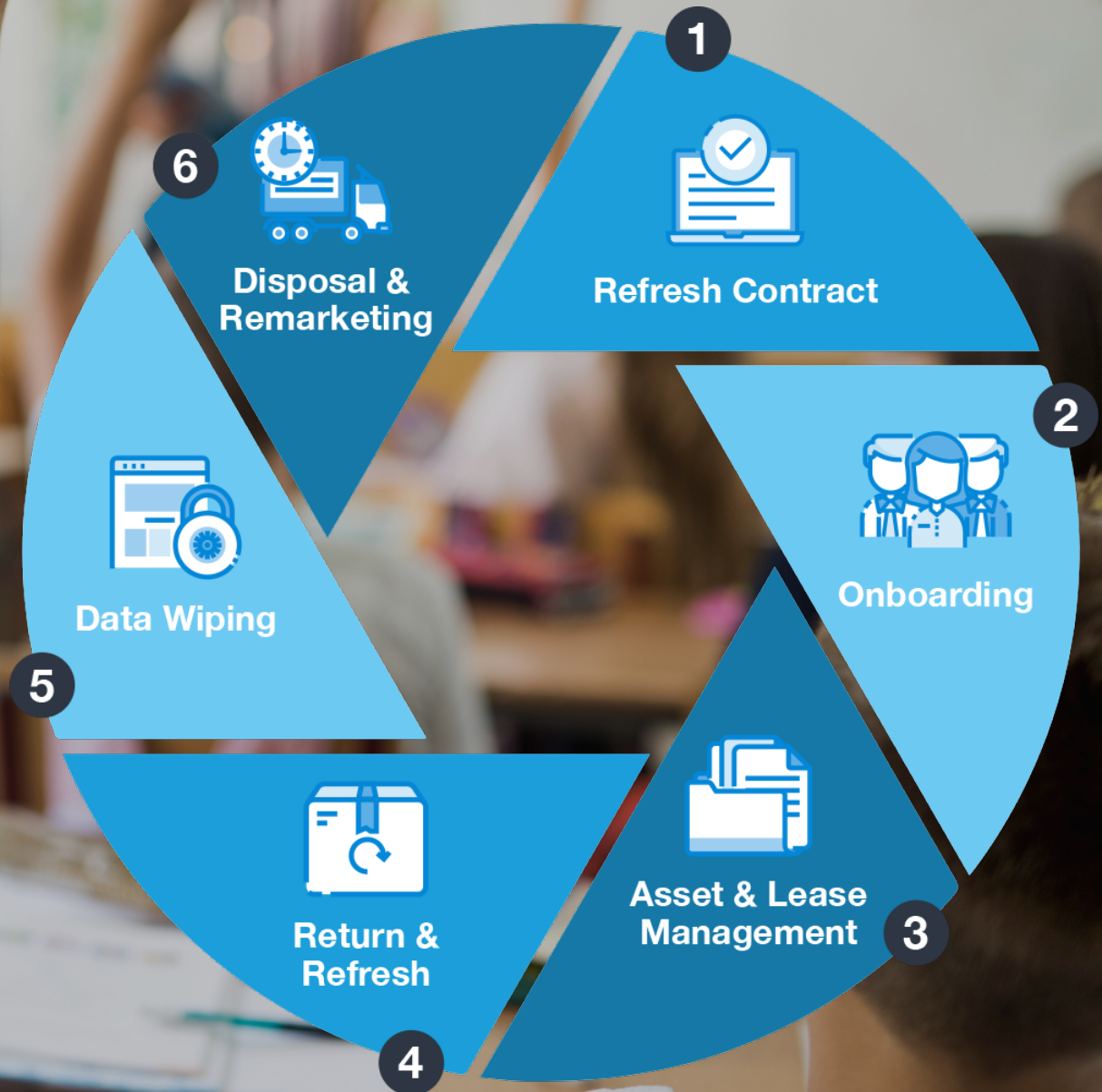
# Partnership Overview – IDEA PUBLIC SCHOOLS

- Partnership Established in 2015 with Insight Financial Services (IFS)
- Since 2015, IFS has been supporting our rampant growth for IDEA TX, IPS Enterprises, LLC, NOLA, LA and FL locations
- IDEA has entered into a total of (22) Lease Schedules
- Incorporated a lease structure to align with our financial and operational objectives
- IFS works closely with our IT vendors to ensure smooth and seamless ordering process
- Customized Asset & Lease Management tool is tremendously valuable for IPS Enterprises to manage both assets and lease details
- Multiple schedules have matured - EOT process seamless with 0% damage chargebacks YTD
- Flexibility to accept like-kind returns for Staff and Student devices has helped reduce cost of missing units





# Stages Of The IFS Lease And Refresh Program



# Lease & Asset Management System



## LEASE MANAGEMENT

- Personalized Executive Dashboard
- Alerts to Maturing Leases
- View Executed Lease Agreements
- Import External Leases Contracts
- Review & Download Invoices

## REPORTING

- Generate Right-Of-Use Reports
- Annually SOC 1 Audited
- Run Lease Runoff Report
- View Aging Report
- Create Customized Reports

## ASSET MANAGEMENT

- Track Asset Details
- Create User Defined Fields
- Submit Change Request Tickets
- Simplify Refresh with Returns Center
- Import External Assets

## INTEGRATIONS

- Flexible API Options
- Available as SOAP & REST
- Proven ServiceNow Compatibility
- Reduce Duplicate Entry
- Setup Automatic Updates





# Staff Notebook Orders – Lease Structure Overview

## LEASE STRUCTURE OVERVIEW STAFF DEVICES

- Estimated ordering date: June 15, 2020
- Estimated hardware delivery & acceptance: 7/31/2020
- Lease Commencement Date: 8/1/2020
- Lease Term: 42-months
- 6-Month Transition: Reduced Monthly Payment
- Total Term of Lease: 48-Months
- Lease Termination Date: 7/31/2024

## INCLUDED WITH LEASE

- Data Wipe at IFS Technology Center
- One-time Pack & Ship at End of Lease



# Staff Device Lease - Preliminary Cost For IDEA Florida, Inc.

## Jacksonville Regional Office

Asset Description	Term	Qty	Unit Price	Ext. Price	Lease Rate	Monthly Payment	6-month RRP Reduced LRF	6-month Payment
Dell Latitude 5400	42-months	14	\$714.00	\$ 9,996.00	0.023620	\$ 236.11	0.0150	\$149.94

## Tampa Regional Office

Asset Description	Term	Qty	Unit Price	Ext. Price	Lease Rate	Monthly Payment	6-month RRP Reduced LRF	6-month Payment
Dell Latitude 5400	42-months	28	\$714.00	\$19,992.00	0.023620	\$ 472.21	0.0150	\$299.88

Total Cost of Staff Devices = \$ 29,988.00	
Total Monthly Lease Payment (42-Month Term) = \$ 708.32	
Total Monthly Lease Payment (6-Month RRP) = \$ 449.82	
Total Annual Sum of Lease Payments (Year 1) = \$ 8,499.80	
Total Annual Sum of Lease Payments (Year 2) = \$ 8,499.80	
Total Annual Sum of Lease Payments (Year 3) = \$ 8,499.80	
Total Annual Sum of Lease Payments (Year 4) = \$ 6,948.82	

# Dedicated Account Management Team

A group of approximately ten people are seated around a long white conference table in a modern office. The room features large floor-to-ceiling windows that offer a panoramic view of a city skyline. The office has a clean, minimalist aesthetic with grey walls and a polished floor. The people are dressed in business attire and appear to be engaged in a meeting.

## **Kyle Singer**

Account Executive

281.210.1221 | [ksinger@ifsleasing.com](mailto:ksinger@ifsleasing.com)

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## **Colleen O'Donnell**

Senior Vice President, Regional Director

916-333-5395 | [codonnell@ifsleasing.com](mailto:codonnell@ifsleasing.com)

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## **Jennifer Silva**

Supervisor, Lease Administration

714.939.2837 | [jsilva@ifsleasing.com](mailto:jsilva@ifsleasing.com)

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## **Rangina Sarpas**

End of Lease Administration Supervisor

714.939.2846 | [rsarpas@insightinvestments.com](mailto:rsarpas@insightinvestments.com)

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## **Valentina Reymond**

Accounts Receivable Coordinator

714.939.2320 | [vreymond@ifsleasing.com](mailto:vreymond@ifsleasing.com)

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## **Claire Campbell**

Customer Success Manager (AMOS Support)

714.939.2352 | [amoshelp@ifsleasing.com](mailto:amoshelp@ifsleasing.com)





Thank You.

## MASTER LEASE AGREEMENT NO. 9425

This Master Lease Agreement ("Master Lease") dated April 23, 2020 is made by and between Insight Investments, LLC, ("Lessor"), a Delaware limited liability company, 611 Anton Blvd., Suite 700, Costa Mesa, California 92626, and IDEA Florida, Inc. ("Lessee"), a Florida non-profit corporation, with offices at 4655 Salisbury Rd., Jacksonville, FL 32256. This Master Agreement shall be effective from the date hereof.

### LEASE AND TERM

#### 1. Schedules

Lessor and Lessee may enter into one or more Schedules for the lease of Equipment. A Schedule may also include the financing of Intangibles. Each Schedule will constitute a separate agreement with respect to that transaction and will specify details and any special terms applicable to that transaction. In the event of any conflict between this Master Lease and a Schedule, the Schedule will govern.

#### 2. Term

On the Acceptance Date, Lessee will be deemed to accept the Equipment, will be bound to perform its obligations under the Schedule, and the term of the Schedule will begin and continue through the Base Term, and thereafter until terminated by either party upon the expiration of the applicable written Notice Period. No termination of a Schedule under this Section shall be effective prior to the expiration of the Base Term.

#### 3. End of Term Options

As long as no Event of Default has occurred and is continuing and provided Lessee has given written notice to Lessor of its decision to exercise one or more of the following options at least 30 days prior to the expiration of the Base Term, Lessee will have the right to exercise the following options:

- a) **Month to Month Extension Option.** Lessee may extend the Base Term covering all or any complete system of Equipment on a month to month basis. The Rent required to be paid during said extended period will be at the same rate in effect at the expiration of the Base Term.
- b) **Fair Market Value Fixed Term Extension Option.** Lessee may extend the Base Term covering all or any complete system of the Equipment. The Rent required to be paid during said extended period shall be equal to the Fair Market Value of the Equipment over the extended period.
- c) **Fair Market Value Purchase Option.** Lessee may purchase all or any complete system of Equipment for an amount equal to the Fair Market Value plus applicable taxes on the date of the expiration of the Base Term (the "Purchase Date"). Title to the purchased Equipment will pass to Lessee on the Purchase Date provided Lessee has paid all amounts then due under the Schedule and the full purchase price and taxes.
- d) **Return Option.** As required in Section 9, Lessee shall return all or any complete system of Equipment that has not been renewed or purchased as set forth in subsections (a), (b) or (c) of this Section 3.

**Like Kind Exchange.** As it relates to personal computers, laptop computers, tablet computers and printers, Lessee shall have the right to return "Like Equipment" (as defined below), in complete systems, in lieu of returning all or any of the equipment types described above. Like Equipment shall mean replacement equipment which is (i) lien free; (ii) of the same or similar model, type, configuration, manufacturer, and equal to or greater performance level as the Equipment being substituted, as determined by Lessor, and (iii) acquired by the Lessee in the ordinary course of business and not for the purposes of being substitute equipment under this provision. Clean title to the Like Equipment shall vest in Lessor and clean title to the Equipment being replaced shall vest in Lessee.

If Lessor has not received Lessee's notice of exercise of the foregoing options in a timely manner, then the applicable Schedule will renew on a month to month basis in accordance with the lease terms then in effect until the completion of the Notice Period as required in Section 2.

#### **FEES**

##### **4. Rent and Overdue Rate**

Rent is due and payable in advance on the first day of each Rent Interval to the payee and at the location specified in Lessor's invoice. Interim Rent is due and payable upon invoicing. If any payment is not made when due, Lessee will pay interest at the Overdue Rate.

##### **5. Taxes**

Lessee will pay or reimburse Lessor for all taxes, fees or other charges imposed by any local, state or federal authority or any other taxing authority (together with any related interest or penalties not due to the fault of Lessor) arising in connection with this Master Lease and any Schedule entered into hereunder, except for taxes based on Lessor's net income. Lessor shall be responsible for filing all personal property tax returns.

Notwithstanding the foregoing, since Lessee has provided Lessor with a Form R-1056 (10/07) (Louisiana Sales and Use Tax Exemption Certificate), no Louisiana sales or use taxes will be billed on the Rent due hereunder. The exemption from sales and use taxes will apply so long as such exemption remains valid and is available from the State of Louisiana.

#### **FINANCING**

##### **6. Net Lease**

Each Schedule constitutes a net lease. Lessee's obligations (i) to pay Rent and all other amounts due hereunder and (ii) to perform all other Lessee obligations hereunder are absolute, non-cancellable and unconditional and are not subject to any abatement, reduction, set-off, defense, counterclaim, interruption, deferment or recoupment for any reason.

##### **7. Title and Assignment**

Lessee acknowledges and agrees that Lessor owns the Equipment. Lessee's interest is a possessory interest only, Lessee obtains no title to such Equipment, and Lessee holds the Equipment subject to and subordinate to the rights of Lessor, any Assignee and any Secured Party. In order to perfect Lessor's security interest in the Equipment in the event a Schedule is determined to be a lease intended as security, Lessee grants Lessor a security interest in the Equipment to secure all obligations of Lessee to Lessor and authorizes Lessor, as Lessee's agent, to prepare, execute and file, in Lessee's name, UCC financing statements confirming and perfecting such interests in the Equipment. Until all obligations of Lessee to Lessor with respect to a Schedule are satisfied in full, Lessee will not file a termination of any financing statement filed by Lessor with respect to the Schedule. Lessee will give Lessor at least thirty (30) days prior written notice of any change in Lessee's name, form of organization or jurisdiction of formation. Lessee will, at its expense, keep the Equipment free and clear from any liens or encumbrances of any kind (except any caused by Lessor) and will indemnify and hold Lessor and any Secured Party and Assignee harmless from and against any loss caused by Lessee's failure to do so. Upon request, Lessee will mark the Equipment indicating Lessor's interest.

Lessor will be entitled to sell, assign, or transfer, in whole or in part, its interest in a Schedule, the receivables and/or the Equipment thereunder or grant a security interest in and to a Schedule and/or the Equipment to an Assignee. The Assignee may exercise all of Lessor's rights, but Lessor will remain solely responsible for the performance of its obligations hereunder. Lessee consents to and will acknowledge such assignments in a written notice provided by Lessor to Lessee. Upon request, Lessee will provide (i) a secretary's certificate of incumbency and authority, (ii) a legal opinion relating to the representations contained in Section 13,



(iii) audited financial statements, (iv) an acceptance certificate; and (v) and any other documentation reasonably requested by Lessor. Lessor acknowledges that any assignment or transfer by Lessor permitted hereunder shall not materially change Lessee's duties or obligations under this Agreement or materially increase the burdens or risks imposed upon Lessee. Lessee waives and shall not assert against any Assignee or Secured Party, any right or claim that Lessee may have against Lessor or any third party and will pay all Rent and other amounts due under each Schedule without any abatement, reduction, set-off, defense, counterclaim, interruption, deferment or recoupment.

## **LESSEE RESPONSIBILITIES**

### **8. Selection, Care, Use and Maintenance**

Lessee acknowledges that it has selected the Equipment and specified its configuration based on its own judgment and that it does not rely on any representations made by Lessor.

Lessee will maintain the Equipment in good operating order and appearance (ordinary wear and tear excluded) and will use the Equipment only in connection with its business operations and for the purposes for which it was designed and in compliance with all applicable manufacturer operating standards. If commercially available, Lessee will maintain a contract for the maintenance of the Equipment throughout the term of the applicable Schedule. Lessor shall have the right to inspect the Equipment to assure proper maintenance. It is the responsibility of the Lessee to recertify the Equipment as eligible for manufacturer's maintenance at the expiration of the lease term. The lease term will continue on the same terms until such certification has been obtained. The foregoing requirements to obtain a maintenance contract and to recertify the Equipment shall not apply to personal computers, laptop computers, tablet computers and printers.

Lessee will not permit any additions, improvements, variations, modifications or alterations of any kind to be made to the Equipment without Lessor's prior written consent.

### **9. Transportation, Return and Data Security**

Lessee assumes the full expense of transportation and in-transit insurance to Lessee's premises and for installation of the Equipment.

Upon the expiration or termination of a Schedule, Lessee will, at its expense, deinstall, pack and ship the Equipment to Lessor in accordance with the manufacturer's specifications and Lessor's instructions. For the convenience of Lessee, Lessor may at its sole discretion allow an early return of Equipment. Any written request for the early return of Equipment approved by Lessor will release Lessee of its leasehold rights and possessory interest in the Equipment but will not otherwise constitute a termination of the Base Term or Lessee's related obligations, including but not limited to the payment of Rent. Lessee will return the Equipment in the condition required under Section 8 to a location directed by Lessor. If the Equipment is not returned in the required condition and in a timely manner, then the notice of termination will be deemed void, and the Schedule shall continue in accordance with its terms.

Notwithstanding anything to the contrary contained herein, at the expiration of the Base Term, so long as no Event of Default has occurred or is continuing, Lessee shall not be required to return to Lessor any CD ROMS, diskettes and other media relating to personal computers, laptop computers, or tablet computers.

**Prior to any return of Equipment hereunder, Lessee agrees at its sole cost and expense, to permanently destroy, delete and remove all data (including any sensitive information or data belonging to Lessee or its customer/clients/patients) that is stored, recorded or in any way contained within the Equipment. This data removal may be done directly by Lessee or by a third party. Lessor offers a data removal service which Lessee may contract for under a separate agreement. Lessee retains the sole responsibility to so destroy, delete, and remove all data and information stored in or on the Equipment. Lessor has absolutely no liability for any data or**

information that Lessee fails to so destroy, delete, and remove. All hard drives and other data retention components must function as originally installed after data removal and must be in the condition as specified above.

**10. Relocation or Assignment by Lessee**

Throughout the term of the applicable Schedule, Lessee will keep the Equipment at the site(s) designated in the Schedule or at such other address within the continental United States as Lessor may from time to time approve in writing.

LESSEE SHALL NOT (A) SELL, ASSIGN OR TRANSFER THIS MASTER LEASE OR ANY SCHEDULE, OR ANY RIGHTS, INTERESTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE EQUIPMENT SUBJECT THERETO OR (B) SUBLEASE, RENT OR PERMIT ANYONE OTHER THAN LESSEE TO USE THE EQUIPMENT. Any purported sale, assignment, sublease, transfer or other disposition in violation of this section will be of no force and effect.

**11. Risk of Loss and Insurance**

Effective upon delivery, Lessee will bear the risk of and indemnify Lessor against loss, theft or destruction of or damage to the Equipment. Lessee will carry casualty insurance for the Equipment in an amount not less than the Casualty Value and shall carry comprehensive general liability and property damage insurance in amounts of not less than \$1,000,000.00 per occurrence covering Lessee, the Equipment and its use. Lessee will also carry breach of warranty insurance. All insurance policies will (i) name the Lessor its Assignees and Secured Parties as loss payees for casualty coverage and additional insureds for liability coverage, (ii) include breach of warranty coverage for Lessor, its Assignees and Secured Parties, and (iii) will provide for at least 30 days prior written notice to Lessor, its Assignees and Secured Parties of cancellation or expiration. Lessee will also carry bodily injury and property damage insurance in amounts and against risks customarily insured against by Lessee on equipment owned by it. At Lessor's request, Lessee shall deliver to Lessor certificates or other proof of insurance evidencing the required coverages.

Lessee will promptly repair, at its expense; any damaged Equipment, unless such Equipment has suffered a Casualty Loss. If the Equipment has suffered a Casualty Loss, Lessee will notify Lessor within fifteen (15) days of such Casualty Loss and Lessee will replace the damaged Equipment with Equipment of the same manufacturer model, type, feature and configuration, and marketable title in such replacement Equipment will vest in Lessor free and clear of all liens and encumbrances, except the interest of Lessee under the Lease.

There will be no abatement of any Rent, or any other amounts owed to Lessor under a Schedule, as a result of any loss, theft, destruction or damage to the Equipment.

**12. Indemnification**

Lessee will indemnify and hold Lessor, any Assignee and any Secured Party harmless, on an after tax basis, from and against any and all claims, costs, expenses, damages, personal injury damages, property damages and liabilities, including reasonable attorneys' fees, arising out of the ownership (for strict liability in tort only), possession, control, selection, leasing, maintenance, operation, return, or other disposition and use of the Equipment. The Lessee, however, will not be responsible for injury directly attributed to the intentional or negligent acts or negligent omissions of the indemnified party, its employees or agents.

**13. Representations and Warranties**

Lessee represents and warrants that (i) this Master Lease and each Schedule will have been executed by a duly authorized representative with full power and authority to legally bind such party, (ii) the Master Lease and each Schedule constitute legal, valid and binding agreements of the Lessee enforceable in accordance with their terms, and (iii) the Equipment is personal property and will not become fixtures under applicable law. Neither

Lessee nor any guarantor of Lessee's obligations under a Schedule will permit or suffer a change in its controlling ownership from the date of the applicable Schedule without Lessor's prior written consent.

## DEFAULT AND REMEDIES

### 14. Default

The occurrence of any one or more of the following Events of Default constitutes a default under a Schedule:

(i) Failure of Lessee to pay Rent or any other amounts when due, if that failure continues for ten (10) days after written notice; (ii) Failure of Lessee to perform any other term or condition of this Master Lease or the Schedule, if that failure continues for thirty (30) days after written notice; (iii) Any representation or warranty by Lessee or any guarantor of Lessee's obligations proves to have been false or misleading when made; (iv) An assignment by Lessee for the benefit of creditors, the failure by Lessee to pay its debts when due, the insolvency of Lessee, the filing by Lessee or the filing against Lessee of any petition under bankruptcy or insolvency law, or the appointment of a trustee or other officer with similar powers, the liquidation of Lessee, or the taking of any action for the purposes of the foregoing; (v) Lessee dissolves or ceases to do business as a going concern or sells all or substantially all of its assets; (vi) The occurrence of an Event of Default under any Schedule or other agreement with Lessor or its Assignee or Secured Party; (vii) any guarantor of Lessee's obligations under a Schedule becomes subject to any of the events or occurrences set forth in subsections (iv) or (v); (viii) The cancellation, revocation or termination of Lessee's charter contract by the Louisiana State Board of Education, for any reason.

### 15. Remedies

Upon the occurrence of any of the above Events of Default, Lessor may at its option exercise one or more of the following rights: (i) enforce Lessee's performance of the provisions of a Schedule by appropriate court action in law or in equity; (ii) terminate the Schedule without terminating Lessee's obligations thereunder; (iii) recover from Lessee any damages or expenses, including Default Costs; (iv) recover all sums due and accelerate the present value of the remaining payment stream of all Rent due under the applicable Schedule (discounted at the lower of 3% or the rate at which the applicable Schedule was financed with the Secured Party) together with all Rent and other amounts currently due as liquidated damages and not a penalty; (v) enter Lessee's premises to remove and repossess the Equipment without being liable for damages (except those resulting from its negligence); and (vi) pursue any other remedy permitted by law or equity. No remedy is intended to be exclusive, but each right may be enforced concurrently or individually.

### 16. Mitigation

Upon return of the Equipment pursuant to Section 15, Lessor will use reasonable efforts in accordance with its normal business procedures (without any obligation of priority) to mitigate its damages as described below. **LESSEE WAIVES ANY RIGHTS CONFERRED BY STATUTE WHICH MAY REQUIRE LESSOR TO MITIGATE ITS DAMAGES OR MODIFY ANY OF LESSOR'S RIGHTS OR REMEDIES STATED HEREIN.** Lessor may sell or lease the Equipment on a public or private basis. The net proceeds for any such transaction will be determined based upon the following: (a) if sold, the cash proceeds of the sale, less the Fair Market Value of the Equipment at the end of the Base Term and less the Default Costs; or (b) if leased, the present value (discounted at three points over the prime rate as referenced in the Wall Street Journal at the time of the mitigation) of the rentals for a term not to exceed the remainder of the Base Term at the time of default, less the Default Costs. The proceeds of mitigation, if any, will be applied against liquidated damages due to Lessor. If the net proceeds available after the permitted deductions are less than the amounts due and owing to Lessor under Section 15, Lessee shall be liable for the deficiency.

## GENERAL PROVISIONS

### 17. Lessor Warranty and Assignment of Manufacturer Warranties

Lessor (and any Secured Party and Assignee) warrant to Lessee that so long as Lessee is not in default, they will not disturb Lessee's quiet and peaceful possession, and unrestricted use of the Equipment or any Intangibles.

To the extent possible, Lessor will assign to Lessee any manufacturers' warranties relating to the Equipment. Lessee may interact directly with the manufacturer to receive complete documentation relating to the manufacturer warranties and any disclaimers and limitations thereon.

#### **18. Disclaimers, Limitations and Waivers**

**LESSOR IS NOT THE MANUFACTURER OR SUPPLIER OF THE EQUIPMENT AND, EXCEPT AS SET FORTH IN SECTION 17 OF THE MASTER LEASE, MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR A PARTICULAR PURPOSE.**

Lessor is not responsible for any liability, claim, loss, damage or expense of any kind (including strict liability in tort) caused by the Equipment, except for any loss or damage caused by the negligent acts of Lessor.

**UNDER NO CIRCUMSTANCES, WILL EITHER PARTY BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING LOST PROFITS OR SAVINGS) EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NO RIGHTS OR REMEDIES REFERRED TO IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE WILL BE CONFERRED ON LESSEE UNLESS EXPRESSLY GRANTED IN THIS AGREEMENT OR SCHEDULE.**

**ARTICLE 2A MAY APPLY TO A SCHEDULE AND LESSEE MAY HAVE CERTAIN RIGHTS THEREUNDER. IF SO, LESSEE ACKNOWLEDGES THAT SUCH A SCHEDULE IS A FINANCE LEASE AS DEFINED IN UCC SECTION 2A-103. TO THE EXTENT PERMITTED BY LAW, LESSEE HEREBY WAIVES ANY RIGHTS OR REMEDIES LESSEE MAY HAVE UNDER UCC SECTIONS 2A-508 THROUGH 522 INCLUDING, WITHOUT LIMITATION, RIGHTS OF REJECTION, REVOCATION, CANCELLATION, AND RECOVERY FOR BREACH OF WARRANTY.**

#### **19. Miscellaneous**

A. Purchase Orders. Lessee may issue a purchase order to Lessor for administrative purposes only. Terms and conditions on Lessee's purchase order or other acknowledgment form, which are in addition to, or in conflict with this Agreement, will be of no force or effect.

B. Purchase Authorization. With respect to any equipment as to which (i) Lessee has issued a purchase order to Lessor or (ii) Lessee and Lessor have executed a letter of intent, proposal or similar agreement outlining the cost, rent, term and other provisions, and providing for such equipment to be leased under a Schedule hereto, Lessee agrees that: (a) Lessor may order such equipment from a manufacturer or vendor thereof in Lessor's own name, and (b) in such case, Lessee will indemnify and hold Lessor harmless from and against all claims, actions and/or demands of said manufacturer or vendor resulting from any cancellation or termination of said purchase order in the event that the lease financing of said Equipment contemplated by the letter of intent, proposal or similar agreement is not consummated.

C. Licensed Products and Intangibles. Lessee will not obtain from Lessor any title to or right to use any third party software which may be provided in connection with the Equipment. It is Lessee's responsibility to obtain any required license from the licensor. Any rent attributable to Lessor's financing of Intangibles will be paid under this Lease as Rent subject to the provisions of Section 6 regardless of Lessee's dissatisfaction with the performance or quality of the Intangibles. Lessee acknowledges that all Intangibles are provided directly to Lessee by a third party, and not by Lessor.

D. Relationship. Each party is an independent contractor and, except as expressly set forth herein will have no authority to bind or commit the other party. Nothing herein shall be deemed or construed to create a joint venture, partnership or agency relationship between the parties.

E. No Waiver. The waiver by either party of a breach of any provision of this Agreement will not be construed as a waiver of any subsequent breach. The invalidity, in whole or in part, of any provision of this Agreement will not affect the validity of the remaining provisions.

F. Notices. Any notice, request or other communication under this Agreement will be given in writing and deemed received upon the earlier of actual receipt or three (3) days after mailing if mailed postage prepaid by regular mail to the address set forth above or, one (1) day after such notice is sent by overnight delivery. The end of lease notice required under Section 2 may be provided by Lessee by (i) an electronic transmission utilizing Lessor's Asset Management Online System (AMOS) or (ii) via email addressed to eol\_notice@ifsleasing.com. Each party adopts its signature on the electronic transmission methods described above as its original signature and agrees that such notification methods will have the same effect as if the document had been signed and delivered by mail or in person.

G. Survival. Those terms and conditions which would, by their meaning or intent, survive the expiration or termination of any Schedule will so survive.

H. Entire Agreement. This Master Lease and each Schedule represents the entire agreement between the parties and supersedes all oral or other written agreements or understandings between the parties concerning the Equipment. This Master Lease and each Schedule may not be modified unless in writing and signed by the party against whom enforcement of the modification is sought. If any provision of this Master Lease or any Equipment Schedule is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired.

I. Law. THIS MASTER LEASE AND EACH SCHEDULE IS GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ITS CONFLICT OF LAWS PROVISIONS. All parties agree that no convention of the United Nations, including the Convention on Contracts for the International Sale of Goods, shall apply to a Schedule. If there is any dispute or litigation as a result of this Agreement, the prevailing party will be entitled to reasonable attorney's fees. TO THE EXTENT NOT PROHIBITED BY LAW, **THE PARTIES HERETO WAIVE THE RIGHT TO TRIAL BY JURY TO THE EXTENT SUCH RIGHT MAY BE WAIVED.**

J. Counterparts. This Master Lease and any Schedule may be executed in counterparts, each of which shall be deemed an original, with all of the counterparts together constituting one and the same instrument.

K. Binding Effect. This Master Lease shall be binding upon and shall inure to the benefit of Lessor, Lessee and their respective successors and permitted assigns.

L. Lessor's Discharge of Lessee's Obligations. If Lessee fails to comply with any provision of a Schedule, Lessor has the right, but not the obligation, to effect such compliance on behalf of Lessee upon ten (10) days prior written notice to Lessee. In such event, all monies advanced or extended by Lessor, and all expenses incurred by Lessor in affecting such compliance, together with an amount equal to the Overdue Rate shall be paid by Lessee to Lessor on the first day of the next Rent Interval. No such performance by Lessor shall be deemed a waiver of any rights or remedies of Lessor or be deemed to cure the default by Lessee.

M. Affiliates. Lessor and Lessee (or any of Lessee's Affiliates) may enter into one or more Schedules for the lease of Equipment. If the Schedule is executed by an Affiliate of Lessee, then such Affiliate shall be deemed the "Lessee" hereunder with respect to that Schedule. **The Master Lessee will, without notice, be jointly and severally liable for the due performance of the obligations of its Affiliates under all Schedules executed hereunder, including without limitation, all terms and conditions negotiated by its Affiliate.**

## 20. Definitions

A. "Acceptance Date" is defined in the Schedule.

B. "Affiliates" means any entity directly or indirectly owned or controlled by, or under common ownership or control with the Master Lessee who is party to this Agreement.

C. "Agreement" means collectively this Master Lease and each Schedule.

D. "Assignee" means an entity to which Lessor has sold, assigned or transferred its rights in a Schedule, the receivables and/or the Equipment covered thereby.

E. "Base Term" means the period of time beginning on the first day of the full Rent Interval following the Acceptance Date and continuing for the number of Rent Intervals indicated on the Schedule.

F. "Casualty Loss" means that the Equipment has suffered irreparable damage or destruction or has otherwise been irretrievably lost or stolen or taken in condemnation.

G. "Casualty Value" means the greater of the Fair Market Value of the Equipment or the aggregate Rent remaining for the balance of the Base Term.

H. "Default Costs" means reasonable costs and expenses, including court costs, reasonable collection and attorney's fees and costs, as well as any costs of repossession, repairing, refurbishing and remarketing resulting from a Lessee Event of Default.

I. "Equipment" means all the tangible personal property made available by Lessor to Lessee under this Agreement together with all replacements and renewals and the component parts thereof.

J. "Events of Default" means the events described in Section 14.

K. "Fair Market Value" means the price or rent (as applicable) obtainable for the Equipment in an arm's-length sale or lease transaction (as applicable) between informed and willing parties, neither under compulsion to contract, for the sale or lease of Equipment utilizing an assumption that the Equipment is installed and under continuous and uninterrupted use by the buyer/user.

L. "Intangibles" means non-hardware items including, but not limited to, software license fees, services, maintenance, installation and deinstallation costs.

M. "Interim Rent" means the prorata portion of Rent due for the period from the Acceptance Date through but not including the first day of the first full Rent Interval of the Base Term.

N. "Master Lease" has the meaning set forth in the first sentence of this Master Lease Agreement.

O. "Master Lessee" means the party executing this Master Lease as the "Lessee".

P. "Notice Period" means 30 days prior to the expiration of the Base Term or any month thereafter.

Q. "Overdue Rate" means the lesser of one and one-half percent (1.5%) per month or the maximum amount permitted by law.

R. "Rent" means the rent, including Interim Rent, Lessee will pay for the Equipment as specified in the Schedule.

S. "Rent Interval" means a full calendar month or quarter as indicated on a Schedule.

T. "Schedule" means a document which is issued pursuant to this Master Lease and incorporates by reference certain terms and conditions of this Master Lease as indicated herein.

U. "Secured Party" means an entity which has been granted a security interest in a Schedule and/or related Equipment for the purpose of securing a loan.

V. "UCC" means the Uniform Commercial Code as enacted in California.

IN WITNESS WHEREOF, the parties have caused this Master Lease to be executed by their duly authorized officers as of the day and year first set forth above.

INSIGHT INVESTMENTS, LLC

IDEA FLORIDA, INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

THIS IS COUNTERPART NO. \_\_\_ OF THREE (3) SERIALY NUMBERED, MANUALLY EXECUTED COUNTERPARTS OF THIS MASTER LEASE. ONLY COUNTERPART NO. 1 CONSTITUTES CHATTEL PAPER UNDER THE UCC